

Second Session - Fortieth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
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MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 7, 2013

The House met at 10 a.m.

ORDERS OF THE DAY
(Continued)

GOVERNMENT BUSINESS

COMMITTEE OF SUPPLY
(Concurrent Sections)

HEALTH

Mr. Chairperson (Mohinder Saran): Order. Will the Committee of Supply please come to order.

This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Health. As had been previously agreed, questions for the department will proceed in a global manner.

The floor is now open for questions.

Hon. Theresa Oswald (Minister of Health): I was just going to continue where we left off yesterday, with the consent of my colleagues here. Just before I do that, I didn't quite get a chance at the end of yesterday to fill some information from a few days earlier, so I'm just going to quickly do that, and then I'll move on to answering some questions from folks that appeared at the end of the day.

The member for Morden-Winkler (Mr. Friesen) had a question about the Mental Health Review Board and asked for clarification regarding the membership of the Mental Health Review Board and whether or not there are vacancies at present. I can let the member know that the previous board members the member referenced were replaced by way of the same orders-in-council that indicated their appointments were being revoked. So I'm not sure what kind of a list he was looking at. Perhaps it was just a summary list or a summative list, but the actual OICs show who is being appointed and who is being revoked.

So the October 31st, 2012, OIC indicates that Ms. Barbara Manning had resigned, and, therefore, her appointment was revoked and that she had been replaced by Velma Kreshewski. And, as I said before, in the case of the July 23rd, 2012, OIC, Mr. Merv Jones had indeed passed away and was replaced on the board by Ms. Margaret Nighswander. There were—or there are currently no lay-member

vacancies on the Mental Health Review Board. There is currently one psychiatrist position vacant and recruitment efforts are ongoing with the dedicated co-operation of the board. It's always, I can say to the member, a bit more difficult to recruit professionals into these roles. They are very busy, and we want to ensure that they find the right balance.

Also, I would say to the member that I am able to confirm that there is a public listing of all government agencies, boards and commissions available on the government website and it is organized by department. I understand that this information is updated periodically. I'm not sure if it's quarterly, but it's from time to time. As the board membership changes, he can find this at www.gov.mb.ca/government/abc/index.html. You can go directly to that site or you can go to the Manitoba government main site and click Agencies, Boards and Commissions, and—it's a tab under Your Government, and it should be able to tell you the information that you were seeking from me at an earlier sitting and, indeed, a complete listing of Manitoba Health board membership will come forth for the member.

Also, just to confirm, the member asked me a question regarding Silvia de Sousa on the Health Professions Advisory Council and, indeed, the individual felt, after being appointed and upon reflection and review, that there may be a conflict of interest. And so I did state that in the Hansard earlier, but I told the member that I would check that, and that is, in fact, accurate.

Moving on, then, to—I want to provide an update for the member from Lac du Bonnet. The member is correct; Dr. Nyhof is not the VP Medical and CMO at present. He resigned some weeks back, and that position is currently vacant. But there is an acting medical professional in that role, Dr. Cary Chapnick; J. Coleman is no longer the VP, Acute Health Services and CNO. It's vacant and being covered in an acting role by VP Community Health Services B. McKenzie.

And just to clarify, Mr. Chairperson, the member for Morden-Winkler (Mr. Friesen) and I were having a conversation earlier on about premerger and post-merger positions, and we were working our way

through names and positions. And so I was providing, for the record, the pre and the post, and when I read back, that was the same list that I read, but, indeed, these positions will evolve over time. People will retire, as they are well earned of doing. So, when I spoke to the member, I did use the term, now this is, but I was speaking from the context of pre and post. So I appreciate the member letting me clarify that.

You did ask me yesterday, concerning three individuals, where did they come from, and I—where did they come from and where'd they go, I think. I—and I provided you testimony for two individuals that had come from the South Eastman region. But I apologize, I cannot recall the third one and, of course, Hansard wasn't available this morning for me to check. Would the member mind repeating which person he was referring to, and I will endeavour to get him that answer post-haste.

Mr. Wayne Ewasko (Lac du Bonnet): The question I had yesterday was where Ms. McKenzie came from, and you answered that, Minister. But I was asking where Mrs. DeMarco, Ms. Frith and Mr. Magnusson had gone, and you had said that Ms. DeMarco and—Mrs. DeMarco and Ms. Frith had—is no longer with the region. And I'd asked if they had moved on to somewhere else in the department, and Mr. Magnusson, you didn't quite know where he was—so.

Ms. Oswald: So I will have my department check on the transition for Mr. Magnusson and get back to you ASAP. I just didn't remember the third out of three.

I think that that, by and large, covers the questions. I know that the member for Lac du Bonnet asked some questions concerning compensation, I believe. I'm not sure. But I did respond to him that the nature of the questions that he was asking would be—sort of be captured in the whole package of requests that the member is, you know, is waiting for and that the department is working on. And so as I said yesterday, we will provide that in its entirety to the critic, but we can peel out that portion specifically for the member when it's ready. I am informed that Mr. Magnusson is indeed working—in the RHA, and we're going to confirm for you the position and provide that for you ASAP.

Mr. Ewasko: Thank you, Mr. Chair and Madam Minister, for the answers, and I look forward to getting a copy or that information from yourself and the critic within the Estimates period as well. Thank you.

So go to my—oh—

Mr. Chairperson: Honourable Minister?

* (10:10)

Ms. Oswald: Yes, once again, as I said to the member yesterday, we are working on a compilation of the financial information that the member has requested. We have reasonably easy access to the CEO information, as I put on the record yesterday. The list of contractual information concerning the VPs and others, certainly, is held in detail in the regions. They are also going through their year-end as we speak, as I put on the record a couple of times. So we are seeking to get that information as swiftly as possible, but, you know, it remains to be seen if, in the coming days, I'll be able to table that in this committee. If not, it will be swiftly thereupon. It just is a matter of enabling the regions to gather that data. They are also going through, you know, independent third-party audits, as is always the case with year-end, so we will provide the information as we have it. I know the member for Morden-Winkler (Mr. Friesen) is very particular about detail. I admire him for that. I share his view and would not want to be providing you with anything that was less than accurate.

So we will do our best, but, again, I need to signal that there is a considerable amount of information that has been asked for, and we'll give it as we get it.

Mr. Ewasko: Now, Minister, just a quick question in regards to the budget for amalgamations. Was there a budget put up for the amalgamation process, and what was that budgeted amount?

Ms. Oswald: Yes, as I said to the member's colleague yesterday, we did seek the services of some outside folks that we contracted to work through the transition. I do think the member might find this in the Hansard for yesterday when printed, but because I know it isn't yet, I will repeat for the member that we did hire two individuals on short-term contracts to project manage the merger and also another to hire with human resource transition, and the total of their contracts, as I stated yesterday, associated with the RHA merger transition process, was \$88,085, which is the total cost.

Certainly, we know that the work was substantial beyond this particular billing, but it was always our expectation that this merger be handled predominantly from within the department and within the region.

We made every effort possible that we could to minimize these transition costs. We used, as I said yesterday, existing staff to manage. We didn't use outside lawyers or accountants. We used in-house legal, in-house financial, and, again, the RHAs themselves were instructed to minimize their costs wherever possible, so we endeavoured to ensure that, you know, expensive advertising firms were not contracted to rebrand any corporate image or logo or name, and signage with new names is being adjusted on a go-forward so as not to incur a whole bunch of costs. But, as I stated on the record yesterday, \$88,085, I am informed from my department, are the bills.

Mr. Ewasko: Thank you, Mr. Chair and the minister, for the answer and for repeating that answer.

In regards to doctors in the new IEHA regional health authority, can the minister provide, whether it's today in the record or a list, hopefully, within a few days here whilst we're still in Estimates, the doctors—the number of doctors and the names of the doctors in all of the hospitals in the new IEHA, and also the number of nurses that are designated per hospital as well, please.

Ms. Oswald: Yes, can I just confirm for the member—I assume he means, but can I confirm that he means, doctors within the context of the region that have privileges in the hospitals. Is that correct?

Mr. Ewasko: Yes, privileges in the hospital. And then if she also has a list of the doctors within the region that do not have privileges for the hospital as well, if you have access to those lists.

Ms. Oswald: Certainly, we'll seek information from the regions concerning those doctors that do have privilege. Of course, a fee-for-service doctor, a family doctor, can more or less set up an office wherever he or she might want to do that and won't necessarily be captured under the purview of the RHA. They aren't employees of the RHA.

So, though—that information, that is available through the RHA. We can work with the region to get as up-to-date information for the member as is the case. And, also, the member has inquired about nurses as well, and so we can provide for the member, I believe, the positions that are filled and vacancies that may be existing within the context of the RHA—we could do that for the member.

Mr. Ewasko: Thank you, Mr. Chair and Madam Minister, for the answer, and I look forward to seeing those answers in writing as well.

I might as well add to the list any nurse practitioners and physician's assistants as well, if there are any in the region. I'm not sure—my own personal knowledge, I'm not quite sure if there's any physician's assistants there yet, but I know there's a couple of nurse practitioners. So if I could also get their names as well, please.

Ms. Oswald: Yes, I thank the member for the clarification and the addition, and we will be able to provide him with that information.

Mr. Ewasko: I'd just like to thank the minister for that.

As she knows, I've brought up in question period a couple of times in regards to the emergency room closures in Beausejour, and I know that there's also emergency room closures happening all across the previously known North Eastman hospitals. I'd just like to know—I know the plan is more of a nurse-assisted, I guess, consultation in regards to emergency response times, but as the minister knows, our population is growing—is going to triple if not quadruple. And it's a little disturbing, I guess, when, you know, we're seeing on the TV the Heart and Stroke Foundation is giving the five signs of stroke and recommending people to get to the nearest hospital as soon as possible. And we've got all these people in the area that are not only constituents but also constituents from other regions of the province moving in for the summer months, and it doesn't look like we're quite prepared for the amount of population that are coming out. So I would just like a comment from the minister, please.

*(10:20)

Ms. Oswald: I know the member has raised this issue before, and I believe, partisan politics aside, that the member cares very deeply about his community. I don't question that at all, and so I support him asking these questions. And I want to do my best to answer them as best as I possibly can so that in partnership with the regional health authority, he can be assisting in providing the best possible information for his constituents because we really want to ensure that these people have the correct information, that they're not in any way unduly alarmed or making decisions about their care that, indeed, they need not make.

So, as the member mentioned, there are occasions, or have been occasions, in the recent past, where the emergency rooms, being absent a doctor, have been under nurse-managed care. The suspensions have been short, I'm happy to report, but he needs to be sure that there is still care going on in these hospitals, and it is being managed expertly by nurses on these occasions. I would not want anybody in the region to think that they shouldn't call 911, they shouldn't do the appropriate things that we've all been well taught to do in the case of emergencies, and so ensuring that people feel very solid about their ability to get rapid emergency care from experts, paramedics in the region, knowing that the STARS helicopter is, indeed, available, and ensuring that they get the care they need when they need it.

But the fact remains that I share the view of the member and of his constituents, that we want to have more doctors in rural Manitoba. This is a fact, and it doesn't happen by simply adding water and stirring. There's a lot of work that needs to be done.

The member knows well that a little more than a decade ago, there were decisions made to restrict the number of students in medical school. Certainly, that was a decision that happened here. But I can say to the member that there were other jurisdictions in the nation that made that decision also. And the reasons therein, you know, were cited that, in a time of balancing a budget, we should have a look at doctors because they're expensive. And so it wasn't only the Conservative government in Manitoba that made that decision to go from 85 to 70 seats in medical school. There were other jurisdictions in Canada that made this choice. And, consequently, you know, Canada has been endeavouring to recover from that for over a decade. It has had a devastating effect.

Now, we are starting to see the tide turn, but for a good many years doctors are really almost entirely in the driver's seat in terms of choosing where they wanted to operate. They didn't have to really listen to the beck and call of regional health authorities, certainly not rural regional health authorities, and almost definitely not northern regional health authorities.

And so lots of work has been done to increase incentives, to create environments in which doctors want to go and work and study. They like to do interesting things. They learned interesting things in medical school, and they want to continue to go where the technology is state of the art, where they have an opportunity to see a variety of patients.

Interestingly, rural family doctors will tell you that there probably is no better place to go to see a wide range of patient needs than being a family doctor in rural Manitoba, and I agree with that, and it's why we have worked very hard in partnership with the University of Manitoba in helping the university really embrace a new way of accepting students into medical school. They, rather than going by a MCAT score as they used to, now, of course, use a multiple mini-interview and, as part of that, have a rurality index—okay, I'm not a fan of the name but you know what I mean—to look at the roots that that individual might have in rural Manitoba, the volunteerism, the family, the history, and to see what propensity they might have to return to rural Manitoba.

And, as a result, as a per cent, rural students that apply to medical school are dramatically higher in their acceptance into medical school in Manitoba than are urban students. Now, the Winnipeg students don't like me saying that, but it is a fact of the matter, and we are seeing, as a result, more students returning.

The other thing that the research is telling us is that it's not just that a student has come from rural Manitoba and goes into medical school, but it's where students get to do their residencies. The data shows very clearly that the ability to retain a student as a result of a rural residency is significant, and we have endeavoured to provide more residencies in rural Manitoba, including an announcement very recently to augment the number of residencies that we're providing in rural Manitoba.

In addition to that, Mr. Chairperson, we have looked at return-of-service arrangements. There have been northern allowances over time that have been quite effective. There has been a rural and northern residency program that, indeed, has been oversubscribed year over year since it was created. And, as the member knows, we, over the last couple of years, have instituted a free tuition program for students that will commit to go back to underserved communities.

Now, a question that I'm often asked about the free tuition or the return-of-service arrangements is: Why don't you make them stay for 10 years? We're going to pay for your medical school; make them stay for 10 years. And believe me, if I thought I could do that, I would change the policy tomorrow. But lots of work got done because there is still nationally and internationally a shortage of doctors. We worked to try to find the sweet spot whereby

students would stay in rural Manitoba and fully and completely fulfill that return-of-service arrangement.

In other jurisdictions where they have gone longer than Manitoba's two-and-a-half-year requirement, we've seen a huge number of those students simply choosing to pay back the grants and go and practise wherever it is that they choose, downtown Toronto or wherever. And so we have found that the two-and-a-half-year mark is proving to be successful in the Manitoba context. We are seeing retention rates, as I've said. We now have net over 500 doctors, additional doctors, in Manitoba than we did when we started in '99, and over a hundred of those are, indeed, in rural Manitoba. But I say to the member that I don't, for a moment, suggest that this is an easy journey.

There have been other jurisdictions that have made the decision to close rural hospitals outright; those, in my view, with a single-minded focus on efficiency, but that has not been our choice. And so we want to work with our regions to provide working environments, to provide technology, programs that will entice doctors to come, that will entice doctors to put down roots because of financial incentives, and that will allow them to practise in a modern context. So, with all of these things being said, the regional health authority is looking very closely at, of course, cottage country, as you say, the increase in population, and is very aggressively endeavouring to recruit just as quickly as they can.

Mr. Ewasko: I thank the minister for the extensive answer to my question.

The point of my question, though, was just the fact that there's a major shortage of doctors, and the downloading to nurse-managed care, I think, is putting some undue stress on some of the people in regards to nurses and in regards to nurses' aid, the whole system absolutely all the way down the list.

The populations are going to be exploding already within the next couple of weeks, and I have no doubt that the minister is very much aware of that. She said that—how they've increased the number of seats at the universities in regards to doctors, fact is, is retention has not been very good. You know, I know we talked about—the minister mentioned how it was, you know, more than 10 years ago, but the fact is, is that the retention has—is not been very good in the last 12 or 13 years, so the fact is, is that we've got a little bit of a hole happening here, and I'm really concerned in regards to people's health out in our area.

* (10:30)

So I guess I'm going to just ask one more question before I turn it back over to the critic. So we've had a couple announcements out in our area. We've had the Lac du Bonnet personal care home, which—I know that the minister was unable to make it for that announcement, but the Premier (Mr. Selinger) was there. We've had the Pine Falls hospital expansion, where there was some federal money in—put into that as well as—in regards to provincial as well.

As far as estimated time of both those projects—I mean, it's great to do the announcements and I can't say that enough. It's great that these things are going to be happening, but when are they going to be happening? What's the timelines?

I'm going to leave it at that and wait for the minister's answer on both those projects. Thank you.

Ms. Oswald: And again I'm sensing from the member that he doesn't like the comprehensive nature of my answers and, you know, I apologize for that. I'm nothing if not thorough.

But, certainly, when it comes to the issue of doctor recruitment and retention, it's not a quick and dirty. It is definitely a complex, multi-layered, multi-faceted endeavour to try to reverse the damage that happened as a result of those cuts that happened roughly 15 years ago, not only here but across the nation, and I say that point very clearly. So, yes, it's not something that we can race to the finish line on in 10 seconds.

And I would say for the member very simply that, on the subject of retention, virtually every year in the 1990s there was a net loss of doctors, including a record-breaking stinker of a year in 1996 where minus 75 doctors, you know, was on the rolls at the college, and it's the college who, indeed, measures that. Since '99, there has been a net increase, counting exactly the same way every year.

And I can inform the member that, you know, CIHI itself will show that from '07 to '11 our population increased 4.9 per cent, which was grand, but indeed we saw an increase in doctors of 17.6. There was one other province that had a larger per cent increase than us—it was Alberta at 19.8—but in fact we were second in the nation in terms of bringing doctors in. We had the highest per cent of family-medicine doctors practising in rural areas in western Canada. Nearly 28 per cent of our family doctors are based in rural communities.

So I understand the member is seeing a particular concern in his community, and I applaud him for advocating and I mean that sincerely, but I do need to put facts on the record when he says our retention rates are not what he believes they should be.

We also know that we have indeed added 40 medical school spaces, as I said to the member. We went from the low of 70 up to 110, and we're creating 22 more medical residencies.

And we're keeping more and more of these graduates here after they graduate. Over the last two years, nearly three quarters of our graduating medical class from the U of M are staying in Manitoba, and we're seeing more family doctors staying, with the retention rate increasing from 65 per cent in 2010 to 79 per cent in 2011.

Now, I—all of this is not to say that there isn't a need to do more. Every jurisdiction in Canada is, frankly, fighting with each other over these new grads and aggressively doing all that we can to provide more opportunities and to provide the right incentive and the right balance.

But I need to respectfully take issue with the member's implying that our retention rates aren't what they used to be. In actual fact, we're seeing net increases every year versus net decreases every year, which we saw during the 1990s, and I need to respectfully submit that.

I can say to the member—so I can say to the member that I didn't answer about the PCH and the other topic, but I can do in a very brief way if I have leave to do that.

Mr. Ian Wishart (Portage la Prairie): Thank you, Mr. Chairman, and through you to the minister, for a change of topics here, the minister might remember that last year I had serious questions on dialysis capacity in my region and in particular the community that I represent. And we have had some additional funding so that there is a little more work occurring there but we're still sending a large number out of the immediate community, many of them into Winnipeg, for dialysis on a very regular basis.

And I just wanted an update on what the longer term plans were to increase capacity in the community or the region that I represent.

Ms. Oswald: Yes, thank you very much. And just out of fairness to the member for Lac du Bonnet (Mr. Ewasko), I want to say that the Lac du Bonnet

PCH program—or process is going forward. The functional programming work is under way. It—I think people would argue about this—architects and designers and engineers—but the functional program, in my view, is one of the most important pieces of the development process and I want to assure him that work is under way and tell him I'm deeply touched that he didn't think it was good enough for just the Premier (Mr. Selinger) to come and that he wanted me there, too. So, I—my heart goes out to him for caring.

Also, I—the work in Pine Falls, to have the tender to proceed is in progress. We know that there has been some, well, considerable delay in that project. I will concede that point. There is a partnership with the First Nation going on there; there have been some amendments to the original vision that was agreed to and we have worked through, I believe, some of those amendments and changes of opinion. There was, I think, even a land issue that came up after the fact on that matter.

So I will let the member for Lac du Bonnet know that the work is in progress, to get to that tender. We very much want that facility to be up and running because its original vision, with a real shared responsibility with the First Nation, is incredibly important and in my view, I think, can serve as a model across Canada, should we indeed land where it is we originally planned to land. And I believe we will.

I do really think it will be a model for care for working to reduce the gap between Aboriginal and non-Aboriginal people. So I will indeed keep the member posted on that matter.

On the issue of—for the member from Portage of rural dialysis, we know that we were experiencing some issues with nurse—appropriately trained care, nurses with dialysis training. And we know that we have done some redevelopment at the hospital to provide additional dialysis stations. But we also know that there have been some issues concerning nurse care at the Portage hospital broadly. It's a serious issue.

I agree with the member and we are working with the regional health authority to expedite training, not just in dialysis but for the obstetrics situation that we find ourselves in there. We know that having only half-time obstetrics going at the Portage hospital is not what any of us want to see. We want to stabilize that situation. Interestingly, one of the obstetrical nurses moved into dialysis, which

created an additional problem, but the regional health authority is well aware of it. I've had conversations and my deputy has had many conversations with the CEO to work on expediting the training, so that we can have the full capacity of dialysis restored at Portage, not to mention obstetrics.

*(10:40)

So I appreciate the member's questions on this front, and there's lots of work being done to ensure that individuals not only receive the care that they so need at the Portage hospital, but that we continue to explore opportunities for home hemodialysis, which, for the appropriate patients, can be a much more liberating experience. And so, there's lots of work being done by the Manitoba renal-renal program to expand that as well.

So we aren't at full capacity there. I acknowledge that, but the work is ongoing to endeavour to reach that goal.

Mr. Wishart: Thank you, Madam Minister, for those answers. And, in fact, you have anticipated a few of the questions that I had. Would like to follow up on the area of home hemodialysis and peritoneal dialysis just to see what progress had been made not only in my immediate area, but provincially, in terms of implementing more of those. As the minister has pointed out, they are a far more satisfying solution on a personal basis and, I suspect, very cost-effective as well. And I will touch further on the cost issue in my next question, but if the minister could update us on what progress has been made in these two policy issues.

Ms. Oswald: I thank the member for the question. Again, as the member knows, we want to do all that we can to provide home dialysis scenarios to as many people for whom it is appropriate. And I think the member and I had this conversation last year wherein we did acknowledge that, while home hemo is convenient, it does require certain conditions that would be best for the patient. People have suggested why don't we just have everybody that needs dialysis in the north doing home hemodialysis. And, of course, one of the most important things is access to good, clean water, and that would be one reason.

And there is a level of complexity, and we need to ensure that the education on administering home hemo is solid and that patients feel confident and comfortable in performing home hemo.

So we're—all of those factors considered, we are seeing a steady increase in the amount of home hemo

that is being provided. I'd say roughly 60 per cent of Manitobans—an increase of 60 per cent for Manitobans receiving dialysis in their homes. Today, we see 49 home hemo patients and 267 peritoneal dialysis patients for a total of 316 who are receiving home dialysis. And the program is anticipating being able to add 60 home hemo patients within the next several months. When we started on this journey, I think there were three home hemo patients and 190 peritoneal dialysis patients for a total of 193.

So we have come a distance, but it is my view that we are going to be able to really see these rates go up as the system becomes more comfortable and confident, as the technology gets better and, indeed, as patients understand that it is a legitimate option and they see a new tradition emerging in Manitoba and have a comfort with it. So, certainly, I appreciate the question from the member, and we really are working hard to find those contacts—contexts where this kind of service is on the increase.

Mr. Wishart: Thank you, Mr. Chairman, and I thank the minister for the—those answers. It's nice to see some progress being made there. They are a very workable solution, and—but the minister's absolutely correct in that high-quality water is a big issue. And actually I have a constituent who managed to track very carefully—he's fortunate enough to now being doing home hemodialysis, which, in his case, is a real godsend, because travelling for him, which is what the other option was, was a real challenge. He had—no longer had his driver's licence, and they had to depend on the goodwill of someone else to get him back and forth to Winnipeg on a regular basis. It was certainly an issue.

But he tracked the costs of the extra water capacity, and I know that there's tax credit around this, but for those that are on pension, income tax credits have relatively little value and the cost was just under a thousand dollars additional per year.

Is there any consideration being given to a program—and many of the people on dialysis in general and particularly home hemodialysis are no longer in the workforce. Is there any consideration being given to some other form of support for that additional cost?

Ms. Oswald: Certainly, it's not the first time that this issue has been brought to my attention, but it's a worthy topic for conversation. I believe it was the mayor of Portage that sent us a letter asking us to explore this scenario, and at the time that we received that letter, I did send it into the department

for some further analysis to look at what kinds of opportunities might be available. Whether, you know, it could be in the context of a Pharmacare-deductible kind of scenario or if a wholly new kind of construct would need to happen to provide some support. We haven't come to a landing on that, the recommendations have not yet come back to me, but I do want the member to know that I am aware of the issue in the context that he's described for somebody with a pension and tax rebate and so forth.

So the department is working on coming forward with some recommendations, and he has my commitment to review them with exuberance.

Mr. Wishart: I thank the minister for that answer. I think it is a very worthwhile project. We did make some inquiries as to private insurance as to whether they could—it could be extended to cover this. They had done nothing in this area, so it's certainly an area that is unexplored.

Just one final question unrelated to the previous ones. When it comes to personal care homes and the establishment of new ones—and almost every rural is looking to increase their capacity in personal care homes, and I'm familiar with how the process is done through Manitoba Housing. But it's really unclear to most of us in rural areas, rural MLAs, as to how do we know whether this fits into the bigger picture in terms of the health authorities rurally, in our case, Southern Health authority, because, of course, a big portion of the operation falls back on them at some point.

We would like to clarify how the co-ordination should be done. We certainly try and maintain good levels of co-operation with the regional health authorities, and I do speak with CEO McPhail fairly regularly as to—but the planning process is a little unclear. And where would we fit into this process, because whatever is done, the rural community also has to be part of the bigger plan. So, if the minister would shed a little light on how she sees that working properly, because right now it seems to be kind of hit and miss.

Ms. Oswald: I—if I could just ask the member to clarify his question. I think you spoke about personal care homes at the outset, and then you referenced that it goes through Manitoba Housing. And I would just clarify that it is actually through Manitoba Health, but you are speaking specifically of the development of personal care home beds, not of supportive housing.

An Honourable Member: Not supportive housing.

Ms. Oswald: Okay, thank you for that clarification. The member has said he is speaking about personal care homes.

* (10:50)

So I would go on to say that the process for the development of renovation and net new personal care home beds, either at an existing personal care home or a brand new personal care home, community groups, as it has always been the case, since the beginning of regionalization, that is, need to work in partnership with their regional health authorities.

Regional health authorities are well tasked in knowing their populations and the needs of their populations, as, in fact, are community groups, I would argue. And so the community groups that are interested in developing a personal care home or expanding a personal care home work with the regional health authority to bring forward their idea, to bring forward their plan, their business case, as it were. And the regional health authority will work with Manitoba Health in prioritizing projects and making sure that we build capacity.

Certainly, most recently, the regional health authorities have had at their fingertips the Manitoba Centre for Health Policy documents, part 1 and 2, if you will, that not only validated what we knew, and that was that we needed to expand our capacity of personal care home beds, but also drill down in that report to look at where we needed to have personal care home beds developed. The Southern RHA, for example, worked really closely with the community of Niverville who wanted to expand a personal care home. And Niverville and Manitoba Health membership, you know, exist on that steering committee, as well as the RHA. So it's a consultative, collaborative approach.

I'm sure the member isn't going to insinuate that I only build personal care homes in our, you know, our party's ridings. Because I certainly get the same arguments from my own colleagues, who say, why are you only building personal care homes in the opposition's ridings? So I wish somebody would be on my side—maybe Jon Gerrard. But it is directly in partnership with the regional health authority that community groups would work.

Mr. Cameron Friesen (Morden-Winkler): I want to call us back to our discussion yesterday about the calculations of the senior executive positions that

were released, for lack of a better word, or deleted, perhaps, is even a more accurate word.

I believe it would help to also just articulate we haven't been talking specifically about whether the positions that the minister has referenced, in regard to the 37 eliminated and the 35 that were retained, whether these are, indeed, full-time equivalent 1.0 positions. I've gone back in Hansard; I don't recall whether that was clarified. If it was, I'm just looking for a quick acknowledgement of that.

But I would like to know, of the 37 deleted positions—when the minister says that, indeed, 14 re-entered the system and another 23 did not, are we talking in each case about 1.0 FTEs?

Ms. Oswald: I can say to the member that we will endeavour to add this information to the document that we're compiling for him. But I can say, generally, that in most cases this would be a 1.0 FTE, with the exception, I think, of the medical positions. They may be point something, because these individuals maintain a clinical practice elsewhere in some cases. But we can clarify that for the member as we come forward with the other data.

Mr. Friesen: And I believe there's a critical consideration because it helps, of course, to, well, to help us all to do the math right. The minister has made assertions about the amount of money she's saved. Yesterday, there was some discussion about whether she was talking about gross or net numbers and there was even a reassessment on the minister's own part, a correction she put on the record. So, obviously, there has been—we're starting to get at what these numbers are, and so I think it's helpful to understand whether we're talking about full-time positions or not.

Appreciate the minister's indication that with medical services, VPs, that might be a little different. My next question was going to be to ask exactly about that because I do see some, if I look at the former RHA lists of—and the information that she provided—I see, you know, former VP of medical services positions. If I even, right now, take a look at the ones for Interlake and North Eastman, and I look across the page and see in the new Interlake Eastern, I see a position there indicated for a VP of medical services.

And so I was just wondering, you know, in essence, where does that next individual go? Did we take 2.5 positions and establish a 1.0? Did we take two 1.0s and now end up with a 1.0 plus a little bit

on the side. So I would look for a clarification of that, not just of the positions retained, the 35, but of the 37 that were reduced as well.

Another question I wanted to put to the minister was just for a clarification about a terminology that she introduced yesterday. Yesterday, the minister stepped back from her statement that the savings were net and then she substituted a different term. She indicated that, instead, she was talking about a consolidated accumulated financial assets. I believe that was the terminology she employed yesterday. I would ask for just a clarification around that term.

I had the opportunity to bring that term to some financial people, and they were somewhat confused by the use of that term. They said a more useful term to accountants and financial people would be consolidated accumulated financial statement. So, when the minister claims that she's talking about the consolidated accumulated financial assets when it comes to determining the whole savings to which she has alluded as being \$11 million, I guess the question I would have, then, is with respect to the request for information I've made. And she knows where those areas are with respect to, you know, the surpluses and the fees paid out for things like severances and all of those other fees. I guess what I'm asking, then, is will she also then be submitting a consolidated accumulated financial set of liabilities to help us arrive at a comprehensive and complete and accurate consolidated accumulated financial statement.

* (11:00)

Ms. Oswald: So what I can say to the member—I want to be explicitly clear. I don't know, you know, which part was vague yesterday when I said, you know, that the \$11 million was net—it's net. I will repeat that for the member.

The financial officer at the table, Ms. Herd, informs me that net assets is a term that is used by most, if not all, non-profits, which, of course, the regional health authority would be—the external auditors use that term. You know, based on what I've heard the member's leader say, maybe that 'terminology' will change over time under their watch, but that is the term that's used in that context. But I want to be, you know, clear. We'll take a step back on this journey.

When we announced the RHA mergers, as I think I said yesterday, we also announced our expectation to achieve \$10 million net in savings over three years going through that process. We also

announced that we would eliminate 30 to 35 senior management positions, as well as find other—you know, we would gain savings by that. We would gain savings by finding administrative efficiencies, accessing RHA accumulated assets, merging corporate operations in the RHAs and a number of things that I've said already and I won't repeat again.

So we said from the beginning that clearly any savings from the mergers would, in fact, be redirected into front-line care. So, in the first year, there were one-time savings and, indeed, as the member points out, there were one-time costs.

And I'm advised by the department that the net savings in the first year is, in fact, \$11 million. The \$11 million is made up of RHA accumulated assets, certainly from before the mergers. We know that we were in a position, and very carefully so, to be ready for the mergers and to ensure that situations of accumulated assets could be used in regional health authorities to maintain a good, strong financial position, and in places where regional health authorities had less that they could start off new in a strong situation. This is sort of the opposite of what we saw happen in Alberta, where there wasn't any allowance for accumulated assets to evolve and they found themselves almost right out of the gate a billion dollars in deficit, which, you know, is not great.

You know, we don't want our new regional health authorities to be in a position where they find themselves in trouble with their suppliers. We want them to be able to buy the materials, to buy drugs, to buy supplies and that's, of course, why we wanted to ensure they want—were on firm financial footing.

So we accessed those accumulated assets which we considered a net savings in one year, as we always have said. We reinvest—and as we always said, we'd reinvest that into supporting front-line care, just as we did, to make sure these RHAs started on firm financial footing.

So I want to be clear with the member, that our RHAs are starting off on solid footing. The \$11 million is net in its savings. The 37 positions that have been removed certainly are going to continue to bring us savings as we'll only be paying for five CEOs instead of 11. We'll only be paying for the reduced number of VPs, instead of the number we saw in 11 regional health authorities. So we saw \$11 million net in one year. Our overall view was to find these savings over three years. We anticipate being able to go deeper and find even more. But I

acknowledge, as the member says, they're one-time savings, they're one-time costs associated with this, but the net number is, indeed, \$11 million.

And, if I can just do a little sidebar here, I asked my staff to double-check something for me regarding something the member for Lac du Bonnet (Mr. Ewasko) said. From what I can recall and certainly what the department is reporting back to me now regarding the development of Pine Falls, I don't know of federal money that was involved there. Perhaps the member might be thinking of a fund that I'm not aware of at this time or just not recalling. I wouldn't mind if the member, just at a different time, might get back to me a little bit on that, but as far as I know, this was a project we were pursuing from our own.

So I would just—I won't call it correct the record; I'm just going to say I'm not aware of that, but if the member has some information he can share with me to jog my memory, I would be very pleased to receive it. The department doesn't seem to recall it either, but, you know, I'm not calling into question what he's saying; just a clarification would be good. Thank you for that.

Mr. Friesen: Well, the minister might find this surprising, but I actually found her answer to be somewhat helpful in this case that we've been driving a long time to try to get a better understanding of what actually took place, and now I believe we're getting closer to understanding.

As I suggested yesterday that where the net assets are actually being taken seems to be that the minister has gone into the last operational year of each of the former 11 RHAs—and even from what we were able to calculate without information available for Interlake, North Eastman and Churchill, we were able to come up with a number of \$10,079,000—it would seem to me that the minister has taken that amount, because these former RHAs ceased to exist, she has allocated that one-time cost and she is calling it a surplus or a net asset. And so I think at least we're understanding where she's getting her numbers from a bit better.

Now, of course, all of this is incomplete until we understand that—until—we've listed now assets, and now we're waiting for the minister to list those liabilities that she has incurred. And, of course, when we get that information we'll have a much better understanding of what actually has taken place and what actually the costs are to the system and what actually the savings are, if any, through this large

exercise to amalgamate the RHAs. Because those liabilities, as we understand, will include severance, they will include the consultant's fee, but they will also include all of those positions that have been reintegrated into the system.

And talk—and when you talk about—for the minister to speak about saving the money from 35 positions but not talk about the fact that she has reintegrated 14, by her own number, into the system at that cost, with their salary, with all of the—with all the costs that come along with that salary position, we are not talking apples to apples.

It's like the minister saying that she's saved \$25,000 of household income this year because she sold her car and she's derived a savings of \$25,000. The next question would obviously be, well, what do you drive now? And she'd say, well, I bought another car for \$23,900, but I saved \$25,000. Well, you can tell us about the savings that you achieved by selling the vehicle, but unless you also disclose that you bought a new vehicle, we don't have an understanding of what the true cost is.

So I do appreciate that the minister has now consented that she has actually been adding in the costs—or let's say the surplus that was derived from each of those 11 health authorities that ceased to be in operation this year and she's applied that money to arrive at her one-time savings of \$11 million.

My next question for the minister would be this. The minister has stated that the vast majority of this exercise was undertaken within the department, and we acknowledge that she's said that, and that should make it easier, I think, to supply the next answer. What I'm trying to get at is a nuts-and-bolts understanding, the logistical understanding of how this actually takes place.

And I know that we could go for hours on this, so I would welcome a, you know, a response from the minister that just sums it up for us nicely, that says when you actually cease operations in 11 RHAs and you form five new ones, how does that actually work contractually with individuals who were employed with the former RHAs? What actually happens with contracts, because those contracts must end and they must sign new contracts with the new employer, with the new entity?

* (11:10)

So I wonder if the minister could just walk us through what that looks like and what that transitional period looks like, and whether there

would have been any interruption in pay and remuneration for any of those individuals—whether a senior VP, senior management, or otherwise—whether they would have been without employment at any time, or if it would have been a more seamless transition from the one authority to the other authority?

Ms. Oswald: So that metaphor didn't work at all, if I can just editorialize. If I can just say, clearly, we're—clearly, not an English teacher. Again, I'll try and be as crystal clear as I can in the absence of puppets to use as exhibits: \$11 million net savings; \$11 million in accumulated assets, which weren't from one year. They developed over a couple of years, which was our process in anticipating potential mergers of four of the regions. We didn't want to be in the glue, as I said before, like Alberta and other jurisdictions. But it's just the most 'egregious' example—egregious example. So it is a net saving. Again, this is not some enormous state secret that is being uncovered. It was published as such in an October 2012, I think, at min—well, the fall of 2012 news release by Manitoba Finance about the process.

The net reduction of executive positions is 37. The member, I think, seems to insinuate that there's 37 and then we added back 14. That's not correct. It wasn't correct yesterday. It wasn't correct the day before. It's not correct today.

The individuals sought employment in jobs that were vacant at the time, but we were very—in some cases, or there may have been others that moved out of those positions. But as I said yesterday, quite clearly, that, in fact, we were very clear with regional health authorities that there were no new positions to be created, additional positions to be created to put other people into.

So it certainly is—it's a net decrease of 37. We promised 30 to 35, not to put too fine a point on it. But it's a net decrease of 37. It's a net savings of \$11 million. Our promise for the \$10 million, once again, was to be realized over 10 years in—or, pardon me, over three years. Let me correct that—over three years for \$10 million. Our projections showed us that, of course, we would incur costs, there would be savings, and so we made a very modest projection that we would be able to realize this over three years.

We are going to be able to realize, I—in my view, significantly more than that, because we have exceeded the net reduction in positions. We've been able to convert the—we were able to convert the accumulated assets into ensuring that back into

front-line care, enabling our regional health authorities to start on strong footing and not being profoundly into debt and having situations with their suppliers and so forth that put them in an untenable situation.

And on the issue of the contracts that the member asked me, the—a number of contracts were just continued and carried over. Legal advice, of course, was sought to ensure that these contracts would be solid to be continued, but there was not to be an interruption in pay for front-line staff. The contracts that needed to be created anew were primarily—and we're checking, possibly exclusively—the contracts for the CEOs. Those were ones that had to be essentially started from scratch. And I would—I also want to clarify the CFO is quite rightly saying, yes, some positions were created and named new, but they weren't a net new addition of executive positions. Something had to be deleted in its place. So, thank you for that clarification.

And I also wanted to say to the member—I should have answered this in the last question—he was quite correct about Interlake and North Eastman not being online as required when the reports—I mean, annual reports. And that, I believe, is being corrected as we speak if not having already been corrected. We require those to be available online, and as a result of the mergers we know Interlake and North Eastman did not post theirs online, which was an error on their part. So that will happen swiftly, and we're still investigating the Churchill situation. So, I offer my apologies to the member that he had to expend to extra calories looking for something that should have been there.

Mr. Friesen: Can the minister also then complete the circle and tell us, because she has access to the information, what was the posted excess or deficiency of revenue over expenses for Interlake, Eastern—and North Eastman health and Churchill for the year 2011-12?

Ms. Oswald: Yes, I can say to the member I believe we can get it for him right away, but while the CFO looks we could continue on.

Mr. Friesen: And continue—and returning to the question and the response that was just previously provided, I know we could go all day on this, but—and I will of course go back and check the official Hansard when it becomes available, but for the minister to now, today, come back in and say, well, there were no 14 reinvested into the system—just yesterday, the minister was here in the room, it was a

number she provided not one that we generated. I actually brought in a number of scenarios where I had crunched numbers to indicate how many individuals might have reintegrated. We were well over this ground. We covered this. She substantiated it. We asked questions. We understand we're not talking about 37 net executive reductions and then new executive positions created. What we asked, and what the minister provided, was information about whether any of those former senior executives re-entered the system with a position that would not have been called senior executive.

And she consented yesterday that there were 14 of those individuals, leaving the difference of 23 that we said then she would probably owe severance to, because that was the 37 that she deleted. We understand those are not positions that would then reintegrate as a new executive position.

What we can clearly see from the information she's provided about names and positions is that people are coming back in. Now, they may not appear here in the information she provided saying here's our new senior VPs for five RHAs, but what she consented to yesterday is to say, yes, they are back in the employment somewhere, somehow, in some shape within RHAs. Maybe they're called directors, maybe they're called senior managers, maybe they're called middle managers, but those are the costs that we say it is essential to capture. We know they won't be captured under a determination of senior executive remuneration, but they have to be captured. And for the minister to now say there were no 14—of course there were, because she said yesterday there were 14 positions.

* (11:20)

I'm just going to ask one more time for that clarification. We know we can go back and read it tomorrow. We're just looking again to know, of the 37 positions that were deleted, how many of those individuals retain employment within the RHAs in a position other than senior executive?

Ms. Oswald: Just a question, to clarify from the member. Is the member saying that he will only be satisfied that 37 positions have been deleted if 37 individuals were fired outright from the RHA? Is that what he's asking me? I'm not trying to be clever, because that's what I feel like he's asking me, that he's only satisfied that 37 positions have been eliminated if 37 individuals have been fired and no longer have a job. Is that what he's saying?

Mr. Friesen: I would just be satisfied if the minister would provide information for the sake of Manitobans. We don't know where these individuals go. We don't—we didn't—we don't if the minister fired them. We asked yesterday if she gave them a pink slip. We would imagine that some of these positions could have been deleted through voluntary retirement packages. But it's the fact that the minister put information on the record yesterday. We're just simply trying to follow the information provided by the minister.

We know that she had a former 72 executive positions in former 11 RHAs. We know that she says she retains 35 executive positions within five new RHAs—the difference is 37 positions. And we've—asked, where did these people go, and then after a number of days of Estimates the minister said yesterday that 14 of those 37 positions re-entered the system—well, that's fine. That's information that she provided yesterday. We understand that those people would not have then retained a title of senior executive. We know that because she deleted those positions. What she committed to yesterday is that those individuals retained employment within the RHA somewhere.

It comes to this, basically, without prolonging the point: if the minister had under—had taken this action and her department had taken this action, if they had retained 50 per cent of those individuals—now, I'm talking about these individuals now, people. If she had retained 50 per cent of those 37 deleted positions, and if those individuals had even maintained a salary of \$150,000, she would have had to demonstrate somewhere a cost to the system, an incurred cost of \$3.5 million. If in fact that number was 80 per cent, or let's say even 90 per cent—if 90 per cent of those people—because it seems clear from the minister's answer that she's very offended by the idea that anyone would lose their job through this process—so she's offended by that notion. So then if, in essence, she was so successful to make sure that 90 per cent of the people who were formally employed as senior executives retained a position, and let's say they even retained that position at \$150,000, there would be a \$4,995,000 of additional monies paid in terms of salary that she would have to declare. If 95 per cent of those executives retained their position, that would be more than \$5 million.

Can the minister clarify, of the 37 positions deleted, how many of those individuals retain employment within the RHAs?

Ms. Oswald: Okay, I think the member's confused. It's not the first time I thought that, but I've—now I've said it out loud.

Thirty-seven positions were reduced—net. We promised 30 to 35, 37 were reduced—net.

Yesterday you asked me if any of those folks, those people, those human beings, got jobs in the RHAs, and I said, yes; I said, 14 of them did. They entered jobs or staff year positions that were vacant at the time, not new jobs that were created for them. It was made it explicitly clear to the RHAs that, if they kept all of their people, which they didn't do—if they did, they would have to go into their existing vacant positions that they couldn't add them.

Now, the member's saying that, you know, I'm offended by people losing their jobs. I was offended by his line of questioning because I found it a tad obtuse. But, if he wants to ask me on that level, did I find the process of knowing that people that I knew, people that I worked with, people that had put blood, sweat and tears into their job, that were going to no longer have that job, if he's asking me if I felt badly about that, I can tell him without apology, yes, I really did, because these were people that, for no cause of their own, but because of governmental policy decision were going to have a profound change in their lives in a difficult economy. Yes—yes, I did feel badly about that without a doubt, as I know the leadership in the RHAs did. I don't mind saying that there were tears in every corner of the province about this. And it was not a decision that I took lightly in any way, and I feel no shame or any sense of embarrassment to say that it was a hard process. I'm not, perhaps, so used to, you know, the kinds of tough love that is purported by members opposite and I took it to heart without question.

But the answer to the question is that there were 37 net positions reduced, and I would say that they weren't—these people didn't lose their positions because of poor performance. It was because of a merger of corporations and they were declared as surplus; 18 of them were severed, no longer work in the RHA. Those are—that's 18 families that had to face a change; 14 found their way into RHA jobs at junior levels that were existing staff years or positions that were vacant. I gave some examples yesterday. The WRHA deleted senior administrative positions to offset changes of Churchill. They eliminated the ED of planning and corporate services. They eliminated the VP and CAO for HSC.

They eliminated the chief innovation officer. They eliminated director of human resources.

So on top of those 37, I would also add, we understand the RHAs have deleted additional positions as a result of the mergers and as they're working their way through. And we're going to have more information about that in the days ahead as the year-ends are completed and the new plans begin. We know we're moving from 11 medical directors for emergency medical services to five, which is a net reduction of six EMS medical directors that's not even counted in this context. So I do want to be explicitly clear about that. It's 37 net reduction. It's \$11 million in savings.

And I'm not really sure what it is about, you know, that calculation that the member is finding confusing, to be honest.

Mr. Friesen: In Manitoba the minister understands that we have had challenges, large challenges pertaining to the rate at which ambulances can off-load patients at hospitals. And the minister understands that in 2010 average wait time for an ambulance was 12,000 hours; in 2011 it was 37,000 hours; and in 2012 it was even higher. I think the final numbers for 2012 I have available with me somewhere here. I think it was 42,000 hours.

I wonder if the minister could comment about how her targets are going to drive down ambulance wait time—and I would interject this into our conversation—that I've been able to discover that in Ontario 81 per cent of patients are off-loaded within a target time of 30 minutes, and 10 per cent of patients wait 54 minutes or longer.

So two things I ask of the minister: information about how the—how her targets are going to drive down wait time and what exactly her target is. And also how she would comment on the fact that just one province over, 81 per cent of all patients are off-loaded within 30 minutes.

* (11:30)

Ms. Oswald: Mr. Chair, and certainly this has been a topic that's been of a considerable conversation in the last year or so or more—two years, I would say—with various folks. And we certainly know that we want to do everything that we can to ensure that when patients arrive by ambulance that they certainly are seen in a timely manner and we want our paramedics to be back out on the streets saving lives and doing the great work that they do every single day.

So there are a number of initiatives that are under way. I know that one of the initiatives, as the member cites, that Ontario has implemented in some of their emergency rooms is using the—using emergency room nurses to handle some of the transfer of patients to ensure that that's seamless, that it's safe, that the transition from caregiver to caregiver is solid. We know that a lot of the data tells us that the majority of medical errors that occur in our facilities occur at the time of transfer of information from professional to professional. So much work needs to be done to ensure that that is as seamless and as complete as possible.

We are implementing, that is to say, the Winnipeg Regional Health Authority are implementing, almost immediately, similar pilot projects to what Ontario has done in the use of nurses to deal with the so-called off-load issue. This is going to begin at St. Boniface Hospital and HSC, arguably our busiest hospitals, with a view to moving out to community hospitals if proven as effective as we think. Now, in Manitoba we have endeavoured to use respiratory specialists to take on some of this load, which has worked in some cases, but we are indeed augmenting that by way of a pilot project and the use of nurses to handle the off-load delay.

I do want to, for the record, just clarify some of the information that the opposition has put on the record because I—while I agree that this is a very important issue that is worthy of discussion, I certainly don't want to see seniors or individuals thinking that they're not going to get the care that they need when, in fact, they need it. We know that our emergency response system in Winnipeg does include both paramedics and well-trained firefighter paramedics. Last year, there was always a paramedic available, either on an ambulance or on a fire truck who could be dispatched to an emergency. I think it was suggested to people in Winnipeg that there were no paramedics available, which was not a true statement. Our firefighters do an exemplary job. I know the Winnipeg Fire Paramedic Service and the mayor of Winnipeg have many times lauded the incredible response times of our firefighter paramedics, and for good reason. They do an excellent job. So we want to be clear.

We know that an ambulance itself is available in Winnipeg 99 per cent of the time, which means, perhaps, 40 seconds in an hour there might be a wait for an ambulance, but there is a firefighter paramedic available and, of course, we're working to get that to a hundred per cent.

So sending out information suggesting that, you know, there are hours and hours upon end where no ambulance are available, using an aggregate number, I think, creates a problem and creates unnecessary fear, in particular for seniors in Manitoba. And so I want to be sure that we clarify that.

The targets set by the WRHA for waits in emergency rooms and the off-loading of patients from ambulances were, in fact, developed in consultation with the doctors and emergency responders, and they are consistent with targets set in Ontario, Alberta and the UK and by the Canadian Association of Emergency Physicians. So those targets that, you know, have been set by the Winnipeg Regional Health Authority have been set with considerable research and development and care for what's medically appropriate. I think I'm probably running out of time. So there is—there are solid—there are some solid targets that the Winnipeg Regional Health Authority has put into place with a view to bringing down those wait times.

We know that—as the member, I believe, referenced—that the Winnipeg Regional Health Authority in partnership with the WFPS embarked on a project that would see monies being paid to the WFPS for additional time that, in fact, the—those paramedics have to spend in emergency room transitioning that patient. And we know that those monies have been reinvested into the front-line care for equipment, for additional paramedics going on to the roads. So, while that money is being expended, we know that's being expended into care for paramedics.

So we think that progress is being made. We commend the Winnipeg Regional Health Authority and we commend the WFPS for their partnership and their work in driving down these times because we know that we want paramedics to be on the road where they need to be in emergency situations.

Mr. Friesen: I thank the minister for that response, and I appreciate what she says, too, about—in terms about the monthly total, no ambulance available status time. I understand that the comments she's making with that regard.

I think, in fairness, what our party has tried to represent—and I'll give thought to what she says about that—is that the numbers are rising dramatically. So I think the minister has to understand that where there's that calculation of total hours where there's no ambulance available per month, well, in 2010 that was 10 hours. In 2011 that

was 56 hours and in 2012 that was a hundred hours. So I think that's the message we've tried to send, is that if—unless we reverse this trend it does not bode well for ambulance availability.

In any case—and I thank the minister for the fact that she's already anticipated the next question and talked about the fact that the WRHA laid out a five-point plan to unclog emergency rooms and city hospitals. As a matter of fact, I'm looking right now at a Free Press headline from January the 22nd. I found it—I know we've raised the question in question period. I find it interesting—I've posed the question as well to the CEO for the WRHA: Why it would be the case that in the target times laid out to drive down the times, that the WRHA would not set a target lower than the threshold time at which the City of Winnipeg begins to assess fines against the WRHA for ambulances in the queue?

So those fines, now, last year came to \$1.2 million. They are fines that begin to be assessed whenever an ambulance waits more than 60 minutes at emergency, and yet when I look at this it indicates here that the target time doesn't get below 60 minutes.

Now, if we could achieve a time under 60 minutes, that would mean we could derive \$1.2 million in savings that could go exactly to the initiative that the minister speaks of today: ER nurses to handle the transfers of patients. I'm encouraged to see her undertaking a pilot project at St. B and HSC.

Wouldn't she agree that a more aggressive target time would free up resources to put into the exactly kind of the program that would drive down wait times for ambulances and improve the transfer of patients at hospital?

Ms. Oswald: And what did Miss Wilgosh say when you asked her?

* (11:40)

Mr. Friesen: Well, I'm sure that the minister knows what the CEO said to me when I asked her. I'm sure that nothing fails to get back to her desk. I think she indicated it seemed like a reasonable target to set, and I felt like it would seem to me a much more reasonable target to set would be one that would get below the threshold. So I ask the minister again, wouldn't she agree that getting below that target time would be a better target to set for all Manitobans?

Ms. Oswald: Well, certainly I know that Arlene Wilgosh is an extraordinary person, first of all, but

also doing a really terrific job in the Winnipeg Regional Health Authority and is very plugged in to the current patient flow, demands and issues in our Winnipeg hospitals, and, indeed, she's in close consultation not only with hospital administration and front-line doctors and nurses in the emergency rooms, but also with the WFPS. And they have set targets that they view to be achievable. They have looked very closely at the entire patient flow because, of course, the issue that we're speaking of does not solely exist in the context of an emergency room. I know that the member is likely aware that it's about patient flow throughout the hospital, about discharge and safe discharge of patients to their homes, to their—perhaps to personal care home, to their homes with home care as appropriate.

And so across the spectrum a lot of work is being done to continue to work on patient flow. And in partnership with their board and their medical professionals, the Winnipeg Regional Health Authority has set these targets. We support them; we certainly would like them to be able to work to a stage whereby fines, if you will—I'll call them that—the WFPS are no longer being paid.

But part of the issue in that context is that the WRHA now has very solid assurance and evidence, in fact, from the WFPS and from the City that those monies are being wisely invested in providing even better paramedic care. We know we recently saw the City do an announcement about expanding community paramedicine. We saw, in partnership with the City—the Province and the City do an announcement about piloting powerlift stretchers further, to see if, in fact, they hold all the promise that we think that they hold.

There was a period of time where, in fact, we collectively did not feel confident that those resources were being directed to front-line medical services. And, in fact, as you are aware, the WRHA ceased making those payments until assurances could be made. And those did come from the mayor, which we are grateful for, that, indeed, that investment is going into front-line care.

And we want to ensure that these targets provide a balance and provide a work environment that is about continuous improvement. We know, of course, that the regions know their work situation and their patient-flow situation best. The board has endorsed this particular process and we're going to continue to count on them to have the kind of improvement that we want them to have.

I neglected to answer in the first part specifically what these targets were. The 2015 target for treat and discharge is that 90 per cent of non-admitted emergency room patients happen within four hours. Right now we're seeing 33 per cent of non-admitted patients were treated and discharged within four hours. In terms of finding a bed for 90 per cent of emergency room patients who have been admitted within eight hours, today, we're seeing 51 meeting that—51 per cent meeting that target. No patient, admitted to hospital or not, is to be in an emergency department longer than 24 hours; 95 per cent of emergency patients have been treated and discharged within 24 hours.

All ambulance are able to unload patients within 60 minutes. Right now, 77 per cent of all ambulances during this period were able to unload. That was an April-to-August measurement, and ensuring the number of non-emergency patients attending hospital emergency rooms does not exceed 20 per cent—non-emergency patients in that period accounted for 45, so they're working to drive that down.

Mr. Friesen: I find it interesting that the minister refers to the payments from the WRHA to the City of Winnipeg as investments in health care. I call them fines not investments. I know the City of Winnipeg calls them fines as well. As a matter of fact, the deputy mayor even weighed into this debate and says he looked at the same targets for the—that were indicated by the WRHA and says, I still see those as just fines and they're not—they don't go far enough.

In any case, a question pertaining to paramedics still, but on a slightly different issue. In the beginning of April there was a release, a media release, that indicated that the community paramedicine model would be expanded in Winnipeg, and I'm well aware of the work at the Main Street Project with respect to community paramedicine. I know, and the minister knows, as well, that those are projects similar to what has been tried and tested in other areas of the country, and I think we're both very interested in how that's been progressing. I think it's just a—some very good work has been done there to indicate where there are high-volume response areas and then to send resources there to be able to—as not just a stopgap measure, but as a reasonable measure to be able to stop instances from getting to a hospital in the first place that might not need to get there. What we saw in this latest media release is an expansion of that community paramedicine model whereby there would be new resources that would be employed in a

pilot project to connect frequent ER visitors with alternative health services.

Now, I want to ask the minister about this project. First of all, I'm wondering if the minister can indicate—what we've seen in this release, and what I took note of, is the fact that the WRHA said they identified 40 people who made 1,200 calls to ER in the year 2012. And I would agree with her that would be something that would flag to me that something needs to be done. I'm wondering, though, in this case whether this is an issue of acute care or if this is an issue of chronic care. And I wonder to what extent if this is a chronic-care issue whether it wouldn't be a better idea to dispatch, maybe, psych nurses to site. I'm not sure in these cases if it is the paramedic, an advanced care paramedic, going to site the best use of resources.

And maybe I'll just add one thing in there, as well, if we're already answering. I also noticed in the same release it made clear that it might be a cost-saving measure except that the same release said that EMS services will still respond on-site in the same way as this special unit. And I wonder isn't there a way to achieve this where we don't also have to send EMS? Is that for liability and protection reasons? And if they do all have to go, does it actually result in the cost savings? I have to get multi-part questions in because *[inaudible]*

Ms. Oswald: Lots of questions there. I'll do my best to answer them. I'm wondering if the member might be willing to take just a couple minutes recess.

Mr. Chairperson: Recess has been requested. Everybody agreed?

Mr. Friesen: Could the minister repeat that last question?

An Honourable Member: Could we have a recess?

An Honourable Member: Let's have a recess.

Mr. Chairperson: Okay, everybody agreed. There will be a short recess, and we'll come back before five minutes.

The committee recessed at 11:49 a.m.

The committee resumed at 11:54 a.m.

Mr. Chairperson: Order. Committee resume.

Ms. Oswald: I offer my deep thanks to the member for that recess.

So the Winnipeg region and the City of Winnipeg did announce this expansion to community paramedicine, indeed coming from the funds from the aforementioned project that's under way between the WFPS and the Winnipeg region. And I believe in that expansion there is a discussion of developing this community paramedicine project at two inner city personal care homes and, in fact, at the Salvation Army built on this model that the member did cite from the Main Street Project.

And I—certainly, we want to take a focused approach with frequent users; that's absolutely true. The member did cite some statistics about how many trips back to the ER in—certain individuals can take over the course of a year. There are actually a number of initiatives that are going on to try this wraparound kind of model.

Individuals that are residing at the Bell Hotel, for example, are also seeing kind of an integrated health model wrap around them with a view to endeavour to not have these individuals have to repeat their visits in emergency rooms but, perhaps more importantly, connect them with good primary care or chronic care, as the member cited, in the community, whether it's with a family physician or a nurse practitioner or hospital home teams, which is an initiative we have under way for those that have much more complex needs.

Certainly, there really isn't a circumstance under which, if an ambulance was needed in an emergency situation, that an ambulance would not be dispatched for that reason. So this might be kind of the double staffing that the member is referring to. I'm not a hundred per cent sure that I understood the question, but this is what I'm presuming.

But the suggestion about having an RPN stationed within the context of a multidisciplinary team, I think it's a good one, actually. And where appropriate, I think that that's a suggestion that we might make to the Winnipeg region and to this particular community paramedicine model. Whether it would fit in well there or in another interdisciplinary team remains to be seen, but I think it's a reasonably good suggestion.

The idea of using these funds to drive down costs of expensive and often unnecessary emergency room visits and have a paramedic attending to the needs right in the community, that is the goal. And so, if the outcome of this project was such that it was a higher cost and not a lower cost, it would, without a doubt, need to be re-evaluated. But the view is to

provide the right care for the right situation for the right person in the right place at the right time at the right cost, so all of those components will be evaluated in that context.

Mr. Friesen: Can the minister just clarify, then, understanding the success so far at the Main Street Project where there's been a significant drop from a former 350 to 400 patients sent to the ER down to 161 now going to the ER, would this next phase of this community paramedicine model remove any resources from the Main Street Project?

And I know she appreciates my multi-layered questions, so I'll just ask a subsequent question. How many paramedics right now—or formerly at the Main Street Project when it started and how many continue now as part of that project?

Ms. Oswald: We'll certainly work to get the member the original staffing and the current staffing.

We know that the work that has been done at the Main Street Project has in so many ways been transformative in helping to connect individuals with a more regular primary care provider and has in some ways reduced the need. Having said that, at the same time, there are always new clients that need that reconnection.

But, with the development also of our QuickCare clinics, who are staffed by nurse practitioners and nurses, as I believe the member knows, just like the Main Street Project, in addition to dealing with the issue of the day, the matter that brings an individual to a QuickCare clinic or to the paramedic at the Main Street Project, the goal is to also try to plan for the future, to connect that person with, you know, a primary care network, a nurse practitioner or a family doctor, to try to make a connection and build a relationship that hasn't existed there before.

So, certainly, in many ways, obsolescence is the goal of these kinds of programs. I don't know that that would ever be achieved or, maybe one could argue, if we would ever really want to achieve that.

* (12:00)

But we want individuals who have to seek care from the paramedics at Main Street Project to have somewhere else to go. We want individuals that need to go to a QuickCare clinic and seek the services of a nurse practitioner to have a more regular place to go. A lot of research has been done to show that people's health status does improve when they have a regular

relationship with a physician or a nurse practitioner, and we certainly want to achieve that.

So we will certainly let the member know what kind of EFTs first existed, do exist now, if any of those have been purported to share with the newly announced community paramedicine project, and we'll get back to the member with those numbers.

Mr. Friesen: Still on the subject of paramedics, I'm just wondering if the minister would provide an update. There's an April 5th, 2013, press release, and what I see here is that it's promising the new power stretcher systems will soon be in place. This is a pledge that the minister made some time ago.

I'm wondering if she could just give a quick update and indicate, where are we at with implementing the new power lift, power stretcher system? I believe there was a trial and I'm wondering if now we're going to see an implementation of that across the spectrum.

Ms. Oswald: I thank the member for the question.

The trial itself is going to go on over two years, where power stretchers are in use in Winnipeg and in rural communities, I think, predominantly in the southern region. And, I mean, certainly, they're cool. How did—that's not very scientific—they're cool stretchers. And, you know, when you see them function, it seems without a doubt like a no-brainer why wouldn't we just install power-lift stretchers in every ambulance across Manitoba, and let's just get on with it.

However, it has been suggested by a number of folks in the system, by paramedics themselves, and, indeed, in the Winnipeg Fire Paramedic Service pilot, kinesiologists are going to do some study, just to have a really close look at the promise of these stretchers.

First and foremost, while they're cool, they're significantly heavier than regular stretchers, and that, in and of itself, can perhaps create extra burden for our paramedics. We know that back injuries are something that our paramedics have to be wary of now. And if, in fact, they are not used exactly as the manufacturer would intend them to be used, then paramedics could find themselves in situations where they need to carry them, and this could create an additional burden.

Also, there's some tests being done to make sure that they work appropriately under Manitoba's weather conditions. That's something that's being

observed very carefully. And we also know that they're—the power stretchers themselves are just one potential piece of the puzzle in improving paramedic safety. There are pieces of loading equipment that attach to the ambulances themselves that are different, and so that kind of equipment is being tested also.

So this kind of review is going to go on over the course of two years to see if, in a Manitoba context, this is, indeed, something that our paramedics choose to advocate for—continue to advocate for, I should say. If, in fact, like in some other jurisdictions, paramedics say, you know, these didn't turn out to be everything that we thought that they would be and, in fact, they're more cumbersome to use. So we are going to pay very close attention to what our folks on the front lines say through the course of this pilot project with some expert advice coming, as I say, from kinesiologists that may, indeed, be able to coach our paramedics in using them in better ways.

So that work is under way. The data is not yet complete, but we really do hope that these turn out to be everything that we are counting on them being and that we can pursue further investment in the development of more powerlift structures across the system.

Hon. Jon Gerrard (River Heights): My first question deals with the Estimates of capital funding on page 109 of this year, \$166,974,000. I wonder if the minister can provide a list of the projects which will be funded under that.

Ms. Oswald: Yes, the—I'm informed from my department that we would be able to provide that list. We'll just need a little time to get it for the member.

Mr. Gerrard: Number 2, within the budget, I mean, one presumes that capital funding is the infrastructure funding, but there may be, one would guess, perhaps, some small amounts of infrastructure funding elsewhere. Can the minister identify other areas of infrastructure funding in the Estimates for this year?

Ms. Oswald: I can say to the member that, indeed, funds for capital expenditures do appear on that page. I'm also informed, though, that there would be monies for the regions to do appropriate maintenance of what would be considered capital kinds of entities and that money could be captured in something like the Health Services Insurance Fund as well. So, by and large, it would be appearing in the place that the

member points out, but there would be monies that go for ongoing maintenance in other areas.

Mr. Gerrard: If the minister could provide that list, if that were possible, as well as the first list and the amounts for each project.

Ms. Oswald: Yes, I'm informed that we could provide for the member what we've spent on maintenance and so forth in prior years to give him a sense of and a flavour for what that's about.

Mr. Gerrard: No, that wouldn't be adequate. On the first list if you can provide a—not only a list of the projects, but the amount that's allocated for the expenditures on each project.

* (12:10)

Ms. Oswald: Yes, we'll do our very best. And I would also, just in the name of good manners, point out that Bernadette Preun, assistant deputy minister, did join us at the table. She wasn't officially part of the original introduction, so as appropriate, I would signal that.

Mr. Gerrard: I want to thank the minister for moving to make the Manitoba Legislative Building a latex-free environment. I'm asking whether the minister is intending or planning to extend that to all provincial buildings and, of course, particularly, I guess, the question would be in relationship to hospitals and health clinics.

Ms. Oswald: You're welcome, first all. And, second of all, certainly, I think that there can be an effort in government to take a close look at, particularly in the Department of Health, where in our other building environments we may be able to duplicate a latex-free environment. I know in my other life as a teacher, I've always been a little bit nervous about using that word, free. I think it does create potentially a false sense of security. Those peanut-free environments, for example, I think helped no one. Lots of effort can be made to stay away from peanuts, but if children with severe, you know, anaphylactic reactions have a false sense that they're in an environment where there's no chance of that happening, it creates problems. So we would want to create a message where every effort is being made to reduce and eliminate the use of latex in these situations.

I—the deputy rightly points out that there are a number of environments where our folks work that are leased buildings, which would make it more complicated, I think, to mandate a significantly

reduced or eliminated latex environment. But I do know that the member has written to me about this and has pointed out that there are individuals with very severe circumstances surrounding the existence of latex.

I know when it comes to hospitals that there are plans and protocols in place for those that are identified to have profound issues with latex and that environments are created, rooms, if you will, to try to isolate an individual and ensure that they are treated with the utmost care and have a no-latex environment. And that the regional health authority in Winnipeg is doing considerable research to see how latex-free environments are being achieved in other jurisdictions, and, indeed, if those that are purporting to be latex free are actually living up to that promise. So they are doing some research on this. They know that it's an important issue for, admittedly, a small population, but individuals who have serious circumstances that they have to deal with.

So, I thank the member for the question and want to assure him that more work is being done on this indeed.

Mr. Gerrard: The next question is with regard to a private member's bill which is before the Legislature at the moment dealing with newborn hearing screening, universal. It's my impression from the minister's remarks at second reading that she's generally in support of universal newborn hearing screening. Is that correct?

Ms. Oswald: Yes, I am supportive of advancing our universal newborn hearing screening.

Mr. Gerrard: Given that such a bill could be implemented when other details are in place, I wonder if the minister would reflect on the possibility of even supporting this bill, knowing that the implementation date could be set at a date which is suitable for all the regional health authorities to have things ready.

Ms. Oswald: I will consider it, yes.

Mr. Gerrard: Next question deals with communications disorders, the university training program. Clearly, I think a large number of people would recognize that this has been needed for quite some time. Is the minister supportive of a training program for speech language pathologists and audiologists here in Manitoba so that we'd have adequate numbers of people in these areas for our

needs, particularly given the number of people who are retiring in the next little while?

Ms. Oswald: Yes, I know that this is an area where the member has considerable interest. I applaud him for that. I certainly do believe that Manitobans deserve to have access to high-quality care across the board, but certainly by those professionals that have expertise in audiology and speech language pathology, they would certainly be included in that group. And we have seen our workforce grow, which is a good thing, by about 30 per cent since '03. And CIHI names us to be above the Canadian average in terms of the number of audiologists we have per capita, and that 30 per cent that I gave just a moment ago was about audiologists. I'm not sure I said that. According to that same report, CIHI says that we have the second highest number of speech language pathologists per capita in Canada. Alberta's just ahead of us, and I'd love to beat them, to be honest.

And we know that continued investment in the Children's Therapy Initiative is resulting in more children receiving audiology and speech language therapy services in more communities than ever before. There are now 14 children's therapy programs across the province, which includes Churchill, I'm happy to report, helping over 46,000 children get the services they need, and we do know that while this growth in workforce and growth in access is a very good thing, that there are places across Manitoba, indeed, right here in Winnipeg, where some would argue the access tends to be the easiest, that aren't getting the care as swiftly as they would like to get it.

And the option of finding a way to grow some of our professionals here at home is one that we want to consider very seriously. When we embarked on our journey in the last election, I believe the member heard the Premier (Mr. Selinger) remark the other day that we did make a four-year, \$24-million commitment to train and educate more health-care professionals right here at home in Manitoba, and we've already embarked on that investment with doctors and nurses, to be sure. And we are very open to working with our professionals on the ground and our partners in advanced education, to see what possibilities may exist for us to be able to develop a program for audiology and speech language pathology here at home.

I will be absolutely frank with the member, that we know that it becomes more challenging to

embark on new initiatives when budgets are such that they are in these challenging economic times, but I do take the member to heart when he points out that this would be a program that would be very well received here in Manitoba, that there would be many in the audiology and speech language pathology community that would, with great exuberance, take up the charge to help develop that program, and so he certainly has my commitment that as we go forward on this \$24-million fund that we will very seriously, in that context, look at what we might be able to do to begin a program such as this.

*(12:20)

Mr. Gerrard: Thank you. I think it's, in part, a matter of making sure that the existing numbers are replaced, as well as reducing the waiting times, which, for a number of people, are a year or more. And, particularly, when you're talking about young children, waiting a year or more is a long time.

Let me turn for a moment to diabetes. Does the—what is the number that the minister has for the latest number of people in Manitoba with diabetes?

Ms. Oswald: Yes, I can inform the member that in 2010-11, there were 97,353 Manitobans with diabetes. This accounts for roughly 8 per cent of the population aged 1 year and over. We know, of course, that the highest prevalence of diabetes exists in northern Manitoba, with 15.7 per cent of the population there living with diabetes. In the same year, there were 7,514 Manitobans who were diagnosed with diabetes.

Mr. Gerrard: Just to clarify a couple of things: What was the methodology used to identify the number of people with diabetes? And, second, with regard to the 7,000 people diagnosed, I presume that the minister refers to new diagnoses. Is that correct?

Ms. Oswald: Yes, I can inform the member that yes, indeed, that number, 7,514 Manitobans, those were, indeed, new diagnoses. And that does include type 1 and type 2 diabetes, for the member's information.

I can also let him know that this information is published online in the annual statistics report, and it does include information about the methodology, as well, for his information, which, I'm informed, concerns the medical claims administrative database. But again, he can find this information online.

Mr. Gerrard: The—is there a Manitoba diabetes information warehouse in Manitoba?

Ms. Oswald: Yes, thank you for the question. If I could just ask the member to clarify: That's the specific name that he's referring to? Could it be a different name?

Mr. Gerrard: It could be a different name. It was a recommendation a number of years ago that there be such a warehouse put in place.

Ms. Oswald: I'm just wanting to make sure that I'm—I'm going to answer this question in two ways to make sure that I'm capturing what the member is asking me.

Certainly, as we are developing the electronic charts we are working to ensure that we are developing repositories of information that will capture as much detailed information as we can that will be useful not only to our patients, but to our clinicians in terms of tackling the challenges that are represented by those individuals that are developing and living with diabetes.

Further, the Manitoba Renal Program, of course, has great expertise in matters dealing with dialysis, but also has worked very hard to develop a renal health program, and as we have gone forward in developing dialysis access across Manitoba in more remote communities and build dialysis centres we have been very careful to work with the renal program to ensure that these are renal health hubs that are a strong source of information for prevention, for the promotion of good health, for diabetes awareness, for education and, in many respects, are serving as central locations, particularly in communities that are affected more greatly by diabetes to provide not only the acute care that's needed, but also prevention work that's needed as well. So neither of those would fall under the name that the member is citing right now, but, certainly, may fulfill the promise in terms of data and—okay, so I'm not a researcher; I don't care about data as much as others—the care that people need as a result of what we learn from that data. So I think that we're trying to function in both ways in providing that.

I would also add that our hospital home teams are doing work with chronic care patients and our primary care initiative related to the management of chronic disease is working to provide this as well. So I'm not entirely sure that answers the members question, but I'm hoping it's close.

Mr. Gerrard: From time to time there've been cost-impact studies of the cost of diabetes. Does the

member have the latest number for the impact of the cost of diabetes in Manitoba?

Ms. Oswald: I can let the member know that we know that last year over 500 physicians used the tariff that we use to measure to treat nearly 35,000 folks, accounting for, you know, roughly \$17.5 million that was dedicated to the direct treatment of diabetes. But we also know that in recent times the Manitoba Centre for Health Policy has done a more in-depth study of the costs associated with diabetes and I—we don't have that report right in front of us. Suffice to say that it is not a small number. But I can commit to the member to bring forward that data and any other data that we can collect that will show the broad cost of managing and dealing with diabetes in Manitoba.

I neglected to mention to the member earlier that the Physician Integrated Network initiative that we've spoken about before completed a phase 1 and 2 evaluation to track progress towards achieving its goals, and that was really focused on demonstrating high quality primary care with a focus on chronic disease. And within that context, a lot of work is being done to examine costs associated through physician billing as it relates to—

Mr. Chairperson: Order. The hour being 12:30 p.m., committee rise.

FINANCE

*(10:00)

Mr. Chairperson (Rob Altemeyer): All right, will the Committee of Supply please come to some semblance of order.

And this section of the Committee of Supply will now resume consideration of the Estimates for the Department of Finance. As previously agreed, questioning for this department will proceed in a global manner. And wouldn't you know it, the floor is open for questions.

Who's up first?

Hon. Stan Struthers (Minister of Finance): I just want to fix up something from yesterday. The—I had reported to the member for Charleswood that the statement of estimates and revenue—sorry, the statement of revenue and expenses went to the printer, I said, the 9th. In fact, it was the 11th—11th of April. So that was April 11th. All the other dates were accurate; it was that one that I needed to fix, that's it.

Mrs. Myrna Driedger (Charleswood): Back to the question that we didn't get to at the end of yesterday. In the view of this minister, do transitional rules trump legislation?

Mr. Struthers: Well, Mr. Chairperson, the transitional rules implement the legislation; they implement the changes in tax status. We introduce a budget, we introduce changes on the tax side and the transitional rules, the bulletins that we send out, implement that legislation.

So it doesn't trump the legislation; it provides assistance for people who are out there working with the changes that we legitimately put in place as a government through our budgeting process.

So the—my point yesterday was that these transitional rules have been communicated to people. Mr. Chairperson, they're on our website, at Manitoba.ca/finance/taxation. I made sure that there—people understood that there was a 945-5603 number and a 1-800-782-0318 number for any of the constituents of hers or in this—from yesterday's conversation, the member for La Verendrye (Mr. Smook) was talking—was representing his constituents who've been talking to him.

These transitional rules are designed to avoid any kind of confusion. The retailers out there can have access to these transitional rules, they're on the website. We have people in place to answer any questions, very technical questions, that they may have. But, no, this does not trump anything. This is how you implement the changes that we put in place through the budget.

Mrs. Driedger: The minister indicated yesterday that they did not have an independent legal opinion that stated that bringing in the PST on July 1st while the existing law is still in place whether that was legal or illegal. He—didn't—he indicated that they did not have an independent legal opinion on that, that it came from just within his department. He, also in question period yesterday, referenced some legislation that he referred to about, and I guess it must have been what he was indicating, there were existing traditions in place across Canada, and he was using something in question period yesterday. Can he just reference that again?

Mr. Struthers: Well, first of all, I don't want the member for Charleswood to mischaracterize what I said yesterday. I was very clear in indicating that as we work through the budget process and consider

different options, we have legal staff that advises us as we go through on all of the legal questions that could arise from decisions that we make. I do not want her to misrepresent that as if we haven't talked to a lawyer about this.

We're very confident in what we're doing. We're very confident not just in terms of practices, budgetary practices, in this province with our government or previous governments. We're very, very confident that our practice stacks up to what has happened in other Canadian jurisdictions, provincial or federal. We've done that homework. We're very confident that Bill 20 that we're bringing forward is legitimate. We have the authority to do that. We're—we've been very up front with the people of Manitoba in what is contained in that bill, and it's there for 1.2 million Manitobans to take a look at, including members on the other side of the House.

We've been very clear that that money, every dollar that we raise through that 1 cent increase to the PST, will go directly into the infrastructure that Manitoba families depend on. We're so confident in that that we have undertaken to come back to the Legislature and report back to members opposite, and, indeed, to Manitobans, about where that money has gone. And we've already, yesterday, talked about two examples of that money going towards infrastructure, roads in the city of Winnipeg.

So, Mr. Chairperson, we're very clear and very up front with the budgetary processes that we've been dealing with. They've been there and they've been used for decades in not only this province, but others. We're satisfied that the legal eyes have taken a look at what it is we're doing and they're fine with our approach. So I would really caution—although I caution the member opposite, I'm not hopeful that she will not mischaracterize the discussions that we have in Estimates.

Mrs. Driedger: If we got a straight answer from the minister, then there wouldn't be any doubt about any of this and any of his accusations about mischaracterization wouldn't be happening, but he is stonewalling in a number of instances and skating all over the place.

So I would ask him, then, if he wants everything to be clear to then please just be straight up with answering the question. He did say yesterday that there was no outside, independent opinion given on their decision, that there was no report given to him. And so I'll ask him again: Has he spoken to outside, independent lawyers about whether or not

implementing the PST on July 1st is going to be legal if the existing law is still in place?

* (10:10)

Mr. Struthers: Well, there she goes again, Mr. Chairperson. Time after time, I attempt to tell it like it is for the member for Charleswood. I think we go into great detail to make sure that all the facts are on the table and are there and available for the member for Charleswood. We and the department go to great lengths to try to answer the questions of her or her colleagues. We're open and honest enough that if we—if the question is being posed in this set of Estimates when it should be posed somewhere else, we tell people, we tell members opposite that, you know, exactly where to go to find the information. I don't know if she wants me to kind of make up answers as we go along and just to satisfy their conspiracy theories from across the way or if that's what she wants.

I don't think that's very productive, so I'm just going to continue to answer the questions straight up like I have been. I've been, I think, more than patient in dealing with the same questions over and over, looking for some little thing that she might find different one answer to the next. I understand what it's like in opposition, and I know the tactics.

Despite that, I'm going to continue to make sure that she understands that the authority exists for us to move forward with the budgeting process that we're doing, with the budgeting process that has been in place for a long time. It's the same budgeting process that's in place when the Conservative Party back in 1993 brought forward expansion of the provincial sales tax to include baby supplies. We're going to use the same process, by the way, to take the PST off baby supplies because we think that, you know, we think that governments need to support families, especially young families, who are working hard in this province and raising families, and we think that support is what we should be doing rather than putting that PST onto baby supplies like her government did.

We think, actually, that the—this is one of the few times we've found that we actually agree with the member for Fort Whyte (Mr. Pallister), her leader, who, when this law was brought forward, made it very clear that any subsequent government had every right to change that law, to proceed with budgetary procedures despite that law. He was correct, then, in saying that duly elected governments can make decisions. I believe he referred to it as hand-tying

legislation and that it wouldn't prevent governments from making decisions and presenting budgets and moving forward with tax implementation, making changes to things such as the PST and other measures that are available to the government. So, you know, maybe the Leader of the Opposition, maybe the member for Fort Whyte has changed his mind on that now, but, Mr. Chairperson, I think he was right then and I think if that's still his position then he's correct today, if his position still is that a duly elected government has the authority to make tax changes, and that's what we're doing.

We have said to the people of Manitoba that—in our budget that we would be raising the PST by 1 cent on the dollar, which is what we are implementing. We promised that we would bring in legislation—it's Bill 20—putting in place the Building and Renewal Plan, guaranteeing in law that every dollar raised through the PST would go towards infrastructure in Manitoba.

And, when she peruses page 17 of the budget document, she can see exactly where that money is going, and it's a whole number of different categories. We had—as was discussed yesterday, we've been very clear that one of those priorities is our residential streets in Winnipeg. We've said that we would build, that our plan would build in \$19 million worth of investment in Winnipeg streets. She's seen a couple of those announcements already, and she brought one of them to the table in her area of the city, in the southwest part of Winnipeg. A few days before that we had talked about the northeast quadrant of Winnipeg, and specifically Molson avenue, where some very vital work needs to be done, and this government is undertaking that. You don't get to do those kind of things if you aren't willing to find the revenue to pay for them and tell people—tell the people of Manitoba where you're getting the money and where it's going to.

So that's been our approach. We think that that's an open and honest way to do it. Maybe that's not the route that members opposite would take. Well, I know it's not the route that members opposite would take because their leader, the member for Fort Whyte (Mr. Pallister), has said clearly where they would get the money from if they, in fact, did do any investment into infrastructure. They would cut hospitals and have that money go towards—who knows? Maybe it would go into the horse racing industry as they've indicated in question period. They would cut education and transfer that money elsewhere.

We don't believe that you have to make those kind of choices between the top priorities of Manitobans. Our approach has been on the revenue side. Our approach has also been, in terms of containing our costs, by making some smart decisions in terms of squeezing administrative costs in health care, or administrative costs in our Crown corporations, or reconfiguring offices right in every region of this province to produce savings. We think that is a much more common sense way to go, and that's exactly the course that we'll continue on.

What is very clear is that throughout this process, we work with our lawyers to make sure that what we're doing is justified. We work with Manitobans to make sure that we understand their priorities, and we intend and have been meeting those priorities and doing it in such a way that is acceptable from a budgetary process point of view as well.

So we think that, and we're confident that this is the correct direction to go and that we're being very careful in terms of how we get there.

Mrs. Driedger: Talk about mischaracterization and misdirection. There were so many errors in that minister's response it would take quite some time to actually pull it apart and correct all of them. And, unfortunately, we don't have the time for that.

I'd like to ask the minister: Does he understand the current legislation when it talks about when a referendum is needed?

Mr. Struthers: Well, first of all, Mr. Chairperson, I know the member for Charleswood a bit. If there were actually inaccuracies or misdirections, mischaracterizations in what I said, I am fully confident that she would take the opportunity to point that out. Since she didn't, I'm going to assume that there was no such mischaracterizations in what I said.

* (10:20)

And, yes, Mr. Chairperson, I understand the balanced budget law that was put in back in the day. I'd like to believe that when I do things I do my homework, and I have very good staff that take that same approach and we understand exactly what we're doing. That's why we worked very closely with our folks in—with our lawyers in the legal counsel division of the government. We make sure that we understand the implications, not only the implications in terms of the budgetary process which we are committed to and bound to, but also the

implications that our decisions have on Manitoba families. And we understand the implications that the PST increase of 1 cent on the PST will have. It's not the \$1,600 figure that her leader picked out of the air one day and they've been trying to either rationalize ever since or run and hide from ever since. Sixteen hundred dollars is just something picked out of mid-air that isn't based on reality, but they continue to promote that. That's up to them. They can do—they can take that approach if they like.

We understand what the implications are. We understand the revenue that that means for us and we understand how important it is to dedicate that revenue back into infrastructure throughout Manitoba, and we've seen examples of that. I know of many—many people have talked to me about how important Community Places Program is to little towns that depend on that kind of support not just, you know, not just in terms of building projects in little communities that—and I guess I shouldn't just say, little communities, because I know there's parts of the city of Winnipeg that really benefit through that too—but little communities that have projects that they need to undertake, they don't have the ability to raise a mill rate and get a lot of money in little communities. So they do need some help from the public sector, from the provincial government. But also there's no better local boost to the local economy than a little project that involves bringing in the local drywaller and a local electrician, the local plumber. They work together on a project and they really do—oh, and they, from there, they then hire people and subcontract and hire people to—with the skills sets that they need to do these projects in little towns.

So we understand from every angle the implications of decisions that we make. We make sure that we work hard to have that understanding and we know what the implications are. And, as a matter of fact, I think we—I, at least—I at least try to spend a little time to think about where members opposite are going to come from on these different issues and, you know, I haven't been all that surprised so far. What would really be surprising for me is if members opposite actually came forward with a positive plan to address infrastructure, the needs in Manitoba, and were upfront with people in a more positive way as to where they would get the money from. I know they've told people where they'd get the money from, and that's from health care and from education. Well, a 1 per cent across-the-board indiscriminate cut is what their leader has said very clearly that they would do.

So, Mr. Chairperson, we understand the implications of decisions that we make. We do our homework to cover the bases. I'm confident that we've done that in this case and we think we've hit that correct balance in terms of moving forward and addressing the needs and addressing the requirements of Manitoba families.

Mrs. Driedger: After all of that, and the minister didn't answer the question.

I'd like to ask him again: What does the law say about when to call a referendum?

Mr. Struthers: Well, she asked me if I knew, and I said yes.

Mrs. Driedger: So what does the law say about when to call a referendum?

Mr. Struthers: Well, I'm going to take the advice of her leader, the member for the constituency of Fort Whyte, who made it very clear, when this legislation came forward, that the—this would not prevent a government from—a duly elected government from moving forward with its plan.

I'm sure that the member for Fort Whyte (Mr. Pallister) understood at the time the practices involved in budgeting and the practices involved in implementing the budget that gets presented to the Legislature and voted upon. I—he was a Cabinet minister in the Filmon government; he understands that a government can, in fact, move forward with its legislative agenda. It can, in fact, move forward with its budget agenda, which is what we're doing.

We're implementing exactly what we said we would do in the budget that I presented on behalf of Manitobans on the 16th of April, a while ago, on the 16th of April. And we're actually following his advice that said very clearly that the—this legislation shouldn't tie the hands of a government. And we're taking that kind of authority and moving forward with it. We're making sure that, as part of our budgetary process, that we are putting in place, Bill 20, as we said we would, that would dedicate every dollar of that 1-cent-on-the-dollar increase to infrastructure. We think that that is—not only do we think we have the authority for that but we have the support of Manitobans who understand that investing in infrastructure is a very good thing.

We know that her federal cousins and, you know, I'll say this openly, I thought that there was good co-operation with the federal government in the first round of infrastructure funding that took place

several years ago. Now, there are those who think that it was the evil coalition in Ottawa that forced the current Prime Minister into moving forward with a stimulus package, and it, you know, the Conservative government wasn't big on that and they didn't think that that was what the economy needed. They may have been looking for more of a tight-fisted austerity program, but, nevertheless, to their credit, they participated in a stimulus program that meant a lot of very good projects across the country, and in Manitoba, were supported.

We think we can do that again with the federal government. We think we can have that kind of a stimulus to our economy and put people to work, have strong employment numbers. You can see, even today, again, you know, they—a rebound in the employment numbers for the—for this month compared to last. These sorts of projects actually get people working; they get people investing in their own skill sets, along with governments that invest in those education and training opportunities as well.

We want, again, to participate in that program that the federal government has detailed in their most recent federal budget. We want to participate in that infrastructure program but we understand that we need to have the money to sit at the table with the federal government to take advantage of what, I think, could be a very good project, over the—very good undertaking over the next 10 years, with many very good and very valuable projects that will come to fruition and be of long-term benefit to the people of Manitoba and to our provincial economy.

*(10:30)

We—you know, we know that as the discussion yesterday we had about, you know, the world economic situation, backed up just today again by the federal Finance Minister talking about, you know, what keeps him up at night is Europe. Well, that's exactly what we talked about yesterday, and the—kind of the stagnation in Europe that is causing much of the rest of the world to develop economically in a sluggish fashion.

We need to be aware of that and we need to be investing in stimulus programs such as this one and co-operate with the federal government and have actually the cash in hand to do it. And that's where the 1 cent increase on the dollar comes in. That's when it annualizes up; over the full year, we'll be looking at \$277 million. Our commitment is actually bigger than that; our commitment is actually the equivalent of not just 1, but 2 per cent now in terms

of infrastructure and dedicating money to infrastructure like roads and bridges and schools, and hospitals and daycares and those sorts of priorities that Manitobans have. But we understand we can't sit at the table without a plan to pay for the things that we know we need to invest in.

The other real challenge in that for us is on the flooding side. And I've heard members in the House, you know, this kind of, don't-worry-be-happy approach, you know, it wasn't a big flood this year. You know, there was a real threat again this year that the flooding would be of—at the level of past experiences in Manitoba. We know we could be right into it again next year. We—you know, we don't know just yet, but, you know, we always, in Manitoba, need to be prepared. And, when you have a report that lands on the desks of the government saying that for the price tag of a billion dollars, here's what you need to be investing in, part of that being a \$250-million touch for the—making permanent the channel—the emergency channel that we built to try to regulate water levels on Lake Manitoba and Lake St. Martin. And not just making that channel permanent, but another outlet in and around Lake St. Martin.

So we know that there are huge challenges that face us, and we know that we're not going to shrink away from those challenges and that we need to take necessary decisions such as increasing the PST by one point to provide the revenue to pay for those investments that meet the challenges, whether they be flood challenges or critical infrastructure challenges that we face.

And it's not just us. You know, we talk about other provinces and some of them—the measures they've undertaken to meet the challenges—and some provinces have put—have increased income tax; some provinces have expanded their sales tax; some provinces have taken on the harmonized sales tax; some provinces have cut deeply into services, and very valuable, very critical services, which is the route that our local Conservatives have undertaken in terms of deep cuts to services that matter to Manitoba families. There's a number of approaches that provinces have taken.

But every Province, including Manitoba, and the federal government, have budgetary—not just budgetary traditions, although that is part of it—but budgetary practices that are time honoured. I'm pretty sure have been—over the decades, have been challenged in courts at one time or another, and have

stood the test of time. They've—are very clear in terms of the procedures that need to be followed for budgeting. They're procedures that have been followed by previous governments, which the member for Charleswood has been part of. Those rules have existed there at that time. We're committed to following those rules; we're committed to that kind of stability on the behalf of the people of Manitoba. We are very committed to the budgetary process that's in place, and we'll follow that—we will definitely follow that, those practices and those time-proven processes that ensure that the democratic will of this House, the democratic will of Manitobans, is honoured. That's why we have the rules in place that we do. That's why we bring forward bills at first reading for debate in the House. That's why we then move to second reading, so that members opposite can have their say. That's why we allow, between second and third reading, for public hearings, and Manitobans come and talk to us about the legislation that we put forward. That's why we did prebudget consultations on the budget in seven different meetings in six different communities to talk to Manitobans about what their priorities are. And I was pleased with the number of people that came forward and spoke with us about the priorities of them and their families.

So, Mr. Chairperson, what I want to assure people is that those budgetary practices, the advice we get from civil legal counsel, the processes that are in place in this Legislature that House leaders work on every day, they will be honoured. We will make sure that what we move forward with (a) we have the authority to do, and (b) we have been working in conjunction with the people of Manitoba who really do want us to get on with making the decisions and investments and—that are quite necessary to support Manitoba families and to support our provincial economy.

Mrs. Driedger: The minister once again didn't answer a very straightforward question, and he's been stonewalling on a number of issues throughout Estimates. That is certainly the feedback I'm getting from a number of people that are listening to him.

And it's a very straightforward question: What does the law say about when to call a referendum? And it's the current law that's in place. He's just indicated he knows what the legislation is. It's just a basic straightforward question: What does the current law say about when to call a referendum?

Mr. Struthers: Well, I regret that the member for Charleswood just thinks that I'm stonewalling. I'm trying to be very thorough in my answers. I'm trying to make sure that she has a complete picture of what it is that we go through when we bring a budget forward. I want her to understand that it's not just, you know, this minister waking up early one morning and deciding, here's what we're going to do. It's a big process. A lot of work goes into it. A lot of time and energy by a lot of people are spent in bringing forward a budget. It just doesn't get written the morning it's presented. It's—it gets—the work begins way early in the process. It begins being around the mandate of what Manitobans give us in terms of meeting with us in prebudget consultations and that advice.

I want to be clear that she understands that this—the question that she asks is based upon the legislation that we've brought forward since we put the budget—since we introduced the budget back in the middle of April. The key question is the legislation that we're bringing forward. It fits in exactly with what her leader, the member for Fort Whyte (Mr. Pallister), said at the—back in 1995, what he said how he expected a subsequent government could act. We're acting within what the Leader of the Opposition said was reasonable at the time—what he, to his understanding, was our authority at the time. So I'm a little perplexed as to why the member for Charleswood would be now doubting that.

* (10:40)

Mr. Chairperson, I—we presented a budget. We followed up the budget with legislation implementing the budget which was commonly known around here as BITSA. That's perfectly acceptable. That's a long-standing practice. That shows that we are (a) committed to what we said we would do in the budget. It also shows that we—that we're committed to what we said to the people of Manitoba in that budget. No sense bringing forward a budget and making the speech in the House, and then not following through on it.

The budget implementation act was—is a legitimate next step in implementing the measures, including tax measures, whether they be tax increases or tax credits or tax decreases. That's the way things work in this House. That's the way things have worked in this House for a number of decades. Mr. Chairperson, that is the way we will continue to work because we have the authority to do that.

Part of the overall process is BITSA to implement the budget, but we went further than that even by introducing Bill 20, which spells out exactly where the—through the Building and Renewal Plan, it spells out exactly where that 1-cent-on-the-dollar increase, where that revenue will go. And that's there. It's available for everybody to see, not just members opposite and members of, all 57 members of the House, but it's there for Manitobans to see.

And we do have feedback from Manitobans, and there are Manitobans phoning and asking us why did you bump up the PST, and talking to us about where's that money going, and many expressing support that we should be dedicating revenue towards infrastructure. I think it's been a very good, very adult conversation in many cases as to where that money should go, what the priorities of Manitoba families are, what kind of capital investments, long-term capital investments we should be—that we should be dealing with. I find that Manitoba families have a very, very definite idea about where they think we should be investing their tax dollars. You get some who simply do not want their taxes to increase; no, not 1 cent, and I understand that. But I'm finding that there's a lot of Manitobans who, more importantly, want to know where that money is being invested, and if it's being invested wisely and if it's being invested in infrastructure that's important—schools and hospitals, roads and bridges, daycares—then they're okay with that.

So I think this produces a very good discussion in the public. I think that it produces, you know, as any measure does, any measure, varying degrees of support from no support right through to full support and everything in between, and that's good, that's fine. That's democracy in action. That's why we have the processes in this House that we do. That's what Manitobans can count on; they can count on the first and second reading and then—and having their representatives in opposition and government debate the merits, the pros and the cons of the budget and BITSA and any legislation connected to the budget. And that's important, the legislation that's connected to the budget, and that's the Building and Renewal Plan. That's Bill 20. That indicates exactly where the money is going. That shows our level of accountability and accessibility and being open to, you know, suggestions from Manitobans that we build into the process. And in between second and third reading the people of Manitoba—and I understand they are signing up to come and speak

with us about Bill 20 and about our budget. And that's good. I look forward to that. The—and when that part of the process is complete we go back to third reading, and then the member for Charleswood and her colleagues can question us further, which I know they will. They can bring forward amendments if they wish. It's all part of the normal process that—not just the normal legislative process that we follow; it's part of the normal budgetary process that we follow.

And, as I've said couple times this morning, throughout the course of those discussions on the budgetary process, we have our legal counsel advising us on every aspect of the legislation we bring forward whether that be Bill 20 or whether that be BITSA, the budget itself. Mr. Chairperson, we make sure that there's a full discussion—a full discussion. We make sure that we understand from every angle, legal angle, an impact-on-Manitobans angle—there's a lot of different things that we consider when we bring forward our budget and all of the acts that go along with that budget to make sure that we cover our bases.

Mrs. Driedger: Well, Mr. Chair, I have to say to the minister, despite all of his comments, that this is not a good discussion. It's an arrogant waste of everybody's time. It is not democracy in action. It is showing a lack of respect for the people of Manitoba who are represented by the official opposition here. It's not a trick question, and he's stonewalling. It is a basic, simple question, and he's indicated he knows the answer. I think he's afraid to answer the question, and I'll ask it, and I'll keep asking it. What does the law say about when to call a referendum? Does he know?

Mr. Struthers: I respectfully disagree with the member for Charleswood, who believes that this is a waste of time. If there are ways in which we can have a better discussion, if there are ways in which we can be more inclusive to Manitobans, in terms of something that's as important as the provincial budget, then by all means I'd be interested to hear from her some practical ways in which we can do that.

* (10:50)

At other points in these Estimates, I've outlined from beginning to end, all of the steps that we've been through to make sure that the people of Manitoba are involved, to make sure that their will is reflected in what I believe is the most important

document that a government presents in the course of its—in the course of a calendar year.

We introduce a Speech from the Throne and we talk generally about the directions that we're going, and then we bring forward a budget where we put our money where our mouths are. We stand to account for that, and our process is designed to make sure that there is accountability, that the government of the day has to stand and defend the budget, explain the budget, sometimes receive criticism on the budget, sometimes receive positive feedback on the budget. I don't for one second believe that any of that is a waste of time.

I take that seriously. I know others in our government take it seriously. I know that the staff that work for us take that seriously. I actually believe that members of the opposition take it seriously. It is part of their job to ask questions. It is part of their job to criticize. I think it's part of their job to offer solutions, and, you know, they can do that if they wish.

The key question, and in direct answer to the question that the member for Charleswood has brought forward, lies in the Bill 20, lies in the legislation that we brought forward. We understand completely what is in the so-called balanced budget law. What she needs to do is go directly to the beginning of the bill, Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act (Various Acts Amended), part 1, funding for Manitoba Building and Renewal, exemption from referendum requirement: (1) section 10 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act does not apply in respect of the increases enacted by section 2 of this act in the rates of tax under The Retail Sales Tax Act.

That's exactly the point that her leader, the member for Fort Whyte (Mr. Pallister), said needed to be done. That's exactly what we're doing. He, at the time, had the wisdom to say that a government could do exactly what's contained in the very first paragraph, part 1 of The Manitoba Building and Renewal Funding and Fiscal Management Act that we have introduced in the House.

That seems to me to fit exactly what the Leader of the Opposition said we could do. That is, that fits exactly in what court cases have said in the past. That fits in exactly with the legal advice that we've received as we've worked through, whether it's this bill or BITSA or the budget itself, Mr. Speaker—sorry, Mr. Chairperson.

The next part, section 2(1), we go on to be very clear. The retail sales tax is amended by this section, and we go on to make sure that we outline the amendments, the changes that we're moving forward with. Mr. Chairperson, that's a pretty direct, I think, very open and honest approach by this government. We are very committed to making sure that we can obtain the revenues through a 1-cent increase to the provincial sales tax and have every dollar of that 1-cent increase to the sales tax go to infrastructure.

If she—I'm presuming that she's read Bill 20. I wouldn't presume anything different. My experience with the member for Charleswood is that she does do her homework. She does read the acts that we're dealing with. She will know that in part 1, we make those statements—very clear about that, and the remainder of the bill goes on to talk about how it is that we're going to make sure that every dime goes towards building infrastructure in Manitoba.

So, if she wants to continue on from there, page 1 repeats, again, section 1 of the exemption to the retail sales tax. In this—in the bill we put forward we make some definitional changes, which is pretty standard in legislation that we bring forward over the next couple sections, but essentially what the debate centers around is Bill 20. And part 1 of Bill 20 makes it very clear what it is that we're doing and why we're doing it.

Mrs. Driedger: Well, I do agree that the Estimates process can be very important; it can be useful and valuable when ministers provide answers, but what we are seeing from this stone—from this minister is incredible stonewalling over a number of days, and it's certainly been pointed out to me, including some of his condescending responses. But what is happening here today is a waste of taxpayer dollars because we are not getting the answers to any of our questions, and I do wonder what the minister is afraid of. I suspect he's afraid to answer this question because it is going to take him off some of his misleading comments that he is choosing to make around Bill 20 and how he's trying to sell Bill 20 and a PST hike. I think he's afraid to answer this question because it is then going to force him to stop his own misleading comments.

So I'll ask him again: What does the current law say, the taxpayer protection act—what does it say about when to call a referendum?

Mr. Struthers: Well, again, I regret that the member for Charleswood sees it that way. I've tried from every different angle, as thoroughly as I can, to

answer the questions that she poses. It's very clear to me that my answers don't fit into her construct that she brought into the—into—that she brought into this committee room. Her story, she's sticking to it—I get that. The facts that I present to her don't fit into her story, so that means I'm stonewalling, I guess.

There's nothing I can do about that other than continue to answer the questions as forthrightly and as thoroughly as I can, as honestly as I can, which is what I believe I've been doing. I don't want the member for Charleswood to mischaracterize anything that is said in this for her own political purposes—[interjection] So, you know, she might think that this is all pathetic, but the Committee of Supply is about her asking questions and us answering them and trying to help her to understand how important the budget is and legislation attached to that budget.

* (11:00)

I have quoted—in my previous answer, I have quoted exactly the section of Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act. I've quoted exactly from the clause that says very clearly, section 1, exempts the retail sales tax rate increases in this bill from the referendum requirement in section 10 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act. That is a fact. That's not me stonewalling. That's not anything other than me reading directly from Bill 20. That's what—that's a normal process coming out of the budget that was presented in April. It's as normal a process as the budget implementation and tax statute act that implements the budget. This is our government saying directly to Manitobans what we're going to do, where we're going to get the money, where we're going to spend the money, how we have to be accountable for that.

I do not want to be condescending in what I say. I would feel badly if I was in any way condescending. But at the same time I will be giving the same kinds of answers to the member for Charleswood, open and honest, and I'm going to be as helpful as I possibly can, understanding that she has her mind make up already and that anything I may say will not fit in to the narrative, the political narrative that she wants—that she's come in to this committee with and is intent on going out of the committee with totally unchanged. I have no expectation that anything we say here is going to help her to not mischaracterize this budgetary

process and the legitimacy and the authority of this government to move forward with the plan that we've put in place.

I've tried to—I was trying the approach of working chronologically from day one of the budget process right through to the end so that the member can understand exactly the processes that we go through. I think I've been in clear in saying that this is the same process that was in place in the 1990s when she was part of a government that made changes, that made tax changes, increases, decreases, expansions of the PST. Whatever those changes may have been, they followed the same process as we're following now.

They presented a budget. They presented BITSA. They presented legislation from time to time connected to the budgets. They all went through the same process in the House and, you know, in this building as what we're going through now.

When they expanded the PST to children's supplies, to baby supplies, this is the process they followed. We followed the same process in taking baby supplies off the PST list. We followed the same exact process to take the PST off baby supplies, and that's what's working its way through the very legitimate budget process that governs us here today.

What we've said we would do in the budget, the budget's not a secret document. The budget is something that I read out on behalf of the government, on behalf of the Legislature, and I think on behalf of 1.2 million Manitobans who depend us to do—on us all to do this with. I read that out for—on April 16th for everybody to hear. We said, very clearly, that we would be looking for this revenue and that we would be guaranteeing in law that that money would go towards infrastructure like schools and hospitals and roads, bridges, daycares.

Page 17 of the budget document, which I've quoted several times for the member for Charleswood, lists in greater detail, you know, the categories which will in—which will receive these enhancements of revenue. Parks and infrastructure was another area that would—that will receive attention, and it receives attention because people in Manitoba enjoy parks. They want us to be investing in our parks infrastructure.

So I've taken that approach in one of my answers and I've also taken the approach of being—quoting directly from the Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act with

various acts amended. And I'll refer her to that again. Part 1, section 1, the exemption from referendum requirement, 1, section 10, of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, does not apply in respect of the increases enacted by section 2 of this act in the rates of tax under The Retail Sales Tax Act.

It can't be more clearer than that. And maybe the member for Charleswood won't believe me on it, but she can read it right in front of her in the act that we tabled in the House, in the act that will go before committee at some point. There will be people, I would suspect, right in this very committee room, who will come and they will talk about Bill 20; they will talk about the priorities of the government and the priorities of Manitobans. I look forward to that.

I also would point out that the member for Charleswood and other members of her caucus attended a briefing in my office where we went through all of this at that time as well. We had, I thought, a decent discussion, a decent briefing. We did answer questions that the member for Charleswood and others had and that's good. That's perfectly fine. I think we, between myself and the staff, answered those questions. Of course, that doesn't shut the door.

If the member wants to know further clarification on these issues, she's more than welcome to speak to me or we can arrange to meet with her again. That—I'm open to that. I want to make sure that the member for Charleswood has every opportunity to learn more about this act, to learn more about the budget process so that she doesn't mischaracterize, the, you know, actions that are taking place. And I'm going to continue to make sure that I'm available to her to answer these questions, and to be thorough and complete in my responses to her questions.

Mrs. Driedger: The only mischaracterization going on here is from the Minister of Finance, and it really is quite pathetic. I think he's been drinking too much orange Kool-Aid and has been following some directions on how to manage the message that they're trying so carefully to protect here.

Can the minister tell us—he obviously isn't prepared to answer that one question; that will come back in other ways. The minister can rest assured that he's given a lot of fodder for other opportunities, but it's obvious he doesn't want to answer a really straightforward question, and I have to believe him when he says he does understand the current laws.

He's been in his position long enough, so I trust him when he says he does understand what the current law is, about when to call a referendum. He's assured us of that. I will take him at his word.

So, I'll ask him another question then, seeing as he won't answer, many times over, this one basic question, so I'll ask him another question: Is a referendum required for expansion of PST?

* (11:10)

Mr. Struthers: Well, first of all, in Bill 20 there's no reference to a referendum being necessary to expand the PST—the—which is the focus of our budget and focus of how we're going to implement the 1 cent increase in the PST. So that's not covered in this Bill 20.

There have been a number of examples over the past in Manitoba and in other provinces of the expansion of the PST, not talking about a change in the rate of the GST—sorry, the PST—but in terms of what it covers, and we've used the example many times about the expansions that took place by the Conservative government, of which both her and her leader were part. Her leader was actually in Cabinet when these decisions were made. There was no requirement then, as is now, to have a referendum when you expanded the PST to cover baby supplies. The—that was done, that was followed—the government of the day, Conservative government, followed the practices of the Legislature. They followed the acceptable, authoritative practices that are involved in budgeting. They expanded that PST to include baby supplies.

We're following the same authoritative, legitimate practices to take the PST off baby supplies, hoping the member for Charleswood would, after, oh, so many years, would understand the value of taking it off baby supplies rather than putting it on baby supplies. She may—she will remember this from last year: We expanded the PST to include the insurance industry, and, you know, it was a decision that we made. We had many meetings with different folks within the insurance industry over that decision. The expansion was made at that time given the same rules today. We followed, last year, the acceptable, authoritative practices of the Legislature and of the budgeting process, processes that have been followed in this Legislature for decades, processes that have been followed in other provinces and the Government of Canada. We followed those processes at that time. We're doing the same thing with the—with Bill 20. With this

budget and BITSA and Bill 20, we are following the authoritative, legitimate budgetary processes that have been in place for a long time.

And that's been our commitment to the people of Manitoba so that they know they're dealing with a stable government and a stable process, a dependable process that they can count on to protect their interests, a process that isn't open to whims or fancies. It's—it ensures accountability. It ensures that the people of Manitoba have a say at the beginning, they have a say at the—in the middle at the—in between second and third reading and that they have a government, through Bill 20, at the end of the process who comes back and reports on progress, a report card, if you will, but a reporting to Manitoba as to where the money from the PST increase has gone.

So those—that's been the process that we've been talking to members opposite about, particular in these Estimates. That's a very straightforward process that ensures transparency and accountability, which ensures openness and makes it possible for Manitobans to be able to access this process, not just through their representatives, such as the member for Charleswood, but through all MLAs and directly in committee between second and third reading.

So we believe the key to this is The Manitoba Building and Renewal Funding and Fiscal Management Act. We believe that Bill 20 very clearly states what we're doing, how we're doing it and where that money will be invested. It's right there in the first paragraph, first section, which provides an exemption from the referendum requirement. That is the current legislation that we're talking about. It makes it very clear what we're doing and where we're going with this, but it—section 10—it—section—in part 1, section 10 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act does not apply in respect to the increases enacted by section 2 of this act in the rates of tax under The Retail Sales Tax Act. It can't be any more clear than that. It's very clear that that is a key section of the current legislation that is under discussion in this Legislature.

Mrs. Driedger: The minister is actually correct when he says that when there is an expansion of PST, a referendum isn't needed, and when he—when he looked at his expansion of PST to property insurance, think mechanical and electrical years ago, haircuts, baby supplies, it was expanded. And the

minister is right a referendum isn't needed for an expansion.

But a referendum is needed when you do something else, and I would encourage the minister, over the weekend, then, to go back and have a good look at this, because this question will come back to him next week. And we can ask it; we're going to be here till about November, I think, we've figured it out, so there's lots of time to—for him to study this and figure out what the answer to that question is. So I'm going to ask him a different question, because this could keep going on and we're not getting any answers from the minister.

So I would like to ask him: Is he prepared to provide us with a list—a specific list of where they made cuts? A hundred and twenty-eight million dollars was cut from government spending, and the minister indicated that in his budget speech. Can he provide for us a list of where that \$128 million was cut from government spending in-year?

* (11:20)

Mr. Struthers: Well, I'm very pleased that the member for Charleswood would reference the kind of savings that we've realized. I also want to acknowledge that I fully expect next week that she will be asking the same questions over again that she asked last week. And I'm really pleased that she's willing to work at this until November to get it done. So, if that's what it takes, I will be giving fulsome, complete answers every time she asks the same question over that she's asked the week before from the week before from the week before. That's—it's her nickel in Estimates, Mr. Chairperson, and I'm at her beck and call, but I'm very pleased that she's asked about ways in which this government has reviewed the costs of providing services to Manitobans because I think that's a very key question.

We understand that Manitoba taxpayers work hard for their money. They're willing to part with their money come tax time if they understand that the money is being wisely invested and if they know that the government is serious about investing that money wisely. We—as part of Budget 2012, we set a target of \$128 million that we wanted to realize in savings to the Manitoba taxpayer. We were very serious about achieving that number, and we've worked very hard, not just this department, but across government, to identify ways in which we can reduce the expenditures that we put out as a government. And we are very, very pleased with the results.

I do want, though—I do want to draw a distinction between that approach and the approach that has been put forward by members opposite. I know they've tried to say it's—oh, it's the same thing as the NDP, it's the same thing as the government, but, Mr. Chairperson, it isn't. Our exercise was based on a hard number, based on administrative savings, based on eliminating duplication.

The approach that the Leader of the Opposition has put forward was a 1 per cent, across the board, 'indiscriminant'—[*interjection*] Well, you know, Mr. Chairperson, they can run, but they can't hide. When the member for Fort Whyte (Mr. Pallister), on a bright sunny Thursday morning, gets up and does a news conference and issues a statement saying that they will do 1 per cent, 'indiscriminant', across-the-board cuts, coming—just in the area of \$52 million coming out of health care directly. As I've said just a minute ago and as I've said before, they will be held to account for exactly what they said they would do.

Like I said, Mr. Chairperson, they can run but they can't hide, that they need to be accountable for what they say. If they're going to put themselves out as an alternative for the people of Manitoba to consider, then they can't come out on a Thursday morning—their usual Thursday morning news scrum—and say one thing, and then spend the next six weeks backtracking and rationalize a—rationalizing and running away from what they said, what their leader said, on the Thursday morning. We will make sure that they're held to account for that; we will ensure that they're accountable for what they say.

We are willing to be held to account as well. We said in Budget 2012 that we would find \$128 million of savings, and we've done that. We've done that in a number of different ways. They can—the first one that should pop into their minds is the millions of dollars that we saved in amalgamating regional health authorities.

We have heard from people all across the province that it was time to move forward in streamlining the way we administer health care in Manitoba. Manitobans have been clear that health care is their No. 1 priority—that I have no doubt in my mind. What they don't want us to do is adopt the same approach that the Conservatives have done, and that is to indiscriminately, just, across the board, go after departments like Health with no mind given to where that money is coming out of Health. It's not—in their plan, it's not coming out of administrative

savings or reducing duplication, I mean, we're doing that already. What they are talking about is a \$52-million cut to front-line services, as they did when the Leader of the Official Opposition was a minister in the Filmon government, and that is an absolute direct decrease in funding to health care.

We still fund—in Budget 2013, you will still see increases to health care and increases to programming and you will still see increases in education, most notably to the rate of economic growth at 2.3 per cent. You will still see increases to health care and education and to family services and to justice, and to others. We did, though, when last year's budget—and throughout its implementation in the '12-13 year, we did freeze or reduce some departments. We did that, and there was some tough decisions and some very good work that was undertaken by departments throughout government to reduce their spending. But that wasn't in the high-priority areas such as health care and education.

That is not the same approach that the members opposite have put forward. Their proposal, 1 per cent across the board, would hit health care; would hit education; would hit family services; would hit justice—Mr. Chairperson, that is very clear. Our approach is absolutely different—different than what the Conservatives have put forward.

* (11:30)

Mr. Chairperson, I mentioned reductions in health care which saved us millions of dollars. We're looking for streamlining opportunities with some of our Crown corporations and we moved forward and saved millions of dollars again with the amalgamation of Manitoba Liquor and Manitoba Lotteries, again, to produce millions of dollars in savings. Those are two very good examples of where we're moving forward to realize savings.

We have been undertaking, at some criticism from members opposite, regionalizing some of the office delivery systems that we have in rural Manitoba, in northern Manitoba, in the city of Winnipeg. We've reconfigured a number of offices. We've eliminated some duplication in offices in the services that they provide in a number of communities. We have undertaken that in an, you know, in that exercise itself—that exercise alone have saved a million and a half dollars and avoided costs down the road. We undertook an initiative to change the way that we offer services through the property

registry and have signed a 30-year agreement, licensing agreement with Teranet Manitoba which will improve access for Manitobans, will save us money, provides us some revenue, \$75 million worth of revenue in an ongoing revenue stream that will in the end mean a benefit to Manitobans of \$491 million and will avoid some costs over that 30-year period as well.

So we've taken the approach that we can't just ask the people of Manitoba to dig into their pockets. We're doing the same.

Mr. Cliff Cullen (Spruce Woods): I just—for clarification, is there time limits, time constraints on ministerial answers?

Mr. Chairperson: Yes, there are. That's why we have the clock here. He—the minister actually took that last answer right to the 10-minute mark, which is the limit for either side to pose a question or questions and to provide the answer or answers. So each back and forth is a—has a 10-minute limit to it and the Clerk here helps me make sure we stay on track.

Mr. Cullen: I'm sure we'll have enough—hear enough from the Minister of Finance over the next several months while we're sitting over the course of the summer, and that 10 minutes is certainly appropriate enough time at this juncture. And it's pretty clear the election campaign has already begun, lots of slicking going on for sure. So, yes, we're going to be holding the minister to account as well.

So I want to go back on some of the comments that he just made, and he had indicated a \$120 million in savings over—I guess that was year over year. I wonder if the minister would be able to table for us the list of where that \$128 million of savings came from, and I'm looking for specifics. I know the minister went on, didn't get, obviously, into details, but—so that's what we're looking for is some of the details on this \$128 million that he's quoted. So I'm hoping he could table by department where he's finding those cost savings. I don't expect he'd have those figures with him this morning, but we certainly hope that he would endeavour to back up his comments in writing and show us where those savings of \$128 million came from.

Mr. Struthers: Certainly, I look forward to spending lots of time with the members opposite and answering their questions. I guess I both kind of regret a 10-minute time limit and am thankful for it

in some ways, as members opposite should be too. The one reason I regret just having a 10-minute time limit is that's not a lot of time to get across all of the very positive things that we're doing to impact the Manitoba economy.

And, you know with what we see happening in Europe, what we see happening even the Asian economy slowing and the American economy, while starting to show some signs of life, is still more of a negative than a positive for us. But we do need to make good, sound fiscal and economic decisions, including where we spend our money, which is exactly what the member for Spruce Woods is asking about. I will say that, you know, there was some doubt yesterday from his colleague from Charleswood as to whether or not we are in a fiscal economic downturn or not, whether it's, you know, good or bad economy out there. Well—and I quoted from the Prime Minister, who said that economic uncertainty is the new norm. Well, yesterday the—her friend, the Finance Minister, Jim Flaherty, said, well, the thing that keeps him up at night is Europe and how sluggish that biggest market in the world, biggest consumer market in the world, a lot of people with money to spend, is his chief worry these days.

So, given that context, every provincial government needs to try to work to balance its revenues and its expenditures. We have had discussions over on the revenue side, and we've been up front with Manitobans saying we're going to increase by 1 cent on the dollar the PST to provide revenue and dedicate that revenue to infrastructure to stimulate the economy, put people to work, meet the needs of Manitoba families. And so, we've put that in place on the revenue side. We don't believe we can just do that without—you know, we don't believe we can just ask the people of Manitoba to dig into their pockets. We think we have to show to the people of Manitoba that we are responsible with their tax dollars. Manitobans work hard for their money. Manitobans, I believe, are willing to participate in the tax system if they know that they're getting value for their dollar.

And, if we have overlap in programming between departments, that's not acceptable. We have to deal with that. If we can find ways to streamline administrative costs, then we have to do that too. I've given the example—and I know that the member for Spruce Woods doesn't believe this, but we amalgamated from 11 down to five the number of regional health authorities. We saved millions of

dollars doing that. We have in—I think we—there's evidence there that shows that in doing that we also increased the effectiveness of programming. We've decreased duplication. We've said to the Winnipeg Regional Health Authority that they need to do their job in terms of limiting their administrative costs in their percentage they pay in terms of their whole budget. We've done the same kind of thing with school divisions to make sure that they are behaving in a proper way as well.

* (11:40)

I know this won't impress members opposite but we are saying the same thing to the municipal level of government, too. We can't have municipalities—in some cases, 30, 35, 40 per cent of their administrative—of their budget is dedicated to administrative costs. I was talking to one reeve in our prebudget consultations who said their administrative costs were at 43 per cent. That's too high. And that costs Manitoba taxpayers dollars. So we need to do something about that. We're going to—we are doing something about it. And members opposite complain about that.

The—in particular, the exercise that we undertook, targeting \$128 million out of our 2012 budget, was exactly the right step to take. It put the onus on departments to look at how they offer services to Manitobans and find a better way to do it. And I will say that the departments undertook that, and they worked very hard at it, and they came back with some very good, very positive, suggestions to reduce the kind of administrative costs that are—that were in the system that could be better, much better placed in the front lines, rather than in administrative costs.

I've—and let's take Health, for example. I've mentioned the amalgamation of regional health authorities from 11 down to five. I want to say that Health has done a very good job in terms of incorporating the principles of lean management. I know that members opposite understand those principles, that's—the lean management concept in which you actually incorporate, in a more formal way, the views of people who work in your section.

That—the I think one of the best examples I learned about throughout this—these discussions was in health care, where management sat down with a group of nurses on a floor in a facility, and they talked about how can we better deliver these services, and we—and find ways to lessen the red tape and lessen the costs. And they came back with some

very good suggestions that were incorporated into the day-to-day management of what goes on, on that floor, in that hospital. And Health did a very good job of promoting the lean principles.

I think there's some very good examples in the private sector. And we're hooking ourselves up with some private sector folks to incorporate the same lean principles into government. I also think that we're doing some things in government that the private sector can learn from. And I've talked with some private sector people who are very open to a two-way kind of a conversation, so that it—so that we can streamline and provide—and find some efficiencies, so that we're not having, whether it's private sector money or public sector money going towards that, instead of for the purpose they really should be there for.

In Health, I think we're undertaking some work to find further price reductions for generic drugs. I think the more savings we can get, in terms of generic drugs, the more services are available to Manitobans at a cheaper rate. And I can't imagine anybody arguing with that approach. And, as I've said, we are producing results on that.

You know, in Finance itself, we are finding ways to streamline within our own department. Education is doing the same sort of thing—trying to make sure that our departments are operating as lean as we can, administratively.

I've talked a little bit about delivering services differently out there on the landscape in terms of a number of departments that have changed the way that they offer those services in every region, including Winnipeg, so that instead of money going towards administrative frameworks, administrative structures, administrative positions, they are going towards the front line and into services.

So they're—again, I know I'm bumping up against the 10-minute limit, but there's still a lot more that we can talk about in terms of what other departments are doing to streamline their administrative costs and have that money go into front lines.

Mr. Cullen: At the end of the day, I look forward to having a detailed analysis, a breakdown of that \$128 million that the minister was talking about, and we'll see about the actual cost savings down the road.

I would at this time like to change gears a little and I'd like to table some documents for the minister and his staff. It's a copy of a letter I received from a constituent, and it's in regard to property tax rebates.

And I know there was certainly mention of changes, going forward, in terms of property tax rebates and, in particular, changes for seniors, going forward.

So I'll just wait for the minister and his staff to get a hold of a copy of that letter, and I just want to seek clarification from the points that he raises in the letter. And what this particular constituent has done, he has laid out his existing tax bill, and he obviously incorporated in the top section of that letter his \$700 that he receives currently as an education tax credit. Hence, his net taxes for 2012 is \$624.92.

So then I guess the way he's interpreting the changes, going forward, in terms of seniors rebate, there certainly could be a potential adjustment there and that the rebate would only potentially apply just to the education side of the tax bill. Is that, in fact, what the government is proposing on a go-forward basis on this? I'd just like some clarification as to how it may impact Manitoba seniors in terms of the tax rebate as it currently exists and then what it could look like going forward.

So, hopefully, your staff has an understanding of where this particular individual is coming from and you can explain, you know, where we're going into the future in terms of the senior's school tax rebate.

Mr. James Allum, Acting Chairperson, in the Chair

* (11:50)

Mr. Struthers: First, I appreciate the, in writing, the example that the member for Turtle–Spruce Woods, the member for Spruce Woods has brought forward. This—we'll ensure that this is part of the consideration that we give on a go-forward basis in terms of this commitment that we've made.

First of all, the first premise of the commitment that we've made is that no senior, including the McGills, no senior will be worse off than—once we put this—these measures in place. We don't want to have a situation unfold like is put forward in the letter that he received from his constituent. So that's the first premise.

This is a commitment that we made in the 2011 election. We're following through on that. We got the ball rolling in Budget 2013. What we announced in Budget 2013 was we would be phasing this commitment in over the next three years, the first year being dedicated to working through the policy, working through the logistics, all the technical questions, technical questions such as he's brought forward here to make sure that in the 2014 year when

we start to phase in the actual benefit for seniors that none of the seniors end up worse off than what they are. So in 2014 you'll see us take our first step in terms of the benefit going back to Manitobans, and we'll be fully annualized in the 2015, in 2015 year.

So our plan over the next little while is to make sure we spend the next—the remaining months of this fiscal year working through all of these sorts of examples and putting in place all the criteria and all of the, you know, the measures that we want to take forward. Partial benefits will start flowing in '14 and then full benefits will be flowing in '15.

Mr. Cullen: Well, taking what the minister said that no senior will be worse off than they were before, let's extrapolate that to a senior that owns farmland, and we know the government had brought in a cap on—a tax rebate on farmland of \$5,000. So there will be a lot of seniors and, clearly, a lot of farmers who will be impacted by those new fiscal measures that the—this budget has proposed.

So I wonder how the minister could weigh off the point that seniors will be no worse off, but at the same time we've got this other cap in terms of the farmland tax rebate that will, obviously, significantly impact a lot of Manitobans and a lot of Manitoba seniors who own farmland.

Mr. Struthers: Well, I would caution the member for Spruce Woods not to say—not to take what I said about the specific issue he brought forward in terms of the property tax credit and apply that to any other tax situation in the province. We are very clear that on the issue that he brought forward, on the Education Property Tax Credit, that we're not going to have a situation like he showed in that letter where that—where the McGills, his constituents, in that instance would end up worse off.

We have indicated that we are making some changes on the farmland side of the tax equation. We are looking to put a \$5,000 cap on there. We're looking to make sure that only Manitobans benefit from that Manitoba tax credit and we're looking to make some changes to the number of years in which they have to submit. So those are the three changes that we've been public with, that we've put out there. So we are making those changes. Those changes are based on—in my mind they're based on ensuring that we have a fair tax system. We're making sure that, you know, that we—government has revenue which is what you do with taxes. You create revenue and then you tell Manitobans how you're going to spend that revenue.

We want to make sure that it's fairness, not only in terms of fairness for the farmer and for the individual, but fairness in terms of the overall tax system, which also needs to be taken into account. Somebody needs to be paying for tax credits. It is a benefit to individuals, but we need to keep running government. We need to work towards balancing our revenues and our expenditures which we've committed to doing. We need to be accountable for that and turn to other Manitobans and say we're providing this tax credit for this group, which sometimes means other Manitobans pay for those tax credits.

Mr. Chairperson in the Chair

So our commitment is that we work towards fairness and that we're open about where we're taking the money from and where we're spending the money to.

Mr. Reg Helwer (Brandon West): So, to go back on that question, Mr. Chair, what I understood the minister to say was that a senior living in a house in a community is different from a senior that lives in a house on a yard site on a farm, so there will be a difference there in terms of the taxable rebate there. And is that how the minister sees it?

Mr. Struthers: I want to take the member for Brandon West back to the commitment that we made in 2011, and that was to benefit seniors through enhancements to their property tax credits that they were paying. He shouldn't see that as degrading from anyone else. I mean, that is—that's a real benefit for seniors who would—who qualify and would benefit from that—from the implementation of that commitment. And I went through that, you know, it's going to be phased in over the next few years. We've got the ball rolling in the 2013 budget, and that will be done. That will be accomplished. We'll phase it in, but it will be a real benefit for those seniors.

On the farm side, there are a number of programs out there that benefit farmers and some farmers who are seniors. We've been—whether it be on the tax side, whether it be on other input—brakes that farmers get on input costs that drive farmers crazy in terms of inputs, whether it be other programs that we negotiate with the federal government, everything from ag stability to ag recovery to ag insurance, all of those benefits that we work towards benefiting the farm community including the very farm seniors that the member for Brandon West just identified. So I don't accept the premise that he's come forward with.

* (12:00)

We—our commitment on our—by our government is to make decisions that benefit seniors across the board. We have different vehicles by which we use to provide those benefits. To seniors that live in town in Dauphin as opposed to the senior living outside of Dauphin, there are benefits that we provide to seniors across the board.

But I—and I will say one of the—you know, and from my days over as Agriculture minister—and I know our Agriculture Minister currently is working hard with his department and private sector involvement as well in terms of succession planning. That's something I hear from farmers who are also seniors a lot.

They—for the most part, I think, they love farming, but when you're getting into your 70s and beyond and you're figuring, oh, it's time to do something different and time to either pass the farm on to the next generation or sell to your neighbour or whatever they're looking at, those farmers are talking to people in our offices, our Ag offices, and to people that they know in the private sector about succession planning and what tax rules are helpful, whether it be our level of government or the federal level of government.

So I don't want the impression to be left in this conversation that some seniors are getting benefits through this commitment and others are being left out, because in my view and in this government's view, seniors have paid their dues, seniors have fought for the country, seniors have paid a lot of taxes over the years and, in our view, seniors need to be able to retire in dignity, and, you know, in so many cases they end up being a—one heck of a source of volunteers for little communities and they continue to give back to their communities that way. So we're looking for ways in which we can affordably support seniors and provide them with this kind of a break because we think they deserve it.

Mr. Helwer: Well, to try to put some clarity to the issue—it seems to be lacking in the room today—is the Education Property Tax Credit, which, I believe, is what we're talking about here, unless there is a better term for it—that a senior would receive living in the city of Brandon the same as the credit that a senior would receive living in the municipality of Clanwilliam on a farm?

Mr. Struthers: This is a tax credit on residential properties, so if that senior in his constituency of

Brandon West is living in Brandon West, they would receive that benefit. What was the RM you mentioned?

An Honourable Member: Clanwilliam.

Mr. Struthers: The RM of Clanwilliam, out—*[interjection]* Okay. Let's say the RM of Clanwilliam in the Brandon area, if that senior's living in—on a residential property would get the same treatment as the person living in the residential property in Brandon.

Mr. Helwer: So farm property is different, but what about the yard site on farm property?

Mr. Struthers: Well, farmland property and residential property are different classes, and they are taxed differently. Our commitment is on the residential side.

Mr. Helwer: I'm not sure that someone living in a residence on a farm sees it that way, but the minister does, obviously.

I guess the minister's probably aware that there are several taxpayers out there that are going to have pay a lot more in this regard with the threshold cap on farmland. Some of our customers, including many which are seniors, are going to end up paying 30 to 40,000 dollars more to this government because of that \$5,000 cap, and yet the minister has said in committee here today that seniors will not be worse off, but then tried to change his response to say, well, only on one aspect.

Mr. Struthers: Well, I want to caution the member for Brandon West, again, don't mischaracterize and don't take—play liberties with what I say on Hansard. Our commitment was, very clearly, seniors living in—seniors living on—in residences; that's who will not come out worse off in terms of their property taxes. I cautioned him to not put words in my mouth or anybody else's mouth for that matter.

The other thing I want to caution on is that that's—what he said earlier about my view on seniors, that—and treating them differently, that's so not—that's not so much my view or anybody else's view, that's how tax legislation is set up. They are two separate classes of taxation; I think he knows that. I would caution him against playing the partisan politics games of trying to say that I say something different.

There's legislation in place; there are rules in place. Our folks in Finance who deal with these don't play politics with it, so he can rest assured of that. They will implement the tax statutes as they are

because that's their job and they're very good and very professional at their work.

So it's—whether he sees it one way or I see it the other, the key question is, the tax legislation's in place; the tax statutes are in place and they'll be followed, and they treat seniors living on farmland in a different way than what seniors in residences are treated—that's the tax statutes.

Mr. Helwer: All right, well, we'll move on to a slightly different topic then, and it has to do with PST relating to legal services. And the government has been dealing with this for a few years now with respect to legal firms inside the province of Manitoba and outside of the province of Manitoba acting on behalf of Manitobans or on behalf of other provinces where they are paying HST in other provinces on—and PST in Manitoba.

However, there is a double taxation that applies in this regard in some cases, and the individuals have to—have no recourse to get it back unless there's full impact—income tax credits, in some cases, in which case they're out the cash until there is that credit available. And, in other cases, that credit's not available because they may be a not-for-profit or that type of thing.

So has the minister been able to resolve this situation with the federal government at all, whether—where there's up to a 20 per cent tax on legal services from another province, we're paying provincial tax and HST and there's no balance there?

* (12:10)

Mr. Struthers: Well, this is an issue that we've been trying to address with the federal government. We can only tax with the PST within our jurisdiction, within Manitoba. Provinces who have signed on to the HST can tax outside of their jurisdictions. So that—and we have said very clearly we're not going down the route of the HST.

So the federal government had within its authority to deal with this, what the member refers to as double taxation. We've suggested to them that they should. We haven't heard back from them yet. I'd like to say that—you know, that they would co-operate and do that. I would hate to say that they're refusing, but I can't say either, because we just haven't heard back from them yet. But it is an issue that I think we need to keep working with the federal government on, because they can take action to solve this.

Mr. Helwer: Okay, going back a little bit, the minister mentioned there was a list of—there were 10 departments where the budget was frozen or was it reduced, and I'm wondering if the minister can tell me which 10 departments that is and what the dollar amounts were in terms of reduction.

Mr. Struthers: I would say that this was a commitment that we made in the 2012 budget. In the 2013 budget, we've again indicated the same kind of an approach. It's different than the approach as we talked about before in terms of an across-the-board, 1 per cent, indiscriminate cut—across the board. We were very much more strategic in our analysis and looking at what could be done and what should be done.

I would refer the member for Brandon West to page 21 of the Budget 2013 Estimates of Expenditure and Revenue. Page 21—it's a table entitled Part A, Comparative Statement of Expenditure. He'll see all of the departments listed on that page and in the middle column, change from 2012-13. In terms of a per cent, that's maybe the easiest way to see which departments were impacted. For example, Aboriginal and Northern Affairs, which would include Sport—[interjection] Right, okay.

So Aboriginal and Northern Affairs, not including Sport, but Aboriginal and Northern Affairs, a 3.8 per cent decrease; going down to Agriculture, Food and Rural Initiatives, a 5.4 per cent decrease; 2 per cent decrease in Children and Youth Opportunities; 2.9, the Civil Service Commission—he will note, too, in the Civil Service Commission, we've undertaken—we made an announcement that we would be eliminating 600 positions over the next three years; we're well on our way to achieving that; that 6.2 per cent drop—reduction, Conservation and Water Stewardship; 1.7 per cent reduction in Culture, Heritage and Tourism; poor old Finance, 7.5 per cent decrease in Finance; 56.9 per cent decrease, Immigration and Multiculturalism; 2.2 per cent drop, Infrastructure and Transportation; 3.4 per cent drop with Innovation, Energy and Mines.

And that—I think he can get a flavour for the kinds of areas in which we were able to look into departments, look for efficiencies, streamline, reduce administrative costs. You know, we—a good example of this is health care, where we realized some real savings in the amount of money that we spend on programs and efficiencies and reductions in RHAs

and lean management and those sorts of things. We were still able to give an increase to health overall.

And that is a key difference between what we have done here compared to what his leader has said they would do in terms of a 1 per cent across-the-board cut. That would have meant a reduction in health—support for health care. From what his leader has said, our approach is fundamentally different than that. And he can see on this chart exactly where we realized some savings.

Mr. Helwer: All right, thank you to the minister for that. But we are looking as comparisons here from Estimates to Estimates. And the actuals for last year were considerably over the estimates, as the minister well knows.

Do you have a like comparison from actuals from last year, to estimates and the changes there?

Mr. Struthers: For this I would direct the member for Brandon West to page 11 of the Budget 2013, Estimates of Expenditure and Revenue.

That document on page 11 contains comparisons of print to third-quarter forecast for 2012-13. It breaks down each of the departments. He can see that the 10 departments that we had talked about in our previous question have realized the kind of savings that we were talking about there.

* (12:20)

The first one on the list that you—listed as a decrease is 0.8 per cent at Aboriginal and Northern Affairs; 10.9 per cent decrease, Agriculture, Food and Rural Initiatives; 1.2 decrease at the Civil Service Commission; 5.8 per cent, Conservation and Water Stewardship; 0.6 per cent decrease, Culture, Heritage and Tourism; point—where are we here—Healthy Living and Seniors, 2.8 per cent decrease; Immigration and Multiculturalism, 61.1 per cent decrease; 1.4 per cent decrease, Infrastructure and Transportation; and a 1.8 per cent decrease in Innovation, Energy and Mines.

I do want to say that every one of these departments whether they showed a decrease or an increase did participate in the program portfolio management review that we did. They contributed to the \$128 million overall savings that we found. What it meant was that some departments that—again, we go back to Health, that showed an increase—in this document—of an increase of 3.7 per cent—worked very hard and realized savings within their department as well. So all departments participated

in that exercise. All departments contributed to it, and that continues not just in, you know, by the year kicked off by Budget 2012. But the year, this year, '13-14, departments will again be looking internally to make sure that they analyze their operations with the view of saving administrative costs and overlap and duplication and those sorts of things so that that money can then be reinvested into front lines.

So those are—we said in Budget 2012 that we would look for these reductions and we attained those reductions in year.

Mr. Helwer: All right, on page 53 of the Estimates book there is a reference to fiscal and financial management, the Financial Institutions Regulation Branch has been transferred to the Manitoba financial security services agency. Let me flip over to page 91 to 100 for more details.

Can the minister give me the background on why this was undertaken to merge this particular branch with this special operating agency?

Mr. Struthers: First off, I do want to acknowledge and appreciate the interest that the member for Brandon West has shown in these kinds of issues in the past. I look forward to that continuing.

The—this is a very good example of one of the positive things that came out of the program portfolio management review that we launched as part of the 2012 Budget. It does—it did contribute to the 128, the realization of \$128 million in savings.

Those two bodies perform similar regulatory functions. We believe that by amalgamating together we could share a lot more. There's a lot more synergies that we could achieve in terms of enhancing the services that these two bodies provide. We know and we have realized some cost savings by doing that.

So, for me, when we look at these kinds of opportunities, it's all about making better the delivery of services and it's also about—I mean, I'm the Finance Minister after all—it's also about realizing some savings in cost. So we've taken this on, we've—I think we've enhanced the services and we've provided some cost savings to help save the Manitoba taxpayer some dollars.

Mr. Helwer: Can the minister tell me who is responsible for the audit trail for that? Is—does this still fall under the Auditor General, or does it remove it from her responsibility?

Mr. Struthers: Well, ultimately, it's the Auditor General who oversees who is the one in charge, the one who oversees this. Everything is done according to the Public Sector Accounting Board standards and accountability. The—but it's BDO who does the actual, specific audit. But, again, this relates back to my original statement about the Auditor General being overall the one responsible.

Mr. Helwer: So I've—SOAs then. The Auditor General does not actually conduct the audit; that is conducted by an outside firm?

Mr. Struthers: The Auditor General, who's ultimately responsible, but, in the case of SOAs, would outsource the actual work on that into the private sector to auditing companies to perform that task. But the Auditor General needs to ensure that all of the public sector accounting principles and GAAP and all of that, that we all adhere to that, but she would, in the case of an SOA, outsource that to a private company.

Mr. Helwer: So one of the repercussions of removing this particular branch and merging it into the SOA is that the Auditor General cannot audit this particular section anymore.

Mr. Struthers: No, that's not correct. The Auditor General still audits our summary statements and, through that way, that level of accountability is still there. It would not be correct to make that assumption that the member for Brandon West just did.

Mr. Helwer: Okay, I'm the Auditor General. Audit this particular SOA and other SOAs without going to an outsource firm—

Mr. Chairperson: The hour regrettably being 12:30, committee rise.

EXECUTIVE COUNCIL

* (10:00)

Mr. Chairperson (Tom Nevakshonoff): Good morning. Order.

This section of the Committee of Supply will now continue consideration of the Estimates for Executive Council. Would the minister's staff and opposition staff please enter the Chamber.

As previously agreed, questioning will proceed in a global manner. The floor is now open for questions.

Mr. Brian Pallister (Leader of the Official Opposition): Mr. Chairman, good morning.

Just knowing that we've focused almost exclusively on Hydro questions to date, I thought, just, we'd maybe break it up a little bit here, at the end of the week.

I had had a number of questions sent to me from people across the province, had requested from folks around the province and organizations and groups of various kinds. And I thought just to maybe give some variety to the Premier, who, I'm sure, has been working hard all week; this might be a way to just have a little lighter Friday and give him a chance to respond to some of the questions that people had submitted.

This—we'll just start with this one. This is a Mr. Jim Adair [*phonetic*] and he is asking about—and I'll just read them from the letters verbatim, if that's all right, Mr. Chairman. It says here: Stats Canada has pointed out that Winnipeg was the violent crime capital of Canada for the third straight year, using 2011 data. Winnipeg was also scored No. 1 for murder and robberies, the highest on StatsCan's severe crime index of any Canadian city.

Mr. Premier, when is the NDP government going to address the cause of these horrendous statistics by supplying the appropriate training for people looking for work and provide encouragement and incentives to businesses to develop opportunities for the socially disadvantaged in Winnipeg? And that's from Mr. Jim Adair [*phonetic*].

Hon. Greg Selinger (Premier): I'll ask the member to table the emails or letters in question, and we'll give a direct written response to those individuals.

But, in terms of answering the question, I take it the question's from the Leader of the Opposition through that letter about what is being done to address training opportunities for young people so that they're not attracted to a life of crime. Would that be a fair paraphrase?

So the member might recall that we announced in the Throne Speech this fall that we're going to have a skill summit that would bring together business who are looking for skilled labour, our educational institutions, post-secondary and K to 12, non-profit sector that provide training and various forms of labour market interventions, and we had a—and bring in some experts as well on career counselling and career orientation.

We had a major skill summit. We did some analysis of the future growth and shape of the labour market, including the demographics of our aging workforce and the number of entrants that are coming into the workforce and what we'll need, and we identified that we need to train about 75,000 Manitobans over the next eight years to enter the labour market to meet the demand for various forms of skills: the trades, plumbing, electricians, carpenters, millwrights, those kinds of folks, mechanics, et cetera; professionals, engineers, accountants, various forms of professionals in the health-care field. Sales people—the retail sector is one of the growing sectors in North America, and retail needs to be looked at as a career not just a stop along the way to something else.

So we had a very good skills summit. It was co-chaired by the president of Red River Community College. It was co-chaired by the president of the Manitoba Federation of Labour, and they did it under the auspices of the Premier's Economic Advisory Council, PEAC, as it's known, and the skill summit came out with a variety of recommendations, the principal one of which was that we need another 75,000 skilled workers.

Now, that synchronizes with our desire to increase high school graduation rates which we've gone from 73 to 83 per cent, and some of the initiatives that we took coming into office this term: that we're going to have investments in high schools for science labs to get more people interested in the sciences; our investments in shops to convert shops to places where people can get some early apprenticeship experiences; our commitment to expanding online apprenticeship training in rural Manitoba; and the opportunity for trades people to start up businesses in rural Manitoba to provide the services that rural Manitoba needs.

So it's a comprehensive approach to training people to enter the workforce and have those opportunities which—and I think the implicit assumption of the author of the letter—I think it was Mr. Adair [*phonetic*—was that if people are working they're not going to be attracted to crime and that some of the crime stats will show improvement with more people working.

I would generally agree with his assumption in that regard, that the more we can do to help people have decent jobs and opportunities in Manitoba then the less attracted they'll be to illegal ways of generating revenue for themselves.

Mr. Pallister: Yes. I thank the Premier very much for that response. I know and Mr. Adair [*phonetic*] will appreciate it.

Just to say, I won't table this. Unfortunately, I've been making notes on these letters. So I hope the Premier will just accept the question in that way, and I apologize for that. Unless we do some whiteout here later, I could copy them over if need be, but whatever the Premier would like.

Mr. Selinger: It's important if somebody writes in a letter and asks me a question directly that I communicate back to them directly. So I'd appreciate a copy of it and I'd like to be able to get back to them.

Mr. Pallister: So I should clarify: I requested that these folks send me questions they might like me to ask the Premier. So they're not actually questions for the Premier directly, but rather they were submitted to me to ask to the Premier as we're doing today. So just to make that point.

This next one is from Reeve Alvin Zimmer and the Council of the RM of Shellmouth-Boulton, and the question that the reeve had asked me to ask the Premier was: How will the forced amalgamation of municipalities under 1,000 people affect the provincial budget?

* (10:10)

Mr. Selinger: I'm not aware of any specific impacts on the provincial budget. I think the original recommendations to look at amalgamations for communities under 1,000 were actually brought forward during the time when the opposition party was in government. And I think the main intent behind any amalgamation initiative is to improve the ability of rural local governments, municipal governments and city and town governments; to provide services to their citizens and to have greater efficiency in doing that, reducing their overhead cost to a smaller proportion of their total budget; to increase the tax base upon which they can provide services; to be able to do better disaster financial assistance preparations and better disaster mitigation efforts; to be able to retain and attract population to their communities; and to be able to retain and attract more investment opportunities to their communities; and essentially to be able to invest in infrastructure and other assets that will grow their communities and make them attractive places for people to live.

I do note that we have a lot of excellent and very beautiful and thriving rural communities in

Manitoba, and I'm always impressed, when I visit them, with the quality of the local leadership and the initiatives they're taking.

But we also know that there are some communities that are having trouble meeting basic administrative requirements, for example, filing annual audit and financial statements, being able to take advantage of some gas tax money that's available out there, and that there are some shrinking populations in certain parts of some of these existing municipal levels of government. So it's all about trying to find a better way to ensure Manitoba—in rural Manitoba—can grow and thrive, and that's really the underlying motivation for any municipal amalgamation initiative.

Mr. Chairperson: Before recognizing the Leader of the Opposition, we had a discussion about tabling, so I'll read the rule in this regard.

I would like to remind the committee that members do not have to table a document unless the document in question is a private letter and has been cited in debate. I'll quote for your reference our rule 39, which states: Where in a debate a member quotes from a private letter, any other member may require the member who quoted from the letter to table it.

So, as I understand it from the discussion, the Leader of the Opposition has agreed to table the document once he has whited-out—his notes that he put on the document. So is that agreed?

Mr. Pallister: Just subject to clearer understanding, does a fax or an email constitute a letter?

Mr. Chairperson: The Clerk advises me—or the Deputy Clerk advises me that, yes, something that is faxed in or sent by email is considered a letter. If it's not signed, then you are to—that there is a declaration form that you can sign certifying that it is a letter that you received from such and such an individual, if the letter itself is not signed.

Mr. Pallister: Just to make—just to—sorry, but just to help me understand this then, then it's at my option to declare it as a letter if I wish by signing—by having a declaration signed. Otherwise it doesn't constitute a letter in that—if it comes in that form, is that correct?

Mr. Chairperson: The Clerk advises me, if it's a private letter that's quoted, that's where the obligation lies to, in fact, table it.

Mr. Pallister: Then just for further clarification—that's a rule of our House. Is there any possible

contradiction with any privacy rules we know about? I just wonder if someone writes the Premier personally—for example, let's just cite this example, writes a letter to the Premier personally, he's obligated if he refers to the document in the House to table the document. This, I believe, is clear. Do the privacy rules butt up against this in some way? Would the Premier's office first have to contact the person who sent the communication to get their permission, or do these rules of this House supersede any obligation in respect of the sender of the document?

Mr. Chairperson: The Deputy Clerk advises me that if a member is going to quote from a document, a private letter that is sent to him, that it's incumbent upon him to have clarified with that individual that he will be doing so within the Chamber here.

Mr. Pallister: Okay, so just to avoid that responsibility, paraphrasing from the document is acceptable? Just—I wouldn't want us to do—I want to be sure that we're not violating someone's privacy. That's, I guess, essentially what I'm getting at.

Mr. Chairperson: Yes, you are correct. If you paraphrase from a document and you're not quoting directly from it, then the obligation to table it is not there.

Mr. Pallister: Now I understand why the Premier occasionally cites anonymous sources when he reads from a document. I get it now. That's so that it doesn't require tabling of the document in the House, right?

Mr. Selinger: I think that was a very unfortunate comment by the Leader of the Opposition. He quoted from a document. I think he should just table it and follow the rules. I'm not aware of any anonymous documents that I've quoted in the House, and I think he should just take responsibility for his own behaviour and not try to divert attention from that.

Mr. Pallister: I'm sorry the Premier feels slighted. He could refer to Hansard, question period yesterday, if he wishes to find an example of quoting from an unnamed source and paraphrasing a statement into the record of the House. That being said—

Mr. Chairperson: The honourable leader of—or the honourable First Minister.

Mr. Selinger: I recall citing my sources—Conference Board of Canada and experts such as the name Tom Adams. So, I mean, look, if the member wants to deal with Estimates, I'm prepared to do that. If he

wants to dispute rules of order, we can spend the morning doing that.

Mr. Pallister: The Premier cited in reference to amalgamations of municipalities a previous government rule. I'm wondering if he'd like to clarify that rule, actually, in reference to the thousand, is for the starting up of municipalities not for the disbanding or the abolition of them.

Mr. Selinger: I'll have to check back on sources and that. My understanding was is that when a municipality is under a thousand, it's—could be reviewed to see whether it's viable and to see what other alternatives are available for it.

Mr. Pallister: Well, if the Premier'd undertake to cite the specific piece of legislation to which he's referring, I'd like to review that. I'd appreciate that.

Mr. Selinger: Yes, we'll try to get him that information.

Mr. Pallister: The Premier also references in terms of rationale some difficulties that rural municipalities might have if they were smaller for filing auditing statements, and I think he referenced another example as well. I wonder if there's some record or evidence that there's a disproportionate inability by smaller municipalities to file audited statements as opposed to those who are larger municipalities.

Mr. Selinger: Again, if the member's asking for that kind of information, I'll have to take the question as notice and see what information is available in that regard that we could table here to inform the discussion.

Mr. Pallister: I'd appreciate that. If there was some evidence to support that claim, it'd be interesting to see it. The City of Brandon, I understand, was delayed in filing some audited statements. It's not a small municipality. I expect there are other larger ones as well who might have had some challenges.

* (10:20)

In terms of the statement that there be advantages to amalgamating, I'm sure those could be listed. The Premier mentioned enhanced ability to deal with disaster mitigation and preparedness, retaining and attracting population, retaining, attracting industries and so on.

I'm wondering if there is some research that he could make available to us that would give evidence to the thesis that this is actually the case. Is this—has this actually happened somewhere? Is there some

research that we could see that would verify or support the thesis that eliminating approximately half of the small local governments through amalgamation would actually achieve these ends?

Mr. Selinger: Yes, there was a study that was done by the Rural Development Institute out of the university of Brandon which looked at a variety of municipalities and a variety of analytic frameworks to identify what keys are for a municipality being able to thrive. And, at the end of that study, they concluded there were two major variables. There were several criteria, but two major variables seemed to be the size of the tax base—and after looking at a variety of different methodologies, they identified a tax base of about \$130 million being a good base upon which a municipality can thrive—and then they looked at a population threshold as well and they came up with a number of about 3,000. It's a useful study; can make a copy of it available to the member if he wishes.

And, in terms of his previous questions, at the end of January 39 municipalities with populations less than a thousand have not submitted their 2011 audited financial statements in order to claim their gas tax, and two of those 39 had not claimed it for '09, '010 and '011. So just to give some evidence for the assertion that some of the smaller municipalities are finding it challenging to be able to apply for—to be able to put audited financial statements together and, at the same time, to be able to apply for some of the resources that are available to them.

Mr. Pallister: Well, if the Premier has those numbers, I appreciate that. If he has the numbers for the larger municipalities as well, we could maybe just put on the record what those response rates were and that would provide the sufficient evidence for me on that particular question.

Mr. Selinger: Again, I said I would try to get him the information. I'm putting it on the record as I get it. And 39 municipalities less than a thousand were challenged to get their 2011 financial audited statements in order, and that prevented them from claiming their gas tax.

Mr. Pallister: Well, if the Premier has the evidence for the small municipalities, surely the document wasn't just put together to demonstrate the need for small municipalities to be eliminated. There must have been some data, comparable data, available for the larger municipalities to determine clearly in a comparative manner if there was a difference in the

response rate or the compliance rate with large and small municipalities.

So I'm assuming that—and perhaps I'm wrong in this—that the Premier would have that data on the document that he's looking at, unless it was just put together to try to make a case for eliminating small municipalities, and surely it wasn't put together for that purpose.

Mr. Selinger: These are annual reporting requirements. I just have the data here for the 39 smaller municipalities.

The point of any municipal amalgamation bill is to find a way to strengthen rural capacity for the reasons I cited earlier but to—and strengthen our rural communities and their ability to provide services to their members and to do it over—the Rural Development Institute, as I cited earlier, suggested a minimum population of 3,000 and a tax base of at least \$130 million. It went on to say that Manitoba's rural economy is not based on current municipal boundaries and that economic activity is regionally based.

The RDI, or the Rural Development Institute, used StatsCan data and draws on the AMM, the Association of Manitoba Municipalities, Municipal Health Checklist as well as the province of New Brunswick's Building Stronger Local Governments and Regions report.

And then it used data from 27 municipalities in Manitoba that seemed to be doing well, and as well as population and tax base they were assessed based on their trajectory of growth, administrative efficiency and debt load. So it's a useful study. I'll get a copy for the member.

Mr. Pallister: I appreciate that. I'll look forward to having a chance to look at it. But, again, I think, you know, putting a statement out that the rural municipalities who are smaller are not complying to some degree and not juxtaposing it against the actual response rates of larger municipalities is really just an empty statement. It doesn't make any case whatsoever, and I know the Premier understands that.

So I will also look forward to seeing what the response rates were. They're not included in that study, what the compliance rates were in respect of the gas tax issues and the audited financial statement issues he raised earlier. Like, to see how the larger municipalities did in comparison to the small, because otherwise I think it's a remark which could,

unfortunately, be—the data which the Premier cites could unfortunately be misinterpreted by rural municipal governments as a slap at those smaller ones, which is not justified.

Now, if the data shows that the response rates are significantly different for smaller versus larger, I can see the point. But I think we need to see the comparative numbers. I think that'd be only fair.

Mr. Selinger: Yes, I think that's a useful question and we'll try to get him the comparative data.

I do want to say, if I could, I do have a copy of the Pimachiowin Aki study and some of the points that were raised in the Pimachiowin Aki application, and I wanted to table that for the member. This is a study identifying some of the broader economic opportunities that was done in 2008 with Marr Consulting services and the International Institute of Sustainable Development. So it just gives the member, the opposite, some of the potential for economic opportunities on the UNESCO application. And I think the member also asked for the UNESCO application itself, and I'll have to get a copy of that for him. That's it.

Mr. Pallister: Just giving us a break there, were you, Mr. Chairman? Am I right?

Mr. Chairperson: Order. I look to individuals for either eye contact. Technically, I should be waiting for them to raise their hands. So some sign from you that you're prepared to speak and then I recognize you and your mike is on. So, the honourable Leader of the Official Opposition.

Mr. Pallister: Thanks, Mr. Chairman, and don't misinterpret it as a criticism. It wasn't meant that way.

Am I correct? I believe that application is in excess of 3,500 pages. Is that correct?

Mr. Selinger: When I get the application I'll identify the number of pages for the member, yes.

Mr. Pallister: I'll look forward to receiving that document with some trepidation. Nonetheless, I look forward to it. Thank you.

On the—just quickly backing up. There was a question the other day, and I think what happened there was I probably asked the Premier two or three questions at the same time just to try to expedite the process, and I think the one question I had wanted his feeling on was in respect to the west side bipole

route. So I'll just move back to that for a quick second.

This recent court case—I know—I guess I'll just raise the question generally and let the Premier respond as he wishes. But in respect of Metis rights, the Supreme Court decision, is there some level of concern—because I understand that the preponderance of traditional land, Metis traditional lands would be along the west side. Is there some level of concern on the part of the government that this would be a problem potentially, or an additional challenge at least, for the west side bipole location?

Mr. Selinger: I don't know if there's any new challenges that come out of the Supreme Court judgment. I'd have to get advice on that. But I think, regardless of that, there's always an obligation under section 35 in the evolving jurisprudence that emerges out of that to properly consult, to respect the honour of the Crown, First Nations and Aboriginal communities, including Metis communities and—in their areas of traditional territory when a development project is being proposed. And I think both the Crown corporation and the government take those obligations seriously, and would have to, in any event.

* (10:30)

I think the Supreme Court judgment made a major finding that there had been a lack of due diligence at the time that Manitoba was turned into a Province, with respect to the undertakings made to the Metis people of Manitoba in terms of conveying land, et cetera to them, and that that duty of due diligence needs to be respected.

And I would agree with that Supreme Court judgment, and, in that sense, I think it was an important piece of public policy that was put on the record through the deliberations of the Supreme Court. But we take our obligations seriously with respect to section 35 consultations and to the extent that the Supreme Court judgment underlines the necessity for due diligence, we take that seriously as well.

Mr. Pallister: How will the government go about determining who represents the Metis people?

Mr. Selinger: Again, that will be decided based on the specifics of where the development project is going. And, certainly, we have strong organizations in Manitoba that represent the Metis people, as well as local communities, and all of them need to be given an opportunity to put their concerns forward.

Mr. Pallister: So when would the government expect to begin those consultations, or does it deem those consultations necessary in the short term? Is it waiting for approval of the project? And would the consultations begin a—you know, after the NFAT review, or is there a time frame that's been established in terms of these consultations? Should they begin immediately or should they be postponed until later?

Mr. Selinger: The Department of Conservation, I believe, is already engaged in the consultation process with respect to the siting of bipole on the west side of Lake Winnipeg.

Mr. Pallister: Does—is the Premier aware of who is being consulted with—by the Conservation Department? Who is Conservation Department talking to?

Mr. Selinger: Again, if he's asking for specifics, I would have to get that information for him, but I—my understanding would be they'd be consulting with all those parties that are interested in having their views heard with respect to the bipole project.

Mr. Pallister: Well, I raise this having some experience in respect of consultations and understanding it's vitally important to do that consultation properly. And so I would be encouraged if the Premier could commit to forwarding me some information which would tell me who the actual government department is consulting with. I think that'd be in everyone's best interest to make sure the consultations, obviously, are broad based but also focused. So if there is also some indication of the time frame for consultations or the intended parameters or scope of the consultations, that would be also very useful information to have.

Mr. Selinger: Yes, and again, these highly detailed questions are best addressed through the Estimates of the minister in question. I thought we were doing a global review. If the minister—if the member wants me to actually do what the Minister of Conservation (Mr. Mackintosh) is responsible for, I need to know that so that we can prepare that information for him, but we'll try to get him the information.

But I would encourage him or his critic to pursue these questions with the Conservation Minister who will have his staff officials there and they can give him more immediate replies, as they will have all the information in hand at the time that the Estimates occur.

Mr. Pallister: Is the Premier aware of—in terms of project labour agreements, I understand for bipole that Bipole III construction, that there'll be certain—a limited number of unions that'll be allowed to work on the Manitoba Hydro transmission line collective agreement.

Is the Premier aware or could he obtain for me a list of which unions would be allowed to—or members of which unions would be allowed to do work on the bipole project?

Mr. Selinger: Again, project labour agreements—and I'd have to check on the details of it. It's a good question to ask the Minister responsible for Hydro in his Estimates, if he wishes to do that.

But project labour agreements, I understand, have been in place for decades in Manitoba for construction of new hydro projects.

With respect to the specifics on the bipole, I'd have to see if there was any restrictions other than whoever is eligible for the work through a tendering process, makes some commitments. And I'll have to see whether the project labour agreements, what the applicability is with respect to bipole. So that's a question I'd have to take as notice and get information from. But again, I'd encourage him, through the Estimates process, to ask that directly, either through the Crown Corps Standing Committee of the Legislature, which meets on a regular basis, or to the minister through his Estimates process.

Mr. Pallister: I appreciate it again if the Premier would undertake to provide that information.

I have no firm evidence in respect to this. I only have anecdotal comments from people concerned that the—that, as opposed to the floodway expansion where I think a couple dozen unions could be—you could be member of any number of two dozen unions approximately and work on the project, I am led to believe that there are, I think, two—only two in this respect on the bipole line, and that's why I'm asking the question. I'm just wondering why the dramatic reduction in the number. I understand the nature of the work may be far less varied. I accept that there could be a rationale in that respect, but I'm curious to think that there would only be two unions that would be able to—where workers would have to affiliate with one of two unions to work on the thing, and I was just trying to obtain information to verify whether that was, in fact, a true assertion or not. That was the reason for the question, just to share with the Premier.

Let's move on. Another question here, this from the Prairie Improvement Network and I'll paraphrase, Mr. Chairman, from this email. It just—it talks about governments trying to find efficiencies, and, of course, that they must, and improve systems and so on and so forth and references that just because the government department is delivering a program or service today doesn't mean it should deliver that program or service in the future in the same way, and the government should focus on outcomes and so on. I think the Premier will get where this question is coming from.

And the question was along the lines of: In a think-lean environment, do you see the provincial government pursuing new or alternative models of delivery for programs in the future?

Mr. Selinger: Yes, I think there have, over the years—and there will be in the future—a continuous search for innovative ways to deliver and make services more efficient and effective in Manitoba so that we can get the best value for the dollar and the best services to serve Manitobans. And that is an ongoing process in any good government, and we want to continue to pursue those lines of, for example, lean manufacturing does have applicability in the health-care system and government itself.

I'm aware, for example, of some reviews that have taken a decision-making process from—and I'm just citing this as a hypothetical example—from a 15-step process down to a five-step process with the same quality of oversight, so that's an example of leaning the system of decision making, reducing the number of steps to get from point A to point D, to get a decision, say a permit approved or a—in hospital settings, reducing the number of people that handle tests, for example, when they're taken and drawn to the point that they're analyzed and returned to the health professionals so they can do a proper assessment of the patient.

But I think these kinds of efficiency and effectiveness measures have to be continuously pursued in all areas of government as part of the ongoing desire to make government and help government deliver services to the public with the best value for the money and the most effectiveness and the greatest ability to provide value to the quality of life in Manitoba.

So that's a good question from the member, and that's one of the reasons we support the Auditor General who has, under legislation we brought in in Manitoba the first time ever, have the ability to do

value for the money audits, in Manitoba, not just strictly auditing in the more technical sense but a broader approach that allows them to do value for the money audits, and it's a role for Treasury Board to play when they review departmental Estimates, to take a broader look at how services could be delivered.

And, quite frankly, it's a role for management and administration in each department to look for better ways to deliver services and to engage the public who are using those services in ways that they can improve and deliver services, so it's an ongoing process of any dynamic government is to have an ongoing set of systems in place that reaches out to customers, reaches out to citizens, reaches out to related parties and asks them for ways that things could be improved and looks internally for a way things can be improved and looks in other jurisdictions in how services can be better delivered and ideas that can be transferred and readapted to the Manitoba context on how things can be done.

* (10:40)

A good example for—I know we've talked a lot about Hydro about Power Smart programs; we had a little conversation about that. They were not previously made available for residential customers and they've gone from being No. 10 to No. 1 on energy-efficiency programs and I think they can do more, and I know they believe they can do more.

And one of the innovations that was brought in just I think in the last legislative session, not this year but last year, was the pay-as-you-save legislation, which allowed for new financing mechanisms that, for example, on a home or an apartment block or even a commercial property, that they could adopt a new technology to make—reduce their energy demand, shrink our carbon footprint, conserve the use of water and they could do that with a financing method that allowed the savings to be—go to their bottom line in the first month after they adopted that technology in the way the financing was organized for that.

And one of the key innovations in that legislation was that the financing would be attached to the meter of the property, not necessarily to the current owner, so the property could change hands and the financing could continue on that property to pay off the cost of those innovative technologies or insulation programs that were brought in place. So that—that's an example of new ideas that have been brought in to the public domain in Manitoba that are

available for private sector, homeowners, commercial operators and apartment block owners to adopt new energy-efficiency technologies and improve their bottom line and improve the comfort of these homes and save customers' resources.

Mr. Pallister: Thank you for that response.

Maybe the Premier could elaborate, then, given that example of the Power Smart success, on how he feels about the decision to reduce the investment in Power Smart, I think it's about 20 per cent reduction this year, as proposed by Hydro.

Mr. Selinger: Well, one of the things we've provided for is, is that when Hydro tables their Power Smart plans under the affordable energy act, they—the minister has the ability to review those plans and take a look at them and ask them to reconsider things and ask them to look at a way that they can improve their energy efficiency in demand management programs. And I think, in the case of the question raised by the member opposite, that the minister would be interested to know why there had been a reduction of expenditure in this regard and presumably there's something to do with cost effectiveness and whether there are other avenues that could be pursued that will allow for greater energy efficiency programming and initiatives to be taken in Manitoba.

I remember, when we first got involved in geothermal activity in Manitoba, there was really very low levels of it going on, even though there were some excellent small businesses in the province and even some manufacturing capacity for geothermal heat pumps. And one of the things that made a huge difference in the ability for people to uptake that technology was, first of all, the providers of the services, the geothermal installations and the technology were aided to come together as an association and then a financing program was made available through Manitoba Hydro that allowed people to finance geothermal upgrades on their bill, and that really—and then some promotional activities as well. But the combination of helping the industry get together so that they could promote themselves better and acquire technology to do the work they're doing, the financing arrangements and some of the promotional arrangements, which made it easier for consumers to have access to that technology, dramatically increased the number of geothermal installations in Manitoba.

So that has been—resulted in Manitoba having about 40 per cent of the geothermal installations in

Canada when we're just shy of about 4 per cent of the population. So we're very supportive of ways for Manitoba Hydro to expand its activities in energy conservation and in demand management and energy efficiency throughout the province. We think there's big benefits in that.

Mr. Pallister: Mr. Chairman, this is a—was an inquiry from Harpreet Turka who wanted to ask why the government continues—this is a general question but a sincere one, I'm sure—why does the government continue to raise taxes and debt on the backs of hard-working Manitobans, and why is the government ranked dead last in fiscal performance among its peers?

Mr. Selinger: I think this question has been raised in question period, perhaps once, maybe even twice, and so I think the member—they know the answer to that. He didn't attribute that quotation—anybody, but it's easily a question the Leader of the Opposition may have asked himself once or twice.

An Honourable Member: Oh, point of order.

Point of Order

Mr. Chairperson: The Leader of the Official Opposition, on a point of order.

Mr. Pallister: No, I did mention the name was Harpreet Turka, just for the Premier's benefit, yes.

An Honourable Member: Thank you for that.

Mr. Pallister: Yes.

Mr. Chairperson: Not a point of order, but we thank you for the clarification.

Mr. Selinger: Yes, I'll take that non-point of order as a clarification and appreciate that.

Manitoba has reduced taxes for Manitobans by about \$1.2 billion since we've been in office. And so, compared to when the Leader of the Opposition was office personal taxes are lower. A family of four now earning \$60,000 has \$2,400 plus of reduced taxes in Manitoba than when the Conservatives were in office.

When the Conservatives in office, the small business tax rate was 9 per cent when we came into office. There had been a commitment made to reduce it to 8 per cent, but it hadn't been acted upon because there was a change of government. We've taken it to zero. That's a dramatic reduction in taxes for small businesses. The small business rate only applied to a

threshold of \$200,000. It's now at \$400,000, and this budget will move it to \$425,000. So, nine to zero and a doubling of the band of income that is covered by the small business rate, I think, is a record no other government in Canada has achieved for small businesses. The corporate tax rates were 17 per cent when the Leader of the Opposition was in office. They're now 12 per cent. It's about a 30 per cent reduction of corporate tax rates. The capital tax no longer exists in Manitoba for corporations. It was a very onerous tax on business when the Leader of the Opposition was in office, and they did nothing about it. That has been removed. The education support levy, it was about a hundred—it would be in today's dollars worth about \$175 million, perhaps more, has been eliminated in Manitoba. It was a tax regularly collected on an annual basis by the Leader of the Opposition when he was in office and his colleagues, and no attempt had been made to reduce that. So the level at which the payroll tax applies has been increased to a higher threshold compared to when the members of—opposite were in office.

So, on every measure, business is getting significant—and consumers and residents and citizens are getting lower tax rates to maintain Manitoba as one of the most affordable provinces to live in Canada. And our Manitoba Advantage calculations this year make that point, because all provinces are finding ways to move back into balance after playing a role in the great recession that we had, starting in '08-09, where governments had to step into the breach when private credit markets dried up and the economy was tanking, quite frankly.

And they're finding different ways to generate revenues. Some of them are increasing health premiums. Some of them are increasing income taxes. Some of them are increasing the HST—or the harmonized sales tax. So, we have maintained Manitoba as one of the most affordable places to live and work. And, in some cases, for example, a family of five earning about \$70,000 income has moved into the No. 1 position for affordability because of the relative changes going on in other jurisdictions across the country.

So we maintain ourselves as an affordable place to live, an affordable place to work, and we continue to find ways to pursue that competitive advantage while investing in infrastructure, while investing in research and development. Our Research and Development Tax Credit at 20 per cent is the best in the country. And now, there's a refundability component to that that never existed before. It was

about 15 per cent under the members when they were in office; it's been increased by a third to 20 per cent. And, for the first time ever, there's a refundability component to that, which allows people to have access to research and development resources before the company's fully profitable. The Manufacturing Investment Tax Credit has been continued and strengthened in Manitoba, which helps all of our manufacturers. We have very many high-quality, successful manufacturers in Manitoba, and they've had an enormous challenge, starting with the rise of the Canadian dollar relative to the American dollar, over the last eight or nine years and have found ways to become more efficient, leaner, more competitive. And we've helped them with that through the elimination of the capital tax, through the reduction of the corporate tax rate, through the Manitoba investment tax credit and through partnerships through sectoral councillors—sectoral councils, which have helped them acquire and retain skilled labour and provided them with skilled tradespeople through our educational institutions as well as our Provincial Nominee Program. So all of these measures have helped Manitoba retain a low unemployment rate, and I noted it went down again slightly today with an increase of about 5,000 more people working in Manitoba, most of them full-time workers.

* (10:50)

And so we've retained one of the lowest unemployment rates in the country, one of the highest participation rates in the labour market and our taxes are more competitive now than they've ever been in the recent history in last four or five decades in the province of Manitoba.

Mr. Pallister: So what percentage of the tax reductions that the Premier referred to were for corporate or business interests versus individual? Would it have been 90 per cent for corporate and—corporate versus approximately 10 per cent for individual people?

Mr. Selinger: I'd have to get the data on that. I think it's a closer mix in terms of the percentages, but all tax relief benefits individual families. If businesses are doing well and they're hiring people, that's jobs for Manitoba families and individuals. So I'm not sure the distinction is one that you'd want to draw too sharply when we've got high rates of employment and employment participation in the labour market in the province of Manitoba.

Mr. Pallister: So the reverse would be true then, as well, I suppose. If tax increases—if tax decreases to

corporations benefit individuals then tax increases to corporations also would affect individuals, such as the PST hike, for example, affecting—someone making the argument that a PST hike on a business doesn't affect individuals would be faulty in their logic. Is that correct?

Mr. Selinger: No, I think the argument has some merit going both ways. The point is revenues, how they're used, and there is some—infrastructure investments make a big difference in employment. And having the resources to make infrastructure investments—first of all, just making infrastructure investments to allow communities to be safe from flooding have direct impacts on families and individuals and communities—positive impacts, I might add.

Mr. Pallister: Right, and not making those investments in a timely manner would also have an adverse effect on people in those communities.

But a lot has changed since the era that the Premier referred to. I'm sure he'd recognize that, apart from just the colour of our hair.

So what would be, say, the increase in federal transfer payments in this year's budget versus, say, '99?

Mr. Selinger: I'm going to have to get the information, but transfers were essentially flat this year in Manitoba and they have been for the last four years and, as a matter of fact, equalization's going down.

Mr. Pallister: That's interesting. It wasn't my question, though. I was asking '99 versus now. The Premier was referring, of course, to the '90s in his tax references. So I'll go back to '99 on transfers and just ask again: What was the—what's the relative level of transfers in '99 versus this year's budget, just for interest's sake. I guess, just trying to make the point that the times aren't quite the same, that, as Bob Dylan said, they are a-changin', you know?

Mr. Selinger: I like Bob Dylan and I like the song, and I would agree with him that times are a-changing, and all tax rates are essentially lower for business and families.

In terms of transfer payments, I'd have to get him specific information on that. I don't have it currently available, but I can say this. I think the studies in the budget papers, as I recall, show that transfers, as a proportion of the economy have declined over the last 10 to 15 years. So on a global

basis—and I don't have that specific for Manitoba, but overall, I think, as I recall—and now, this is subject to verification—but overall, I think the transfers have declined as a proportion of the total economy, and I might be fortunate enough to have that here. Yes, well, major federal cash transfers, changes from 1999 to 2013-14, page D3 of the budget papers, it shows that the national increase in cash transfers is 132 per cent, but, in the case of Manitoba, 86 per cent. So we're getting 'lass'—less than the national average.

And equalization payments and GDP, annual share and long-term average—this is for the country—from '81-82 to '13-14, it declined all the way up to '05-06. It went up slightly, levelled off until a couple of years ago, bumped up a little bit, went down and has had a slight recovery, so.

This—these doc—it's all available in the budget papers. I've just—to draw the member to them, I'm trying to give him some information.

Total federal cash transfers, as a share of total provincial revenue, has declined from 31 per cent to 28 per cent between 2011 and '12 and 2012-13 forecast.

Those are just some of the—there's a—the document is called, Update on Fiscal Arrangements, Budget Paper D, in the budget papers. I think some very useful information in there for the member.

Mr. Pallister: With all due respect, he's jumping a little bit back and forth there, citing numbers, last year's budget versus this. But, again, I was just asking in terms of the total sources of revenue for our provincial budget and was interested in knowing what the levels were in '99 versus this year's budget. And I suppose this is consistent with what the Premier was doing a moment ago in an earlier response, which was citing tax rates in the '90s versus tax rates today. I'm just interested in knowing what the—obviously, what the transfer amounts were in '99 versus now. If we're going to compare those things, we should have a look.

I'm also interested in knowing if there's any province where—across Canada where tax rates today are actually higher than they were in the '90s.

Mr. Selinger: Again, that would require probably some research on the part of our officials to do that, but I do know that various forms of tax levies and revenues have been increased in the last couple of budgets across the country in most jurisdictions.

Mr. Pallister: Well, again, I referenced, as the Premier had done previously, he was doing a comparative to the '90s, so I was asking him if there's any province he's aware of that has higher taxes overall now than it did in the '90s.

Mr. Selinger: I understand the member's point, and I would say that would require extensive research. All I can say is that since the recession, when stimulus spending was put in place, in partnership with the federal government, and at the request of the federal government there's been various measures taken across the country to bring fiscal balance back in terms of balancing budgets and have included measures on managing expenditure as well as measures on the revenue side in most governments across the country.

Mr. Pallister: Well, I just have a general number here, but I think I'll just make this assertion. I think federal transfers are about double in actual dollars now, what—this year, more than double what they were in '99. Revenues are up 84 per cent. So it would seem logical that a government that—with that much additional cash might be better equipped to make some changes over that—the duration of that term, because I don't think that these numbers currently are an aberration. These year's numbers may be—the Premier asserts they're flat over the last three years, but, generally, over the last 13 years, it's been a very prosperous time in Manitoba. And I'm sure the government would like to have credit for that, but I think we can agree to give Manitobans most of the credit for that, that the reality is that the situation, in not only our province but in many other provinces, is radically different from the situation that existed in our country in the two-decade-ago period that he cited earlier.

I think the question I would want the Premier to respond to is this: Does he really think he's competing against the record of the government of 20 years ago, or is he—are we putting our province in a position to compete successfully with other provinces across the country today?

* (11:00)

Mr. Selinger: It's an important question. I would say this: On the document that I referred to on D3, the fiscal arrangements document, the major federal cash transfers changes from '99-2000 to this year of 2013-14, the largest beneficiary of major federal cash transfers has been Ontario, that has seen a 322 per cent increase, followed by Alberta, which has seen a 205 per cent increase, followed by British

Columbia, which has seen 164 per cent increase. So those have been the major beneficiaries of federal cash transfers, which might seem counterintuitive to the member, but it's because there's been a shift to per capita transfers as a methodology by the federal government. And Manitoba's receipts have been below that national average.

In terms of competition—

An Honourable Member: Sorry to interrupt, just for clarification—

Mr. Chairperson: The honourable Leader of the Official Opposition, on a point of order.

Mr. Pallister: No, no, it was just for clarification, I'm sorry—

Mr. Chairperson: On a point of clarification.

An Honourable Member: Yes, I just didn't catch the time period the Premier was referring to, that's all. I was just wondering what time period is he referring to when he cites these numbers.

Mr. Selinger: I stated that in the beginning of the answer a couple of times, '99-2000 to 2013-14, and I cited the page, D3 in the budget papers of 2013.

Mr. Pallister: Well, I'm glad the Premier shared that with me, and that he has the numbers for that period is illustrative of his lack of response to my previous question, which was, again, what were the transfers for Manitoba through that period again?

Mr. Selinger: I actually did answer this question in his first question. I 'sated' to him, page D3 in the budget papers of 2013, a public document that I know he has a copy of. And I stated to him that since '99-2000—I was very clear about this in all three of my responses and now a fourth time—that the national increase was 132 per cent. Manitoba got an increase of 86 per cent. And now I've cited to him the three provinces that were the major beneficiaries of federal cash transfers, those provinces being Ontario, Alberta and British Columbia.

Mr. Pallister: So I take it, then, the Premier just has the total numbers and not the individual breakdown by year in front of him then, because the—*[interjection]* Yes, okay. Well, that's—I accept the Premier's explanation on that as clarification.

I'll just go back to another question, this from Gaile Whelan Enns, who is a director with Manitoba Wildlands. And, again, I accept the Premier's argument earlier—not argument, but point, that some of these are a little bit detailed and if he doesn't have

the immediate response I'm quite understanding of that and would just appreciate an undertaking.

But the question's a little bit technical in nature, but it was just: What has Manitoba spent and done in terms of technical work to update the online geological survey of Manitoba map gallery and database?

And I'd be totally understanding if the Premier didn't have that information at his disposal and—at this very moment. But thought that might be information that we could obtain for Mme. Whelan Enns.

Mr. Selinger: I appreciate the member recognizing that that might not be on my fingertips. I think that's a very astute observation, and I think that question should be pursued through the Estimates of the Minister of Conservation (Mr. Mackintosh).

Mr. Pallister: So the Premier's saying he won't undertake to get the information for me or for Ms. Whelan Enns?

Mr. Selinger: No, I'm not saying that. I'm saying that that question would probably get more rapid answer if we'd do it through the Estimates or through directly to the Department of Conservation. If he wants to run those Estimates through this meeting as well, we can do that.

Mr. Pallister: Well, I choose to ask the question of the Premier. If he could undertake through his staff, which is considerably larger than my own, to obtain the information, I know that the lady who wrote the request would be much appreciative of that.

Mr. Selinger: I just said that we could get it through here if you wish.

Mr. Pallister: This is a question in terms of Churchill. Is there some plan to include Churchill on the list of northern communities eligible for the northern food subsidy?

Mr. Selinger: That's a federal program, so he may wish to ask one of his federal members of Parliament about that, or the minister responsible for the northern food subsidy.

Mr. Pallister: Good, thanks. The Premier doesn't have any insights into that. The government hasn't been asking for it to be included. I'm quite willing to take it up with federal people, but I just want to make sure we're working here co-operatively when we—whenever possible when we're trying to obtain

benefits for Manitobans from the federal government.

Is the Premier suggesting this hasn't been a priority of his government at this point in time?

Mr. Selinger: We generally have an interest in all northern Manitoba communities being able to have access to good quality food at a reasonable price, and so one of the areas we've been looking into is how we can increase their own source supply of, for example, fresh vegetables, which is why we have a northern food strategy. There's about 900 community gardens in the north now. There were about five, maybe even less, when we came into office, so we've been expanding their own in—their own local capacity to grow healthy food.

We're interested in the northern food subsidy program being available to a wide range of communities, particularly the most isolated ones where the costs of transportation are the most prohibitive and the least available to get products to them. We're interested in seeing what we can do to get the price of milk cheaper.

I have noted that the federal government has made some changes to the northern food subsidy program which has actually reduced the cost of some products in a variety of northern communities but not all northern communities, a subset of northern communities, so to that extent, there has been some improvement there. But, generally, we're interested in seeing the northern food subsidy program specific to each community provide support to keep the cost of products down.

Mr. Pallister: So, just to be clear, if I do pursue this with our federal representatives, I wouldn't be out of step with the Province's position in respect of trying to encourage the federal government to include Churchill in the list of northern communities eligible for the northern food subsidy?

Mr. Chairperson: The honourable—

Mr. Pallister: I'm sorry. Am I correct in that assumption?

Mr. Selinger: And again, I'd have to check and see where it ranked relative to all the other northern communities and which ones are the greatest priority and have the greatest costs for northern food supplies. But, in general, if he's been asked this question and it's a federal program and he wants to check out with his federal counterparts what they're doing on that and where that ranks, I'd be—it wouldn't

bother me if he did it, and I'd be quite pleased if he'd share the outcome of his exploration and his inquiries so we would know ourselves where they're at on that.

Mr. Pallister: Well, I thank the Premier for his response. I just—I'm kind of a results-oriented person, so I like to know the government's position in respect of this just because I think it might help us obtain results if we were to work co-operatively together. If the Premier wants me to work on my own on it, I'll certainly pursue that.

That was a question from the Manitoba Food Processors Association, by the way. I'm sorry I didn't put that on the record there earlier.

This next one is—and I'm sure the Premier'd like to—

Mr. Chairperson: Order, order.

The honourable First Minister, on a point of order.

Mr. Selinger: No, it's a point of clarification.

Mr. Chairperson: Point of clarification.

Mr. Selinger: If the member has a specific group that was asking that, I'd appreciate knowing who that is and then we can do some follow-up with them to see what they're—that specific concern or whether it's part of a larger set of concerns that they have. But I appreciate him identifying the source of that inquiry, and if the inquiry's specific to Churchill we need to know that. If it's part of a larger set of inquiries with respect to northern Manitoba communities, and it sounded like he said the Manitoba Food Processors Association—was that correct? So, I mean, I'd like to know if they're focusing exclusively on Churchill or whether they think that the northern food subsidies should be available to a wider array of northern communities as well.

But if there's any information he can provide to me on the source of that inquiry, we could have our folks in Agriculture follow up on that.

Mr. Pallister: Sure, I'd encourage the Premier to have his folks follow up with the Manitoba Food Processors Association in respect to getting clarification on that issue, and that'd be a great idea.

This next question is in respect to—and I know the Premier will enjoy this one. It's from Charles Feaver, Bike to the Future, and I know the Premier has been a supporter of biking, and I congratulate him on that and on the commuter issues and so on. I

understand that he has, as do I, has some fun on his bike occasionally, and so these are questions in respect of that.

* (11:10)

The Manitoba Highway Renewal Plan, 2011 to '15, the question was: When will the active transportation needs be integrated into that plan?

Mr. Selinger: I'll have to find out, but I would say that that is the perfect question to pursue in Estimates with the Minister of Highways and Transportation.

We do support active transportation in Manitoba and have made several millions of dollars of investments in that, and it is an important dimension of our infrastructure investments in the province.

And so if he has specific question about how integrated that is with the highways plan, I think that would be a perfect question to pursue in the Estimates. Because that's what the Estimates are all about, is how the money is spent on our infrastructure and whether it includes an active transportation component.

Mr. Pallister: Well, I'll just clarify for the Premier's purposes that, naturally, some of the questions may not be top of the list for our critics with his particular minister, and so I reserve the right to editorialize a little bit in respect of choosing questions I like to ask, and biking and active lifestyles is a priority for me. This is the reason that I was directing the question to him. I don't know that it will get brought up by my critic, quite frankly, in that particular file.

This is the second part of it, and perhaps—and this, again, I'm happy to get a response later. I understand that with no prenotification it's—some of these are a challenge. But I know with this particular issue where I expect the Premier has a personal interest in it, I thought he might know a response more readily.

Anyway, the part two of the question was just to create a safer environment on our roads that will encourage adults and children to use their bikes for short trips. And I know this very timely, this—given, some announcements this week.

How much funding has the government dedicated to public outreach, informing drivers of the proper ways to share the road and cyclist education programs for students and adults?

Mr. Selinger: Yes, again, I'd have to get specific information for the member on that. But the general

tenor of the question is one that suggests that we should all be working together to make the roads safer for both cyclists and motor vehicle drivers. And I have to say with him, I agree with that, the writer of the email or the letter, it is an important point. We need to have ongoing efforts to understand that we—there's a place for all of us on the roads and the way we design some of our infrastructure can be very helpful in that regard.

Mr. Pallister: So I'm right in assuming the Premier could get me a little bit more background for this gentleman in respect of programs or expenditures committed, or would that be possible for the Premier to undertake?

Mr. Selinger: Well, we'll see what information is available, yes.

Mr. Pallister: These are—these questions were raised by the Manitoba Environmental Industries Association, and they're general questions. I'm sure the Premier will be interested in responding.

What is plan B if the American market for hydroelectricity does not recover?

Mr. Selinger: Well, that is what you call a hypothetical question.

The market is recovering, not as rapidly as people would like, but it already is recovering. And we already have customers that want to purchase Manitoba hydro.

Mr. Pallister: Another question from this group was: What is the government's policy on hydraulic fracturing?

Mr. Selinger: Any kind of technology that's used to extract carbons from the ground has to be safe from an environmental perspective, and that would be the policy.

Mr. Pallister: And final question was: The most profound environmental problem facing Manitoba is the eutrophication of Lake Winnipeg as a result of nutrient loading.

And again, this is a timely question, I think, given this week's commentary by one of the government ministers. Given the reality of this very real and serious environmental leap, why is there no discernible market for nutrient reduction technologies or best practices?

Mr. Selinger: Why is there no discernible market for nutrient reduction technologies or practices, is that the question?

An Honourable Member: Or best practices.

Mr. Selinger: Or best practices.

Mr. Chairperson: The honourable Leader of the Official Opposition—the honourable First Minister.

Mr. Selinger: And what's the proper address for you as the Chair, is it the Chairperson of the committee?

Mr. Chairperson: Chair or Chairperson will suffice.

Mr. Selinger: All right. Good. Thank you for clarifying that.

I'm not sure that's the case. I think there is a market and a demand for these kinds of technologies. Sometimes it's generated by regulatory requirements to reduce nutrients. The minute you do that, then people have to have methods of doing it, then that creates a demand for the technology. Other times it's driven by the people that are dealing with nutrients themselves wanting to be able to have improved practices—so their own initiative. And sometimes it is—the market is driven by the availability of these technologies and the awareness that they're available on the part of people that would benefit by using them.

So there's a number of factors that go into generating demand for a product. The marketing efforts, the regulatory environment, the perceived understanding of the need for these technologies and the potential benefits they could provide, and cost factors, as well. Cost factors are another contributing factor as to whether there's a demand for it.

I did get some further information on the Churchill situation provided to me. Churchill does get funding from the province under the Northern Healthy Foods Initiative. It does not get funding from the federal government under the Nutrition North program, and the federal government did not raise its funding for Nutrition North in its 2012 or 2013 budgets. And this matter has been—this has been raised with the federal minister of AANC—A-A-N-C minister last year and the year before, by our Minister of Aboriginal and Northern Affairs (Mr. Robinson).

Mr. Pallister: This was just a more general inquiry in respect of the Grace Hospital ER. We've had several communications on this, people expressing concern in that area of the city principally, referencing that the ER has got long waits and—for patients, ambulance personnel and so on and so forth. Wonder if the Premier just wants to clarify what solutions maybe we—may the government be in

pursuit of there or what activity is the government endeavouring to undertake to assist in that problem. Which is, I know, not one of—it hasn't occurred recently; I know it's one of long standing.

Mr. Selinger: I'd like to see the data on what the emergency room situation is at the Grace Hospital, but—and without knowing specific data, I'd—that would give me a better idea of whether there is a severe problem there or not. But, in general, the Grace Hospital has been very innovative in trying to find ways to provide services to people in the community.

They have a program that provides outreach that takes physicians and health professionals right to the homes of seniors to help them have services in their homes so they can retain their residency in their homes and in their communities as long as possible. As we speak, there's an access centre that's being constructed there.

On a more global basis, we're training more doctors than ever in the history of the province of Manitoba and we've got 500 plus more doctors in the province of Manitoba now. We've made improvements to emergency rooms all across the province in terms of the techniques and the triaging protocols. We have over 3,163 more nurses in Manitoba than we had over a decade ago, so there's been an increase in personnel, an increase in procedures, some innovative programming put in place, all of which is—even the announcement that we made this week on the completion of the mental health crisis centre that we opened at the Health Sciences Centre, being able to provide more tailored and specialized services to people with mental health issues in the community, which will relieve pressure on ERs. They predicted that up to 10,000 ER visits might be eliminated by having better access to this mental health urban crisis centre in Winnipeg.

So, the health-care system is continuing to look for ways to innovate and provide services, reduce ER wait times and reduce the need to go to ERs by the initiatives they put in place to help people maintain themselves in a healthy lifestyle within their own communities.

* (11:20)

Mr. Pallister: Thank you for that response.

In the respect of the innovation and service provision points the Premier made, I'll move to a question which is one of too many around and naturally, I think, responds to the circumstances of

flooding over the last while in Manitoba. But the questions are of a general nature. I'll give the Premier the opportunity to perhaps offer some clarification, but the—pertaining to the need for a faster response and less complicated systems, more responsive compensation programs and so on. Numerous inquiries around that, not just solely from people who are waiting to be dealt with but from those who have been through the system and say that there's got to be a better way. Perhaps the Premier could share some of the innovation that the government is prepared to act upon now as a consequence of learning from what happened and what is happening in the system as a consequence of the flooding of recent years.

Mr. Selinger: Just—if I could, I just wanted to give some further information about the previous question about ERs: hallway medicine, as it was called, is down 95 per cent from the 1990s.

An Honourable Member: I'm sorry, I missed the percentage, Mr. Chairperson.

Mr. Selinger: Ninety-five per cent. There was—at that time there was an average of 28 patients lining hallways for days. There is now an average of two and often it is zero. ERs have been expanded or rebuilt at the Health Sciences Centre, the Children's Hospital, the Concordia Hospital, the St. Boniface Hospital, the Victoria Hospital and the Seven Oaks Hospital. The Grace ER is going through a redevelopment expansion for \$20 million, and I mentioned the Mental Health Crisis Response Centre and the Access centres are not only being developed at—in St. James at the Grace Hospital, but also the NorWest Access Centre recently opened, and we've put QuickCare clinics in Winnipeg, Steinbach and Selkirk.

We're moving on a family physician being available to Manitobans through—by 2015 through teams of health professionals, nurse practitioners, physiotherapists, nurses, doctors, general family physicians, et cetera. We're looking at additional centres in St. Boniface, southeast Winnipeg and southwest Winnipeg, and we're looking at health clinics in Swan River and Ste. Rose, as well as an expanding clinic in Lundar, and mobile clinics are being put in place for the northern part of the Interlake, and there's an expansion and upgrade to the Flin Flon emergency room.

Since '09 we've invested \$5 million to add 60 front-line staff to Manitoba's emergency rooms, and we're also—have brought in a new health-care

professional tech called physician assistants who are available in the numbers of five to assist and support emergency room doctors. All five have been hired. And as we know, in emergency medicine the number of training seats have been doubled from five to 13. So that number of five has gone up to eight already as we go along that journey towards 13. And we've established teaching sites at Winnipeg's community hospitals as part of the U of M emergency medicine department we've created. So these are all a variety of measures to reduce pressures on ERs, and those are tertiary measures.

Some of the primary measures are all the things we do around Healthy Living to encourage to have healthier lifestyles, and that's why there's a big emphasis on family physicians so that they can get advice on their—how to live a healthier lifestyle on a day-to-day basis.

Now, turning to the question of the '11 flood, the worst recorded flood event in living memory, 96 per cent of the claims have been adjudicated or rendered now. About eight separate programs were put in place that were not cost shared by the federal government, and I've read them into the record during question period. If the member wants me to do that again, I'll get that information for him. I would say—and one of the better things we did was to put in place an independent commissioner to deal with any appeals, and that person was a person we believed had a high degree of credibility in rural Manitoba given his track record as a mayor and a producer and a leading member of the Association of Manitoba Municipalities. So we tried to make sure that there was good person there that had a good grasp of the reality of rural life having lived and grown up in that area all his life.

So one of the things I think would be helpful are some changes to the disaster financial assistance rules themselves. As the Chair knows, the problem with disaster financial assistance is it currently only allows you to you rebuild to the state that you were in before the flood occurred.

So it doesn't really provide resources to actually improve your circumstances, only to restore them. And I think the disaster financial assistance guidelines have to provide an incentive for people to go beyond the situation they were in to add a greater level of protection for the potential future events that might come downstream. So I think that's one important thing that we've learned is there needs to be a different approach on how disaster financial

assistance is rendered to reduce the problems in the future. So that is one thing that I think would be helpful, is redesign of our disaster financial assistance program.

The other thing I've—would probably say is, is I think the federal funding of disaster financial assistance could be more timely. We still have, I believe, only received about \$150 million back under the program. A more timely flowing of resources would take stress off the provinces that are paying the front-end costs of fighting these disasters.

I think, in terms of our own procedures, the preparation we provide to our professional staff and to our volunteers at the community level is very important. Some of the work we do on geological surveys and mapping, I think, could be improved and strengthened, which could be a component of municipal amalgamations as well that they have more capacity to do that.

I think the reports that we commissioned—from the independent reports we commissioned on the flood around Lake Manitoba—indicated that we need to strengthen with other levels of government our ability to do accurate weather forecasts and flood forecasts. And there have been some challenges, particularly with getting information from other jurisdictions around us, where the water's coming from, whether it's the United States or provinces to the west of us or to the east of us and states to the south of us—getting more timely information, more accurate—I'm not saying that it was a bad system, but I think that we feel that it could be improved, the forecasting capacity.

I did have the opportunity to visit our people that do flood forecasting in Manitoba this spring, and I would have to say that they are—lots—very well-qualified and well-trained individuals and that a lot of the skills that they bring are invaluable in our ability to do weather forecasting in Manitoba, and they take it—their roles—very seriously, and they pursued it with great diligence over the last few years.

Mr. Pallister: Thank you to the Premier for that response. The timeliness issue, I know, is always of concern.

The Premier had alluded to \$150 million paid so far. I'm just curious as to how much is pending. Have applications been put in that we're waiting for responses on?

I understand there was some confusion in respect of which program to apply under or something, which I understand is not unique to our province, but—that we'd applied under AgriRecovery for something which was supposed to be under DFA. I'm not sure; maybe the Premier could elaborate on that.

Mr. Selinger: I think we're expecting about half—maybe a little less, a little more—from the federal government—on—in this flood event, because we mounted some additional programs that they have not deemed eligible that we're—we've paid out 100 per cent ourselves. So, you know, maybe another \$300-plus million more that we think is coming.

One innovation that I think has been helpful is the Prime Minister committed to some resources for mitigation work, 50-50 between the Province and the federal government, and we flowed some of those resources in the past and we're flowing some more in the future to do some prevention work, in terms of diking and helping communities better protect for the future. I think that has been helpful.

So, that's my answer to the question.

Mr. Pallister: So that—sorry, just for clarification: it's—so 150 million's the amount Manitoba's received on a previous claim, or that's the amount of the claim that was submitted?

Mr. Selinger: That is a partial rebate on the total claim that we've put in front of them. I understand auditing procedures are a part of the process. But that's the amount we've received so far. We think there's probably—and I'm just, without having the direct information in front of me—in order of magnitude, at least probably another \$300 million that we're probably eligible for.

Mr. Chairperson: Just for the advice of the honourable First Minister, it's—Hansard is having a little bit of difficulty picking you up, so if you could just get a little closer to the microphone.

Mr. Pallister: And on that, somebody commented to me the other day that in question period, it'd be helpful if we got an extension on this mike. I'm not—is that—I don't know if that's a genuine concern or it was a joke.

Anyway, so the \$450 million we anticipate Manitoba will get back on a total claim of approximately how much?

* (11:30)

Mr. Selinger: Again, I'd like to get the information in front of me, but I believe the claim is in the order of \$450 million, in that range; it might be as high as \$550 million but I'd like to see the actual data. It's been a while since I've seen the hard figures of about \$1.2 billion, which may not be finalized yet.

I did now have a copy that I'm prepared to table here of the Pimachiowin Aki World Heritage project, the land that gives life, application for inscription—or nomination for inscription on the World Heritage list. This is fairly fulsome document, and I think the number of pages that I see here is about 264, and then there's other supporting documentation that we can get that backs us up, so I'm going to table that with the member opposite.

Mr. Pallister: Thank you to the Premier, and there goes my weekend. Yes, that's good. I appreciate that information. It's a very interesting topic for research.

Now I have—oh, does the Premier—back up for a second here—does the Premier have any idea on the—could he give some clarification on the time frame he anticipates? And I understand it was the minister in charge of this particular department, I understand that there's a negotiation. I understand that there will be auditors involved, and I understand that provincial representatives and federal representatives will face off in respect of probably every single item, but is there any estimate the Premier would like to share in terms of a time frame as to the claim, the settlement of the claim, understanding that it is ongoing, understanding that there are a couple of hundred people still awaiting adjudication, at least? What kind of time frame are we looking at here?

Mr. Selinger: It's entirely in the hands of the federal government how rapidly they wish to respond, but I have raised it with the Prime Minister and he's taken it under advisement.

Mr. Pallister: So, fair to say, it's the government's wish to proceed as soon as possible.

Mr. Selinger: Sure, we'd like to wrap up all the related cost recoveries on this process. We'd like all the claims to be finalized, all the appeals to be dealt with. People have worked incredibly hard on it. I have to give credit to our public servants and the people we put on appeal panels for the work they've done and the diligence that they've applied in doing the work. It was, as I said, one of the largest events in the history of Manitoba with respect to a natural disaster, with the highest volume of claims that, I think, in recorded history. And to get a 96 per cent

turnaround rate, I think, is very positive. We'd like that 96 obviously to be the full 100 per cent but a 96 per cent turnaround rate is, I think, a very, very positive outcome.

I've heard of other natural disasters in other jurisdictions where years later there's many, many outstanding claims, and that level of turnaround hasn't been achieved. But there's still lots more work to be done in terms of the mitigation side. Some of the announcements we've made about making the channel—the emergency channel—permanent on Lake St. Martin and looking at an additional channel out of Lake Manitoba, these are projects we've announced early because they take a lot of work to get the engineering done and scope out what the best solutions are and the most cost-effective solutions, and we need an early start on this to get the ball rolling, which we've got now.

So it's—the recovery from these things is a monumental task, not just on behalf of the local people that were directly affected, who have the greatest stress and the greatest consequences that they have to deal with, but on the part of all the people that support them at the municipal level, at the emergency measures level, and now, in terms of departments like Infrastructure, in terms of the long-term work to be—that has to be done in terms of mitigation but the task is enormous.

We still have too many people that are not back home in terms of the First Nations communities. We want to get them home as quickly as possible, and we need to ensure that as we get them home that we return them to a safer community, on higher ground, in a better situation, so that we can avoid these kinds of events in the future.

And that's the objective that we're working on, and I have to say we have some very senior people in government that have dedicated enormous amounts of their time and energy to resolve these issues and move them forward, and they deserve a tremendous amount of credit. I think their performance and their work has been stellar, and I'm thinking of deputy ministers and senior officials across a variety of departments in the government, and they continue to devote a very significant amount of time to moving these files forward.

So it's making a very large difference. I'm actually quite proud of our public service on the way they've dealt with this and their willingness to step up and continue to pursue these issues with great diligence and vigour. It's made a big difference.

We're not a hundred per cent there yet, but we've made progress, and we're going to keep working at it and continue to make progress.

Mr. Pallister: Yes, of course, not to mention the stress that the claimants themselves have endured. That being said, the earlier question—and I wanted to give the Premier the opportunity to share with us what we've learned from this process—are there a couple of examples of things we might have done better or could do better next time? Always important to evaluate these very difficult and challenging exercises to determine how we can reduce the degree of stress for all concerned in future. Could the Premier share a couple of examples of things we have learned that perhaps didn't work well that could work better next time?

Mr. Selinger: First of all, I'm glad the Leader of the Opposition identified the stress on the claimants themselves. That was the point I made when I started my answer is that the folks directly impacted by these events are the ones that have the greatest challenge in terms of recovery, and that's why we put these additional resources in place and tried to work with them.

Things that we can do better—that's exactly why we commissioned the two independent reviews, one on the level of Lake Manitoba and how to handle the regulation of Lake Manitoba and one on what long-term things we should put in place. And I mentioned—I alluded to it earlier, I think—the disaster financial assistance program might have usefully had criteria which would have allowed for communities to be built at a safer level. For example, in the Peguis community we've saw flooding overland—we saw flooding there for three or four years in a row—and all they were able to do was rebuild to what situation they were in before, which invited further opportunity for them to be flooded out as the new events occurred. And if the disaster financial assistance programs might have allowed them to get beyond their former circumstances into higher and safer ground or to have more mitigation projects put in place, we might have avoided them having to go through the experience of being flooded out four times in a row, for example. So I think that's one of the obvious changes, and we've been recommending that for quite a while to the federal government. The 50-50 mitigation program, I think, is a partial response to that, but I think the very guidelines under which disaster financial assistance are structured should allow for the ability to invest in the restoration of a damaged community or a home or an

individual's property in such a way that they could be safer for future—from future events.

Mr. Pallister: Just perhaps for clarification, I'm not sure what the term turnaround rate refers to specifically. Perhaps the Premier could explain that term.

Mr. Selinger: Turnaround rate, in my mind, is from the time a person makes a claim for compensation or some adjustment in their circumstances to the point that the decision is rendered and they've received the support that they requested or a partial response to that support they requested. So turnaround rate is when you close a file and say it's completed that it's been addressed as thoroughly as possible.

Mr. Pallister: Okay, thank you for that. The Premier alluded to a turnaround rate of 96 per cent. Is there a time frame that—well, there has to be a time frame to determine if there's a turnaround rate, I guess, right? So what would the time frame be for a claim? Is it a couple of months or six months?

Mr. Selinger: I was referring to how much has been done in files closed up to now.

Mr. Pallister: I wondered if there was some benchmark or something of—you know, as a comparative to what a traditional insurance company does on its claims, for example. If there was a comparative that we used or is it just—so a turnaround rate means 96 per cent done on claims we've got so far, right?

Mr. Selinger: Yes, that's the case. I think one of the things that has to be recognized here that this was an unprecedented event in the history of the province and required unprecedented responses, and what I was saying was is that the people took some very serious impacts and new programs were mounted and put in place to address that.

For the first time ever, for example, there was resources made available to cottagers to address structural damage and additional resources made available if they would reconstruct their cottages in such a way that there were on higher and safer ground so that they could prevent these kinds of events from occurring again. And those were new programs never before mounted, and, therefore, they required new procedures to administer those programs and bring them to a conclusion. And I just had the good fortune of talking to one person I know that has been in the St. Laurent community for decades, grew up there, but goes back there every summer with their family, and they had invested a

significant amount of money for which they got a recovery from the Province of Manitoba to lift their cottage up additional height structurally. And they had received additional money for berming their waterfront to make it safer from future events like this.

*(11:40)

And so they had secured their land and strengthened the ability of their cottage to deal with flooding events. So, they were generally pleased with having access to those resources. Those resources had never been made available before to cottagers and have not been agreed to by the federal government as eligible under disaster financial assistance.

But the Province of Manitoba put those resources in place to allow people to better protect themselves for the future and to give themselves a greater sense of security. And now we've proceeded to say that we're going to put the additional channel out of Lake Manitoba in place, as well as make the emergency channel in Lake St. Martin permanent.

So combined, these measures, in my view, will create a greater sense of security up for the folks that live and cottage and work around Lake Manitoba and allow them to resist the kind of events they experienced in 2011 in a much more resilient way in the future.

Mr. Pallister: Okay, so apart from the new programs the Premier's just referred to and the need for some revisions to be discussed with respect to the federal DFA program, did we—what did we learn about?

Because a number of the concerns, I think, were in the category of overlap; confusion that ensued from overlap with respect to confusion about various programs. Communications, I'd say in that category.

Could the Premier share with us what we've learned in response of this? Is there a way we could address some of these issues?

And I understand I'm referencing general categories here but these were the concerns which certainly have continued to be raised from people who were—in fact even people who were satisfied with their claims were concerned and have communicated concerns about the need for improvement in respect of things like communication and clarification around which program they were supposed to apply to, things like that. Have we made

some improvements in that respect that would assist in future—in alleviating the additional stress that's on people when they put a claim forward?

Mr. Selinger: Yes, I think the first step in any of these things is to try and strengthen these communities so that we don't have to go through these kinds of claims in the future. Which is why we're making these very significant investments in both strengthening the capacity of individual property owners to resist these kinds of events.

And after every major flood event we try to put a program in place that will allow that event to be resisted at a higher level of protection. So that's the first thing. And if you can do that then you can reduce the amount of dislocation and stress on people.

In terms of the programs themselves and access to the programs themselves, there were single windows put in place where people could go to one place and get access to all those services. And because they were new programs it did take a while to clarify the parameters of them. And I know officials work very hard to do that.

In terms of the broader communications, disaster financial management has gone through the same changes all of us have with the new social media. There's a lot of work that has to be done in terms of the social media now to make information available to people through those channels and through those mediums. And that has been done.

So there was a lot of new things that were done in this flood event that may not have ever been done before in Manitoba's case and perhaps not done elsewhere around the world. But the social media were used quite extensively this time to address concerns that were raised, to provide information in response to provide people with access to what resources were available.

And the emergency committees at the local level played a very strong role as well in providing people with responses and support. And our Manitoba emergency measures people worked very closely with them to do that.

And I have to say a lot of the communities did a phenomenal job mounting their response to the flood. I can remember, for example, being in places like Souris and sitting with the emergency committee and the mayor who chaired it, Darryl Jackson, I believe, is the name of the mayor, did a tremendous job. And seeing how they worked together and met

every morning to plan their response. And we were, through our emergency measures people, there to support them in doing that.

Mr. Pallister: And we'll—all of us will be pleased to see that new bridge go up in Souris. I understand it's going to be swingier than the previous one and that may pose some challenges for a person with my level of co-ordination at this stage of my life. But I know the whole community and the whole province looks forward to that being back there.

In respect of Lake St. Martin, there was a report that the band chief and council were concerned—expressed concern that they had not been consulted in the selection of the lands that were to be used for the relocation of their community.

Can the Premier dispel that report or elaborate on that?

Mr. Selinger: My understanding is, is there has been an agreement in principle arrived at for the selection of lands for the rebuilding of the community.

Mr. Pallister: So, just to be clear, there's no truth to that. The government and the band have been consulting on the selection of the site—is that correct?

Mr. Selinger: Well, I think early on there were divergent views on which land should be selected and where the rebuild should occur. And there had to be a lot of work done on both sides to evaluate the suitability of the sites, and the appropriateness of the sites, in terms of risk flooding potential, commercial viability, access, et cetera. And it's been a long process, but I think there's been some major accomplishments in the last several months where people have found a place where they can come together and agree on what the long-term solution is for that community to provide them with more land—higher level—land at a higher level, that will allow them to not have to experience these events again. That's at the community level.

There's going to be a lot of money have to be required to rebuild that community. Lake St. Martin was probably the hardest hit of all the communities, with the most amount of people still not able to return to their homes. This was not the first time they've been flooded out. There had been previous claims that had been—there had been work done and there had been claims made, and they had been experienced flooding before. And it had been some long-standing issues there.

But I do think they're going to—I know now that we have an agreement in principle to—how to rebuild

that community, with additional land being made available to them. And I'm very appreciative of the fact that this has been accomplished now by all the parties involved. There's certainly more work that has to be done, but just getting the land selected and identifying the sites makes a big difference, because there's going to have to be money spent on infrastructure, new homes being rebuilt, et cetera. There's a lot of work that remains to be done.

Mr. Pallister: Yes, the report, I think it was in a Free Press article, also alluded to the band's preference for some other land that was, I think, four miles away from the site, and that the Province had, I believe, made available Crown land, or had purchased a couple of farms in addition to, or in proximity to, that Crown land.

Can the Premier just clarify on that? Is that correct, that there has been—the land has been purchased? And can he, again, dispel the statement that the band was not consulted in the location itself, and in the determining the location prior to the land being purchased, surely?

Mr. Selinger: There was an opportunity to acquire some higher land, productive land, early on in the process. This land is now part of the agreed-upon, long-term site for the First Nation.

Mr. Pallister: Okay. So, then, just to be clear, then, there may have been some land purchased in advance in the hopes of arriving at a satisfactory negotiation in determining the location and co-operation with the band?

Mr. Selinger: There was, indeed, an opportunity to purchase some land when it became available, and that land has now been included in the agreement in principle for the long-term site for the community.

Mr. Pallister: So the land might have been purchased prior to the actual determination of it being needed for the Lake St. Martin relocation, just to make sure that it was secure and available to the Province, to make the location happen, subsequently—subsequent to a successful negotiation with the band—or an agreed negotiated with the band. Just to be clear.

Mr. Selinger: I think that's a reasonably close approximation of what was the thinking at the time, that this land was contiguous to the existing First Nation community, and it was considered good land at a higher level. Obviously, lots of clarification had to be done around that. And I do believe part of the final agreement will include some additional Crown

land made available. And those packages together will provide for a more fulsome site for the community that will give them more options to be on higher land, and less close to the lake, where the levels were lower, and there's a greater risk of future flooding.

* (11:50)

So it all—it does seem to be coming together. It's been a difficult process, no question about it. It has required a lot of discussion and communication to go on, and review of alternative sites, and a coming together of minds on what is the best option for the future for that community.

Mr. Pallister: I thank the Premier for that answer. I understand it's a tremendously difficult thing for the families and for everyone concerned to—every aspect of the discussion is tremendously fraught with emotion.

In respect of the channel, I understand the government's committed—I think it's \$50 million to the process of—I'll oversimplify it by the nature of our discussion—I kind of have to—the environmental and the various studies associated with getting us into a position where we can dig the channel.

Does the Premier have an idea how long that'll take, and I understand the variables in this one, but approximate idea how long those studies will take before we can begin to put a, you know, shovels in the ground?

Mr. Selinger: Yes. This is a question that we tried to address at the press conference, and our deputy minister for Infrastructure indicated that, usually on major projects like this, about 20 per cent goes into the engineering, design work, environmental reviews part of it, so that—he identified that as being in the order of \$50 million, and these are rough estimates, but based on previous experience in doing this kinds of projects.

And, that we thought, if everything went well, and, again, I appreciate the Leader of the Opposition recognizing that there are always unforeseen circumstances that come up and things that have to be reviewed and things that might have to be looked at a second time, that it's not—it's a guideline deadline, but we thought there was the potential of being able to start a dig, or actually putting shovels in the ground as early as 2016, but this is, of course, subject to federal and provincial environmental reviews and everybody—and section 35 consultations. And there's lots of things that can change the time

frames on this as the process proceeds, which is, again, why we thought it was important to get going early on these matters and to be able to have as much time as possible to resolve them and to get a timely outcome and protect these communities as quickly as possible from future events in the order of magnitude of 2011.

So, I do appreciate the Leader of the Opposition recognizing that there has got to be some flexibility and understanding that these timelines can move. But, as a rule of thumb, 20 per cent on the design, engineering work and, hopefully, a date to be able to start on the groundwork as early as, say, the spring of 2016.

Mr. Pallister: So, just using that 20 per cent approximation, we're talking about a possibility of a \$250-million project. And this, just to be clear, this also includes the deepening of the existing channel in addition to the—it's the whole thing all in—yes.

Mr. Selinger: I would have to say that's an early estimate. It's a placeholder, the \$250 million. I hope the leader wouldn't be coming back a couple years from now saying, oh my God; it went \$10 million over. You said it was going to be \$250 million. The reality is this is a very early estimate on a major project, and some of this work has never been done before. Even the emergency channel itself was unprecedented activity in a very swampy area, a very difficult area to access. Even getting equipment in there was extremely difficult.

We found that this spring we positioned some equipment up there in case the emergency channel had to be opened and we had to get the equipment there while the ice was still in to get it over the lake. So these are very challenging projects to do in Manitoba or anywhere in the world. And so there is, you know, there's got to be some parameters, some understanding these are early estimates of what it's going to cost.

Mr. Pallister: I cannot undertake that I may not be critical of the government at some future point, Mr. Chairman, on this or any other issue. However, I do understand the challenges with respect to the project, and I seriously doubt that the government would want to understate, at this point, their need to expend money on a flood work. So I expect the estimate to be more accurate than others, perhaps, that the government has made.

That being said, on the issue of the potential benefits of this, which we all hope are realized, many

of these will be realized, of course, on First Nations communities, and these are not benefits which would accrue solely to the people there or the Province itself, but to the federal—at the federal level as well. So I'm just curious if the Premier could share what—where the discussions are at in terms of cost-sharing on this project with the federal government. Have they been undertaken? When have they been undertaken? And so on.

Mr. Selinger: Yes, well, first of all, I have to say, I'm remarkably disappointed that the member has not committed never to criticize this project again, or any other project. That was—I was hoping to have a major breakthrough here that would be in the best interests of all of us in the Legislature. But such that—be that as it may, I'll just have to live with that.

The reality is that these are early days. We've put a commitment out there that we want to move forward on this for the obvious reasons that we all recognize. We do hope the federal government will participate.

We'd like them to participate by first of all declaring that the emergency channel that we built is eligible under the disaster financial assistance program. We've never had that determination finalized yet. That would be extremely helpful, because they did waive the environmental requirements on building that emergency channel and recognized it as an emergency that had to be addressed, and that allowed us to move on it with the rapidity and speed with which we did.

And, you know, again I want to commend the people on the ground that got that channel built, and I know the Chairperson here appreciates it as well. They did a record amount of work in a record amount of time under very difficult circumstances. And it was impressive what they were able to accomplish and it made a gigantic difference—I think in the order of three feet on Lake Manitoba and two to three feet on Lake St. Martin—when that channel was able to function for the year after that flood and bring the lakes down more rapidly. And I think it benefited us this year, for sure, to have those lakes at a lower level.

So, we will obviously hope the federal government will participate in the long-term solutions as well. We believe they will, particularly with relocating or helping Lake St. Martin get back home to the kind of agreement in principle we've resolved. And we would look for them to be participants in the bigger long-term solutions as well.

They certainly were with respect to the floodway that we built around Winnipeg, and so there is precedent for them participating in these matters.

And we look forward to the Building Canada Fund and other programs, the 50-50 mitigation program the Prime Minister announced during the election, finalizing how that will work on the long term and what resources will be dedicated to that. It's a program not just for Manitoba; it's a program for the whole country.

But I think one of the things we're starting to recognize now is that climate change—the science of climate change has strengthened and the preponderance of evidence is that climate change is real and it is increasing the volatility and the frequency of serious weather events and including North America. North America has seen some of the most expensive and serious weather events in the last decade. Munich remade that comment in a report they put out just before Christmastime, and so mitigation is going to be an important part of our future investments in this country. And mitigation will require us to do the things we're talking about—protect communities as we go forward in the future. And Manitoba has a long tradition of doing these things.

I know the member opposite recognizes that under the Progressive Conservative government of Duff Roblin that he initiated the major works that resulted in the Portage Diversion. As a matter of fact, one of the champions of the Portage Diversion was a former member of the Progressive Conservative government of Duff Roblin—I believe his name was Christianson and he was an advocate for the diversion channel being built there.

And, of course, we all know the value of the floodway, and the floodway has been estimated to have saved Manitobans \$30 billion for the investments that have been made there—about a billion dollars over the years.

So there are significant benefits to be gained in Manitoba from investing in these kinds of flood mitigation measures, and the need to do them seems to be intensifying with some of the climate-change effects we're seeing on—in the North American economy and North American continent in terms of frequency and intensity and the severity of some of these weather events. Hurricane Sandy was the last big one we saw just before Christmastime on the east coast of North America, and I believe the American Congress, within months, allocated about \$60 billion

to address that, which is a gigantic amount of money under anybody's measurements. So, these things are going to have to be addressed.

The member earlier raised some of the issues in North Dakota. That's part of our Red River system, and there are issues that need to be addressed there as well in terms of long-term flood mitigation.

* (12:00)

So we've got to work together on these things, and I believe we can. We are forging new partnerships with our partners around us, on disaster mitigation, using, you know, some of our helicopters, our airplanes, our water bombers to fight fires and other disasters, sharing expertise on how we flight floods. Manitoba flood fighters have become some of the best in the world at how they deal with flooding.

Some of the things we do on the Red River to address ice in the spring, the active ice management program we have, is widely admired around North America for the technologies we've developed: the ice-cutting machines, the use of the Amphibexes, the work that's done to assess the levels and thickness of the ice and how we can slice and dice it to move it as rapidly as possible in the spring.

So we are becoming a bit of an expert on fighting floods. I wish we weren't, but the events have challenged us to develop new ways of dealing with these things. And it looks like they're going to challenge us for a while to come. So we're going to have to move forward in all of these matters.

Mr. Pallister: So the \$20 million—no, \$50-million announcement, 20 per cent approximation, there, that was made the other day, wasn't—that was made prior to any cost sharing discussions that have taken place with the federal government? Or, is the federal government cost sharing on some of that?

Mr. Selinger: As I said, these are early days. We do know the federal government has made a 50-50 commitment on flood mitigation programs. We do know that we've put in front of them the emergency channel as part of the DFA program. We do know that they're going to have a Building Canada Fund that will be announced probably within the year. And we think that protecting communities from future flood events should qualify, perhaps under all three of those programs.

Mr. Pallister: So maybe the government just announced their part of the funding?

Mr. Selinger: The estimate, as I said, was an early 'mestimate' on the total costs that we think might be required to address that, and we'd certainly welcome some federal cost sharing of that.

Mr. Pallister: It's been my experience that welcoming it and negotiating it may well be two different things. I'm just curious as to whether the government has entered into negotiations at this point, or is planning to, with the federal government to obtain funds from the federal government to offset some of these costs. Obviously, the federal government will be a beneficiary, and the case is pretty compelling that they should be partners in the, not just the digging of the channel or in the construction, but in the preparatory work as well. And hopefully, their willingness to co-operate will ensue. But is the discussion planned, and if so, when?

Mr. Selinger: Yes, again, they're holding their Building Canada Fund for the 2014 budget year.

We have had increasingly improved discussions with them on getting, for example, First Nations communities back home, like St. Martin, and some of the long-term solutions there. They've certainly been contacted, and we've had several discussions with them on the disaster financial assistance program in terms of the emergency channel and resolving all the matters related to that, as well as the finalization of payments on disaster financial assistance program.

I know I've had conversations with the Prime Minister on helping these First Nations communities get permanent solutions, and on the 50-50 program, and on the flowing of the payments. And I think he has been attentive to those concerns being raised. And all of these things—and I know our Minister of Aboriginal and Northern Affairs (Mr. Robinson) has pursued these matters, and I know our Minister of Infrastructure and Transportation (Mr. Ashton) has pursued these matters with their federal counterparts.

And all of this, I hope, will lead to the willingness to co-operate and collaborate in finding long-term solutions to these very serious conditions that Manitobans experienced in 2011, and some continue to experience, as we speak.

Mr. Pallister: So does—is the Premier (Mr. Selinger)—is it, in his experience, is it more helpful to announce that you're going ahead with a project prior to having the agreement with the other level of government, or is that less helpful?

Mr. Selinger: I don't know that there's a general rule on that. I think most governments want to know if the other level of government is committed to something before they will engage in a serious conversation. The announcement that we're going to proceed with these matters shows our commitment. I think it makes it easier for the federal government to take us seriously with regard to the long-term commitments that are being made and their role within them. I certainly found that to be the case with respect to getting First Nations people back to their communities. When they knew that we were taking it extremely seriously and we're raising it on a continuous basis, I found it increased the level of activity on the federal part, to engage with us to resolve those matters.

Mr. Pallister: So it would follow, logically, that if that serious indication by way of an announcement was an effective approach, then it would mean that it would be even more effective to follow up fairly quickly and in short order to negotiate the terms of a cost-sharing arrangement with the federal government. Would that not be correct?

Mr. Selinger: I think the logic of that is compelling, and I know our officials are in regular contact as well as at the political level. As I have indicated earlier that we think these things have to be addressed in a long-term way. Just the very example of the federal government agreeing to a 50-50 mitigation program, just the very fact that they announced that during the '011 federal election, I thought was a positive signal and certainly one that I believe the Council of the Federation supports across the country because serious weather events are not unique to Manitoba. There's other natural disasters occurring in the Atlantic provinces and on the west coast as well.

And there's a growing case that climate change is having a very serious impact on North America, including Canada, and that we'd be well advised to be in a position to start providing some mitigation for climate change realities that are starting to occur with global warming.

We do know for example that the northern ice cap, the polar ice cap, is melting at a more rapid rate than had previously been thought, and that is creating changes in weather patterns. And those changes in weather patterns can have unpredictable consequences in jurisdictions like Manitoba.

Mr. Pallister: Just if the Premier happened to have it, this concern about MANFF and some of the issues the federal government and the Association of Native

Firefighters are wrestling with in terms of compensation would seem to serve as a compelling example, you would hope, to the federal government, of the need for more co-operative approaches. In any case, what's the approximate dollar amount, I'm just wondering? If the Premier doesn't know it, I understand, but I—it seems to me that it was a really significant amount that they were dealing with in terms of claims for the bands. And I don't know if it was exclusively Lake St. Martin and Little Saskatchewan or if it was several bands, but very significant dollar amount. Does the Premier know?

Mr. Selinger: I don't. I don't have that estimate of the dollar amount, but I do know that our Minister of Aboriginal and Northern Affairs (Mr. Robinson) was in a meeting with the federal minister, I believe, last Monday on these matters, and flew to Ottawa to deal with him on that, and some arrangements have been put in place to give a larger role to the Red Cross on furthering some of the responses that are required to flood victims out there.

And there is some auditing going on by the federal government now, too, of what—how the resources have been used. But, I think, we have a new minister responsible for AANDC, Mr. Valcour, Bernard Valcour. The member opposite may know him. He had been in Parliament during the prime ministership of Prime Minister Mulroney and he had some experience, and we've met with him in Manitoba as well when he's been out here. And he seems to be very eager to move forward on finding solutions to all these types of events.

Mr. Pallister: Yes, if the federal government needed an indication of the benefits to them of flood mitigation works, I think they've got it. If it wasn't loud and clear before, it certainly should be loud and clear now.

Just a smaller point, but I think an important one. I understand in the digging of the channel that the Province didn't use a project labour agreement, didn't see the need for it, and given the fact that Manitoba's heavy construction industry, a very competitive industry here in Manitoba and hasn't had a work stoppage, I'm wondering if the Premier is planning on not using a project labour agreement when we get into the actual project here in a few years' time.

Mr. Selinger: We'll have to consider that as that comes forward. There are advantages to project labour agreements. There usually is a provision for no-lockout, no-strike provision, which gives greater certainty to the timing of when the work gets done,

but, you know, I'm not aware of it being top of the mind right now. I think what we're really concerned about right now is getting all the preliminary work done to allow the channels to be built and made final and permanent in Manitoba. And then we'll—I'm sure we'll have a tendering process in how we proceed on these matters, and then we'll look at the best method to ensure that when the tenders are let that we can get the work done in a predictable time frame because this is about protecting people and so we want to be able to accomplish that.

* (12:10)

When the emergency channel was built, I think some of the measures were taken were—there were just a few companies that were able to do the work. And I think there was some very direct negotiations on prices to make sure the prices were fair and reasonable and to get the work done in a timely fashion, and I know our officials in Infrastructure and Transportation played a direct role in ensuring prices were reasonable.

Mr. Pallister: Yes, I would just encourage the Premier to—certainly, to research the advantages of not doing so. From the feedback in that industry, I think that the industry itself would respond favourably to a more open tendering process which is less restrictive to entry. And there's certainly some companies that prefer to let the workers decide how to organize rather than having to commit dues to a union of which they're not interested in being a member. So driving the costs up is not in Manitoba's best interests. We'd submit that it would be a good point to take under advisement certainly.

I wish—I thank the Premier for his answers. I'm going to cede to the member for Agassiz (Mr. Briese) who has a few questions, and hope everyone has a good weekend.

Mr. Stuart Briese (Agassiz): Just in follow up to what our leader has been questioning on in reference to disaster financial assistance and mitigation. Is it the Premier's view that mitigation should be part of the overall disaster financial assistance program?

Mr. Selinger: I certainly think that should be considered. The—there is the commitment by the federal government on a 50-50 mitigation program. But, you know, I remember when I first visited the—some of the First Nations communities that had been affected by floods and they were explaining to me, for example, in the community of Peguis, that some people had rebuilt their homes three or four times to

the same level as it was before and we knew that, when you rebuilt it to the same level, they were going to get flooded if it flooded again next year. And it just seemed like a waste of resources to be rebuilding to the same level of risk that you had before, that, if they were able to have some additional resources and incentives to build to a higher level or in a different location, we could prevent the repetition of these flooding experiences.

So, for a long time, I think, ministers of emergency measures across the country have been suggesting to the federal government that the disaster financial assistance guidelines should provide the ability to rebuild in such a way that they can prevent the events from occurring again. So the logic of that is strong, and so far there have been some modest changes within the guidelines to allow for a little room on the margin for some of these things. But there has been no significant change that I'm aware of. But I think there have been some changes that have allowed, for example, money to be aggregated from across a program to focus on one or two things so the money hasn't increased, but you could focus it on an area where there's obviously a very great risk and make some greater-than-normal expected improvements.

Mr. Briese: I thank you for that answer.

In a former life, when I was on the board of directors of the Federation of Canadian Municipalities, we did do some lobbying on disaster financial assistance, which I'm sure you're aware of. Part of—and there's various ones I want to take credit for it, but part of the successes we had, or I consider them our successes, they may be somebody else's, was getting the municipal—the funding for municipal equipment used in a disaster situation raised from—I think it was 16 per cent up to about 65 per cent. I also well remember the flooding in Brandon a number of years ago where Brandon went out and put up dikes prior to the flood that probably the cost was about \$200,000 and probably saved \$2 million and were not eligible for disaster financial assistance. So I'm doing a bit of a preamble here, but they—what I would caution is how the federal government's approached on this, because I also remember from a number of years ago where they floated a lot of changes to disaster financial assistance that would not have been helpful to either municipalities or provincial governments. They wanted to lower their share to 75 per cent on those top claims, and we, of course, fought against that too. So I guess where I want to go is, I understand there's some movement

toward 50-50 mitigation. I think that's maybe a cup half full, but it's better than we had. Has there been any commitment in Manitoba, not only there but on the additional channel, but in other areas for mitigation? Has there been any commitment to 50-50 costing?

Mr. Selinger: I believe the answer is yes on that. I think there has been a new agreement recently entered into that will do, I think, it's in the order of 30 to 40 million dollars of 50-50 mitigation work in Manitoba, much of it, I think, has already been done, along the Assiniboine, so it just makes it eligible.

And I take the member's point. Sometimes the things you do early, before the actual disaster, is agreed to don't get covered under DFA, and then the other side of it is sometimes the works you put in place have to be taken down after because they're considered just temporary. We found that up in in Ralls Island, in The Pas, where some of the diking that had been done there was required to be taken down for a couple of years, even though a few million dollars were spent on it. We've now got permanent dikes in place there and some of the early work was done, and this was a problem in Manitoba in the '11 flood. We did a lot of diking work early that winter to strengthen and fortify the dikes, and it wasn't considered eligible under the disaster financial assistance program, but it clearly made a gigantic difference in the amount of damages and compensation that had to be paid out. And I do think some of that has now been scoped in on this recent 50-50 program.

Mr. Briese: The proposed channel—and I listened to your responses to our leader, but the other proposed channel we're talking a 2016 time frame and 20, I can't remember the number, 20 over—past 2020 for completion. Is there any way that that could be—I think, the longer you go, the more you add to costs and it just gives opportunities for the costs to escalate. And is there any way that the province could approach speeding that up? Because I—shortening those time frames, and I know it's not necessarily an emergency, but it is mitigation—definitely mitigation against a flood that we could have next year, we could have the year after, anytime in that time frame going forward. The sooner, once the decision's made to do this, the sooner the better. And, if there's any way that the Premier can think of to 'expediate' that progress, dual environmental studies, whatever, those things have to be done in my view, and I think it will actually cut the costs rather than add to the costs.

Mr. Selinger: A rare point of a hundred per cent agreement with the opposition. I totally agree with that. I just feel that, I mean, obviously, we have to be respectful of the environment and our section 35 obligations. But the more rapidly we can get to the build to protect these communities, I'm just thinking, we'll all be better off. Now other people may have disagreement with that and it can be a torturous process to get through these procedures, but I—in general, I agree with the member that we need to be able to—the sooner we can put these protections in place for communities the better off we're going to be.

And so I would like to get on with it, too, and I like the idea of having joint processes or one process and be able to resolve these matters as quickly as possible. It might require more resources up front to get all the studies done and all the environmental mitigation measures in place, but, boy, I agree with you. The faster we can get these communities protected the better off we're going to be.

Mr. Briese: And I apologize to the Premier. I'll try and be a little more adversarial.

One of the things the Premier's been referring to, once again, in answering questions, was on the 95 per cent completion on the various flood claims. I get a lot of feedback. I have the—most of the west side of Lake Manitoba.

It's been shortened up since the boundary changes, but I still have quite a bit of it, and I still even get a fair bit of feedback from some of the ones that are now in the member for the Interlake's constituency, but the—is there anybody—or is there any movement to check out the satisfaction level on these claims? Because we get the feedback, we go to a packed hall in Meadow Lea with 250, roughly, people that are not happy with the claims, and we don't have a great number of people up in that area. That's a significant number that show up. There shouldn't have been anybody in the hall if they're satisfied with them.

So has there been any movement to check on the satisfaction on claims and how happy people are with what has happened?

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Mr. Selinger: I'd have to check on what kind of satisfaction surveys or reviews that have been done. But, presumably, a file only closes when both parties agree to it. And, if there's a 95 per cent closure rate or completion rate on the files, I'm—perhaps it's

naïve, but I'm assuming that there's been at least some level of satisfaction to close the file. Is everybody a hundred per cent satisfied, probably not. But are they satisfied to the degree that they're prepared to agree to a settlement and move on, presumably yes.

But, you know, I understand the member's point, I mean people are looking for more compensation and this has been a challenge as the member knows. We have put a unprecedented amount of resources in place to deal with it and a lot of the resources we put in place are over and above the disaster financial assistance program, they went well beyond the parameters of the existing program.

And, even within the disaster financial assistance program, the threshold upon which you could claim expenses was, I think, for a home, I think it was increased to around \$400,000. And I'll have to be subject to verification on that, but I think when we started it was \$200,000 maybe \$180,000. So we've tried to increase the thresholds and increase the benefits in order to be as fair and generous with people as possible within the obvious financial constraints we have.

And I note the member said that he wanted to be adversarial, but I do recall some objections from the member of the opposition with the amount of spending we've had from time to time. And I would just like him to note that a lot of the spending was done on disaster assistance.

Mr. Briese: Yes, you just referred to—I wasn't sure it was \$400,000, but on—whatever it was, did you—was there agreement under disaster financial assistance on the federal government paying 90 per cent of those? Or were they only paying up to that former level?

Mr. Selinger: Yes, I'll have to verify the threshold, it might be 280. It did change.

I think they were in a position that we've—when we recommended that it be changed that they may have reluctantly agreed to it, but did not necessarily say no you can't do it. So I think they did go along with it but I don't believe that they expanded the parameters to include some of these additional programs we offered. For example, cottages, being the most obvious one, that has never been eligible before and we put a program in place that addressed structural damage. It didn't have the same level of inclusion that, you know, a home would have, but we tried to address the structural damage issue.

Mr. Briese: Yes, I certainly don't want to, in this forum, get into a debate on it, but the programs as announced were—I recall the Langruth meeting actually saying there this is the best slate of programs that's ever been announced, the devil will be in the detail. And, indeed, as we went down the road, there was certainly a fair bit of devil in the detail, always is in those types of things.

But I do take some exception to some of the things that supposedly were included as flood claims. For instance, the livestock mortality program, which came out of a blizzard and shouldn't be part of that overall inclusion, and some of the crop insurance costs are—they're an insurance program and shouldn't be part of that.

Does the Premier in—do you have any idea of where the appeal process is at now as far as the—I know of many, many cases went to appeal. I think somewhere in the neighbourhood of three to five hundred went to appeal. Do you know where that process is at?

Mr. Selinger: I'd have to get an update for the member, but I do know there have been panels of—for appeals have been meeting on a regular basis and doing a lot work, and I'm assuming if 95 per cent of the claims have been resolved with closed files, and what I call turnarounds before, that 5 per cent have not been and that some of those are still under appeal. So I'll have to—if the member's asking me to get a specific number of appeals that are outstanding, I can endeavour to get that for him.

Mr. Briese: Yes, I would appreciate those numbers, how many are at appeal and how many are resolved, and if you could get those numbers, I'd very much appreciate them.

Very quickly, I'd like to switch tracks here, and I know we have limited time, but I am the critic for Advanced Education, and we have seen, and I know there are reasons, but we've seen some cutback on funding to universities. We've also seen a freeze on—or not a freeze, a cost-of-living increase in tuitions, and I just—we also know the rankings of our universities. I'd like the Premier's view on how we get the rankings of our universities more competitive as we go forward with some of the other institutions of their same calibre in Canada or same designation.

Mr. Selinger: I thank the member for the question. Our increase to post-secondary funding was the best in the country this year at 2 and a half per cent, so that's noteworthy. And the member is also correct,

our tuition fee increases are pegged to the cost of living, so they're not frozen but they are going up and trying to manage the affordability side of it as well. And there are bursary programs available and good loan programs available through the government for people.

On the ranking side, I don't know that there's an officially sanctioned set of rankings in Canada. The one that seems to be quoted the most often is often called the Maclean's rankings. It puts a heavy emphasis on inputs, not necessarily outcomes, and it also puts a strong emphasis on reputation in—and reputation is highly subjective. You know, for example, McGill University is considered one of the best universities in North America, if not the world, but they're getting an 18 per cent cut in their budget this year. I don't know. Their reputation may outlive the reality after those kinds of cuts are visited upon their programs.

So one of the things that we do get good, strong scores on for our post-secondary institutions is the value that we add to students that go through the programs. They come in the program, there's a lot of value added to their ability to participate in as a citizen and as a member of the workforce as they go through the program. And the University of Winnipeg ranks very strongly, in the top 10, usually, if not even higher than that, as a small teaching university in the liberal arts area.

The University of Manitoba, as a doctoral and medical program university, is somewhat different than some of the universities that it competes against because it tries to serve all Manitobans. Some of the doctoral medical universities, for example, Queen's in Ontario, they serve a narrower demographic because there are so many other choices for people to go to those programs in Ontario, so they don't have to reach out and serve as—a broad and diverse a population group.

So the University of Manitoba, I mean, they don't rank the number of Rhodes Scholars that have received awards or become Rhodes Scholars to the University of Manitoba, but the University of Manitoba has one of the highest number of students coming out of there that have received Rhodes Scholarships of any university in the country, and I'm looking at my clerk here to confirm that stat, but I think that's the case. And my clerk of the Executive Council is one of those Rhodes Scholars, quite frankly, just to put it on the record.

But we've done very well on academic achievement with the people that have come out of those institutions. The Maclean's study seems to put a big emphasis on the amount of cash that the alumni provide, the reputational component, the funding, not necessarily as much cash on the outcomes and the quality of the graduates and the value added to those graduates. So, even our university itself, for some time, objected to those rankings as not reflecting the realities that they address and the value that they get for outcomes.

I'm a graduate from the University of Manitoba. I felt I got a decent education there that allowed me to go on and learn at other institutions and be competitive in—when I had attended those institutions.

And I think we are providing a good education in the post-secondary level of Manitoba. Can it be better? You bet. I think it can be better, and I think we can make further improvements as we go forward and, for example, get better data on the rapidity with which our graduates complete their programs, the percentage of graduates that complete and the accessibility to our programs and the quality of our programs.

Mr. Chairperson: Order, please. The hour being 12:30 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker: Order, please. The hour being 12:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 7, 2013

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