

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

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

*Published under the  
authority of  
The Honourable Daryl Reid  
Speaker*

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Fortieth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ALLAN, Nancy, Hon.	St. Vital	NDP
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
ASHTON, Steve, Hon.	Thompson	NDP
BJORNSON, Peter, Hon.	Gimli	NDP
BLADY, Sharon	Kirkfield Park	NDP
BRAUN, Erna	Rossmere	NDP
BRIESE, Stuart	Agassiz	PC
CALDWELL, Drew	Brandon East	NDP
CHIEF, Kevin, Hon.	Point Douglas	NDP
CHOMIAK, Dave, Hon.	Kildonan	NDP
CROTHERS, Deanne	St. James	NDP
CULLEN, Cliff	Spruce Woods	PC
DEWAR, Gregory	Selkirk	NDP
DRIEDGER, Myrna	Charleswood	PC
EICHLER, Ralph	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FRIESEN, Cameron	Morden-Winkler	PC
GAUDREAU, Dave	St. Norbert	NDP
GERRARD, Jon, Hon.	River Heights	Liberal
GOERTZEN, Kelvin	Steinbach	PC
GRAYDON, Cliff	Emerson	PC
HELWER, Reg	Brandon West	PC
HOWARD, Jennifer, Hon.	Fort Rouge	NDP
IRVIN-ROSS, Kerri, Hon.	Fort Richmond	NDP
JHA, Bidhu	Radisson	NDP
KOSTYSHYN, Ron, Hon.	Swan River	NDP
LEMIEUX, Ron, Hon.	Dawson Trail	NDP
MACKINTOSH, Gord, Hon.	St. Johns	NDP
MAGUIRE, Larry	Arthur-Virden	PC
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor, Hon.	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
MELNICK, Christine, Hon.	Riel	NDP
MITCHELSON, Bonnie	River East	PC
NEVAKSHONOFF, Tom	Interlake	NDP
OSWALD, Theresa, Hon.	Seine River	NDP
PALLISTER, Brian	Fort Whyte	PC
PEDERSEN, Blaine	Midland	PC
PETTERSEN, Clarence	Flin Flon	NDP
REID, Daryl, Hon.	Transcona	NDP
ROBINSON, Eric, Hon.	Kewatinook	NDP
RONDEAU, Jim, Hon.	Assiniboia	NDP
ROWAT, Leanne	Riding Mountain	PC
SARAN, Mohinder	The Maples	NDP
SCHULER, Ron	St. Paul	PC
SELBY, Erin, Hon.	Southdale	NDP
SELINGER, Greg, Hon.	St. Boniface	NDP
SMOOK, Dennis	La Verendrye	PC
STEFANSON, Heather	Tuxedo	PC
STRUTHERS, Stan, Hon.	Dauphin	NDP
SWAN, Andrew, Hon.	Minto	NDP
WHITEHEAD, Frank	The Pas	NDP
WIEBE, Matt	Concordia	NDP
WIGHT, Melanie	Burrows	NDP
WISHART, Ian	Portage la Prairie	PC
<i>Vacant</i>	Morris	

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 13, 2013

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

**Mr. Speaker:** Good afternoon, everyone. Please be seated.

### ROUTINE PROCEEDINGS

**Mr. Speaker:** Introduction of bills. Seeing no bills, we'll move on to—

### PETITIONS

#### Municipal Amalgamations—Reversal

**Mr. Kelvin Goertzen (Steinbach):** Yes, good afternoon, Mr. Speaker. I wish to present the following petition to the Legislative Assembly.

And the background to this petition is as follows:

The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

And, Mr. Speaker, this petition is signed by G. Daniels, N. Daniels, T. Daniels and many other Manitobans.

**Mr. Speaker:** In accordance with our rule 132(6), when petitions are read they are deemed to have been received by the House.

#### Provincial Sales Tax Increase—Referendum

**Mr. Ian Wishart (Portage la Prairie):** I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase in the PST is excessive taxation that will hurt Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is signed by B. Knaggs, N. Gray, L. Snusley and many, many more fine Manitobans.

**Mr. Wayne Ewasko (Lac du Bonnet):** I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is signed by L. Woloshyn, L. Baker, P. Stienke and many, many more fine Manitobans, Mr. Speaker.

#### **Municipal Amalgamations—Reversal**

**Mrs. Leanne Rowat (Riding Mountain):** I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force amalgamations—or force municipalities with fewer than 1,000 constituents to amalgamate.

This petition's signed by H. English, D. Johns, D. Bullock and so many more Manitobans.

**Mr. Blaine Pedersen (Midland):** I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

And this petition is signed by V. Gevers, F. Taylor, D. Ainscough and many more fine Manitobans.

#### **Provincial Sales Tax Increase—Referendum**

**Mrs. Myrna Driedger (Charleswood):** I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this is signed by S. Giesbrecht, A. Giesbrecht, B. Baisarowiz and many others.

#### **Municipal Amalgamations—Reversal**

**Mr. Cliff Cullen (Spruce Woods):** I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

(1) The provincial government recently announced plans to amalgamate any municipalities with fewer than 1,000 constituents.

(2) The provincial government did not consult with or notify the affected municipalities of this decision prior to the Throne Speech announcement on November 19th, 2012, and has further imposed unrealistic deadlines.

(3) If the provincial government imposes amalgamations, local democratic representation will be drastically limited while not providing any real improvements in cost savings.

(4) Local governments are further concerned that amalgamation will fail to address the serious issues currently facing municipalities, including an absence of reliable infrastructure funding and timely flood compensation.

(5) Municipalities deserve to be treated with respect. Any amalgamations should be voluntary in nature and led by the municipalities themselves.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Local Government afford local governments the respect they deserve and reverse his decision to force municipalities with fewer than 1,000 constituents to amalgamate.

This petition is signed by B. Malyon, F. Stevens, D. Davis and many other fine Manitobans.

#### **Provincial Sales Tax Increase—Referendum**

**Mr. Ralph Eichler (Lakeside):** Good afternoon, Mr. Speaker. I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the—increase retail sales tax, known as a PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

\* (13:40)

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

Submitted on behalf of A. Brown, K. Brown, J. Monforton and many other fine Manitobans.

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And, Mr. Speaker, this petition is signed by B. Essers, B. Butler, S. Wardell and many, many other Manitobans.

#### **Hydro Capital Development—NFAT Review**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, I'd like to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

(1) Manitoba Hydro was mandated by the provincial government to commence a \$21-billion capital development plan to service unnecessary—or to service, pardon me, uncertain electricity export markets.

(2) In the last five years, competition from alternative energy sources is decreasing the price and demand for Manitoba's hydroelectricity and causing the financial viability of this capital plan to be questioned.

(3) The \$21-billion capital plan requires Manitoba Hydro to increase domestic electricity rates by up to 4 per cent annually for the next 20 years and possibly more if export opportunities fail to materialize.

We petition the Legislative Assembly of Manitoba as follows:

To urge the finance—to urge the, pardon me, Minister responsible for Manitoba Hydro create a complete and transparent needs-for-and-alternatives-to review of Manitoba Hydro's total capital development plan to ensure the financial viability of Manitoba Hydro.

And this petition is signed by A. Porter, T. Johnson, L. Smith and many, many other Manitobans, Mr. Speaker.

#### **Provincial Sales Tax Increase—Referendum**

**Mr. Stuart Briese (Agassiz):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase to the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This petition is signed by J. Schedler, M. Savage, K. Voogt and many, many other fine Manitobans.

**Mrs. Bonnie Mitchelson (River East):** And I wish to present the following petition to the Legislative Assembly.

And these are the reasons for this petition:

The provincial government promised not to raise taxes in the last election.

Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

An increase in the PST is excessive taxation that will harm Manitoba families.

Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

And this petition is signed by B. Kushnir, A. Kushnir, C. Derksen and many, many other fine Manitobans.

**Mr. Reg Helwer (Brandon West):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

Signed by M. William, J. Simpson, M. Hancharyk and many other fine Manitobans.

**Mr. Ron Schuler (St. Paul):** I wish to present the following petition to the Legislative Assembly of Manitoba.

And these are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase to the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to not raise the PST without holding a provincial referendum.

This is signed by R. MacDonald, M. Ferg, R. Clark and many, many other Manitobans.

**Mr. Dennis Smook (La Verendrye):** I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

(1) The provincial government promised not to raise taxes in the last election.

(2) Through Bill 20, the provincial government wants to increase the retail sales tax, known as the PST, by one point without the legally required referendum.

(3) An increase in the PST is excessive taxation that will harm Manitoba families.

(4) Bill 20 strips Manitobans of their democratic right to determine when major tax increases are necessary.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government not to raise the PST without holding a provincial referendum.

This petition is signed by W. Pauls, M. Schulz, W. Schulz and many more fine Manitobans.

## COMMITTEE REPORTS

### Standing Committee on Legislative Affairs Third Report

**Mr. Tom Nevakshonoff (Chairperson):** Mr. Speaker, I wish to present the Third Report of the Standing Committee on Legislative Affairs.

**Clerk (Ms. Patricia Chaychuk):** Your Standing Committee on Legislative Affairs—

**Some Honourable Members:** Dispense.

**Mr. Speaker:** Dispense? Dispense.

*Your Standing Committee on LEGISLATIVE AFFAIRS presents the following as its Third Report.*

#### Meetings

*Your Committee met on June 12, 2013 at 6:00 p.m. in Room 255 of the Legislative Building.*

#### Matters under Consideration

- *Annual Report of the Children's Advocate for the fiscal year ending March 31, 2012*

#### Committee Membership

- *Mr. BRIESE*
- *Mr. DEWAR*
- *Mr. EWASKO*
- *Hon. Ms. HOWARD*
- *Mr. MARCELINO*
- *Mr. NEVAKSHONOFF*
- *Mrs. ROWAT*
- *Mr. SARAN*
- *Hon. Ms. SELBY*
- *Mr. WHITEHEAD*
- *Mr. WISHART*

*Your Committee elected Mr. NEVAKSHONOFF as the Chairperson.*

*Your Committee elected Mr. MARCELINO as the Vice-Chairperson.*

*Substitutions received during committee proceedings:*

- *Mrs. MITCHELSON for Mr. EWASKO*

*Official Speaking on Record*

- *Darlene MacDonald, Children's Advocate*

*Report Considered and Passed*

*Your Committee considered and passed the following report as presented:*

- *Annual Report of the Children's Advocate for the fiscal year ending March 31, 2012*

**Mr. Nevakshonoff:** Mr. Speaker, I move, seconded by the honourable member for Tyndall Park (Mr. Marcelino), that the report of the committee be received.

*Motion agreed to.*

**Mr. Speaker:** Any further committee reports? Seeing none, we'll—

#### **TABLING OF REPORTS**

**Hon. Andrew Swan (Minister charged with the administration of The Manitoba Public Insurance Corporation Act):** I'm pleased to table the following reports: the Manitoba Public Insurance 2012 Annual Report and the Manitoba Public Insurance annual financial statement for the fiscal year ended February 28th, 2013.

**Mr. Speaker:** Any further tabling of reports?

**Hon. Steve Ashton (Minister of Infrastructure and Transportation):** Yes, I'm pleased to table the Supplementary Information for Legislative Review for Estimates for Local Government and also for MIT.

\* (13:50)

#### **Introduction of Guests**

**Mr. Speaker:** Prior to oral questions, we have a number of guests with us here today and a statement, as well, that I'd like to make to the House.

But first we'll start with the introduction of our school guests who are here in the public gallery from École Communautaire Saint-Georges, six grades 6 to 9 students under the direction of Mr. Jean Bedel. This group is located in the constituency of the honourable member for Lac du Bonnet (Mr. Ewasko).

Also in the public gallery, we have from the Winnipeg School Division adult education program 10 adult law students under the direction of Robert Thorsteinson. This group is located in the constituency of the honourable Minister of Family Services and Labour (Ms. Howard).

Also in the public gallery, we have from Kelvin High School 30 grade 9 students under the direction of Mr. Raymond Sokalski. These students are located in the constituency of the honourable Minister of Justice (Mr. Swan).

Also seated in the public gallery, we have Rhiannon Swan, who is the daughter of the honourable Minister of Justice.

On behalf of all honourable members, we welcome our guests here this afternoon.

And I see that I have another list of guests to introduce here.

So with us today from the Philippine Heritage Council of Manitoba, Inc., we have Perla Javate, Lito Taruk, Jing Aspirin, Celang Buduhan and Jean Guiang, who are the guests of the honourable member for Burrows (Ms. Wight).

And also in the public gallery, we have with us today from Collège Saint-Norbert Denis Marinelli and Colin Ritchie, coaches of the varsity girls basketball team, and Stewart Shinnan, principal, who are the guests of the honourable member for St. Norbert (Mr. Gaudreau).

On behalf of all honourable members, we welcome you here this afternoon.

And it is my very distinct honour to draw to the attention of all honourable members in the House today to our Speaker's Gallery where we have with us today Brenda Hudson, who will be retiring as the manager of Hansard on July 1st, and also Roger Wiebe, who has been appointed as the new Hansard manager effective upon Brenda's retirement.

#### **Speaker's Statement**

**Mr. Speaker:** I would like to advise that, after 25 years with the Hansard Branch of the Legislative Assembly of Manitoba, Brenda Hudson is retiring at the end of this month. Brenda began her career with Hansard in September of 1988 as the Hansard indexer. She was appointed as a Hansard manager in 2006. During her period as manager, Brenda has supervised three production shifts as well as the recording section. Brenda faced all of the duties and

responsibilities of her position with the highest level of professionalism.

When Brenda began her career with Hansard in 1988, technology wasn't quite as advanced as it is now. House and committee proceedings have gone from being recorded in analog form to digital form. Brenda started out on a Wang computer system, which had a large floppy drive so large that it could potentially swallow an entire session of Hansard transcripts. She went from listening to question period on a speaker box in her office to watching it on TV to listening to it on computer. Transcription of the House and committee debates started out being recorded in five-minute intervals on cassette tapes to being able to listen and rewind it on a computer. How times have changed in the last 25 years.

Throughout the 25 years, Brenda has heard it all. She has heard the opening prayer at least 1,900 times, has read over 75,000 pages of verbatim transcripts, has heard 30 Throne speeches and has read or heard the words, in quotations, Mr. Speaker, over 400,000 times. Now, that's what I call dedication.

Brenda has served through several historical events that have transpired over the past 25 years, but it's my understanding that she considers the Meech Lake Accord to be one of her most memorable. Brenda was a part of the staff responsible for travelling the province recording public meetings of the Meech Lake Accord task force.

Brenda has served the Legislative Assembly through eight legislatures, four Speakers, two clerks and two Hansard managers. Her dedication and commitment to the Legislative Assembly of Manitoba is greatly appreciated. Brenda has earned the respect of her peers in Hansard offices throughout Canada and the Commonwealth as well as throughout our Legislative Assembly.

Brenda plans on spending some of her free time doing some reading, and that will likely be anything but Hansard, I'm told, and also continuing to pursue her interest in photography, which I'm sure she's, from what I understand, a very-quite an accomplished photographer.

Please join me in wishing Brenda all the best for a long, happy, healthy retirement-photography filled. Congratulations, Brenda. You deserve it. *[Applause]*

Thank you, Brenda. And welcome, Roger.

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**Mr. Speaker:** I guess we'll move on to-

## ORAL QUESTIONS

### Nursing Profession Layoffs (1999)

**Mr. Brian Pallister (Leader of the Official Opposition):** I just want to say congratulations on 25 years, and we'll remind ourselves during the summer session that there are worse things than sitting here and working for the people of Manitoba, and one of them might be your job, Brenda. Thank you so much.

Today I wanted to give the Premier another shot at the integrity quiz. He failed miserably last time, and I don't want his self-esteem to suffer, so we'll give him a rewrite today. *[interjection]* Yes. But I want to remind him that repeating wrong answers doesn't make them correct as well.

So let's start with this first question: How many nurses actually, really, truly lost their jobs in 1999?

**Hon. Greg Selinger (Premier):** First of all, Mr. Speaker, I'm sure the individual that's recording Hansard for all these years may have heard this question once or twice before.

And, again, for the record, I thought actually the Leader of the Opposition was going to ask me today which tune he forgot to mention when he recounted Burton Cumming's collection of great hits, and the one tune that he did forget was American Woman, because that was Connie Curran who did help lay off a thousand nurses in Manitoba.

### Provincial Spending Reductions

**Mr. Brian Pallister (Leader of the Official Opposition):** That was great, Mr. Speaker, but I still think Shakin' All Over should have been heard that night after the broken promises. So we got one wrong so far.

According to Wilf Falk, who should know-he's stats Manitoba's top person-in a research document he prepared for the Manitoba Business Council's 15th anniversary seminar on the past-which I know the Premier prefers to focus on-the present and the future of the province, the nurses weren't fired. They were transferred to the RHAs. So one wrong.

Now, on the alternative budget, question No. 2. We proposed a 1 per cent reduction in spending as an alternative to the government's 1 per cent or 14 per cent increase in the PST hike. The Premier's talking points say, horror of horrors, Armageddon, last days and thousands of civil servants will lose their jobs.

So question No. 2: The NDP 2012 budget promises to drop spending by (a) more than 1 per cent, (b) less than 1 per cent or (c) the same as our proposal, 1 per cent. Which is it?

**Hon. Greg Selinger (Premier):** Mr. Speaker, we know he doesn't like the tune American Woman because it does evoke the very stern memory of Connie Curran who did come to Manitoba and collected millions of dollars on a contingency fee for the number of people she laid off. Primary among them were nurses. She was a nurse herself. She targeted nurses for layoffs. She collected a contingency fee. She can now be seen on some prominent American TV channels for her beautiful palatial home in California worth well over \$20 million. That was about the amount of money she made in Manitoba.

The facts are, in 1999, there were 14,092 nurses practising in Manitoba, which was a drop from the 15,665 in 1992. We've always underestimated the loss of nurses. We've said a thousand. In fact, more of them disappeared during their term in office, Mr. Speaker.

#### **GST Increase/Reduction MLA for Fort Whyte's Involvement**

**Mr. Brian Pallister (Leader of the Official Opposition):** Well, wrong again, Mr. Speaker, and the loss that Manitobans care about is the loss to their after-tax incomes, the half a billion dollars in NDP tax hikes over the last two budgets.

So try this in Hansard: That's a 'ENHHH', wrong again. That's the second one wrong, because out of the page 3 of the 2012 budget, it says this—and this is, of course, the Finance Minister and Premier's writing—it says this: Using these and other measures, we will achieve the equivalent of an additional 1 per cent reduction in program spending, Mr. Speaker. So, so much for the horror show from the members on the other side. Wrong again.

\* (14:00)

Now, I think the Premier needs to get back to integrity study hall if he's going to pass these tests. The Premier said on April 17th of 2013 that I, the member for Fort Whyte, imposed the GST—actually said that. I was as far from Ottawa as he has been from Truthtown this session, Mr. Speaker. He's trying to raise the PST. I was part of a government—

**Mr. Speaker:** I know there's been some opportunities in past here that perhaps that I should have risen to my feet to caution honourable members when they use language that is coming very, very close to the edge with respect to parliamentary. I know feelings can run very high in this place from time to time, depending on the issue in here, and I respect that, but at the same time I'd like to caution all honourable members, please, pick and choose your words very carefully. This—I'm trying to ensure that this is a respectful work environment, and I want honourable members to make sure that they adhere to the rules that we have in place here, including the use of words that come very close to the line with respect to being parliamentary or unparliamentary. So I offer that as a caution to all honourable members.

The honourable Leader of the Official Opposition, to continue with his question.

**Mr. Pallister:** Well, I'll reference Truth or Consequences, then, Mr. Speaker; it's a well-known place, and I think the Premier has to face the consequences of not telling the truth.

So I will say again, No. 3, he says I tried to—I raised the GST and I, of course, wasn't in Ottawa.

So I wanted to ask him this question: Was I part of a government when I was in Ottawa that raised the GST, or was I part of a government in Ottawa that lowered the GST by 2 per cent? Which is it?

**Hon. Greg Selinger (Premier):** Mr. Speaker, I appreciate the question.

It was this member who went on talk radio in Winnipeg and said he supports a two-tier health-care system in the province of Manitoba. And that is really unacceptable—a two-tiered health-care system—for some people can buy their way to the front of the line while others have to wait.

We believe in a universal health-care system. We believe in the Canada Health Act where people have the right to health-care service, accessibility, universality, complementarity, public administration

and opportunity for all Canadians to have that basic service of health care.

The two-tier health-care system, his vision for the future of Manitoba, is quite simply unacceptable, Mr. Speaker, completely unacceptable.

### **PST Increase Provincial Spending**

**Mrs. Myrna Driedger (Charleswood):** It appears the Premier has failed his integrity test.

Mr. Speaker, this spenDP government has become a train wreck. Their spending is out of control. They spend more than they take in. They borrow what they don't have. They run billion-dollar deficits and max out their credit cards. In fact, they've borrowed so much money that they've doubled the debt of this Province, and they're now prepared to break the law in order to get more money.

So I would like to ask this government: Why should Manitobans have to pay more PST because of their spending addiction?

**Hon. Theresa Oswald (Minister of Health):** I was listening very carefully to what the member said. I do concede the point; I actually thought she was going to get up and try to deny that they fired a thousand nurses. I was anticipating that. The last time we had this conversation, she did say to me, well, you couldn't prove it, which, of course, is ridiculous.

What we do know is that the Leader of the Opposition recently made mention about wanting to reach out and talk to women to try to find out what they care about. Yes, Mr. Speaker. I can tell you one thing that women care about. It's about taking the cost of cancer drugs completely off of families. It's about not putting the PST on children's clothing, on a whole-school supplies.

**Mrs. Driedger:** Mr. Speaker, this train wreck of a government relies on over a third of its budget from federal handouts. And to make things worse, they are using up the rainy day fund to pay for their spending addiction, and they are going to bankrupt Manitoba Hydro. So, Mr. Speaker, what a gong show over there.

Why should Manitobans have to pay for the financial mess that this NDP government has created?

**Ms. Oswald:** To continue, I can let the Leader of the Opposition and the member for Charleswood know very well that they don't have to call up Mitt Romney and get his binder full of women. I can tell them right now what women care about. They care about ensuring that we have affordable daycare, Mr. Speaker. We know that the member opposite is against the idea of providing more daycare, and, in fact, we're pretty sure he has a scheme to privatize.

We also know, Mr. Speaker, that he's well against the fact that social assistance inadvertently does disproportionately connect to women. He says one thing about wanting to try to mysteriously find out what women think, but he has policies that are directly and squarely against women.

**Mr. Speaker:** Order, please. The minister's time has expired.

### **Infrastructure Projects**

**Mrs. Driedger:** Mr. Speaker, this spenDP government forces Manitobans to pay more income tax than anybody west of Québec. They're still hungry for more money, though, so they brought in the biggest tax grab in a quarter of a century, and now they're going to make it worse with a PST hike.

The Minister of Finance (Mr. Struthers) has refused many times in Estimates to table a list of projects that are going to be funded by the PST hike.

So I'd like to ask the Premier (Mr. Selinger): Will he table that list of projects that will be funded by the PST hike, or will he admit today that that money is just going into his political slush fund, Mr. Speaker?

**Ms. Oswald:** She's just getting warmed up, Mr. Speaker. And certainly I can inform the member—

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

**Mr. Speaker:** Order, please. The honourable Minister of Health, to continue with her answer.

**Ms. Oswald:** Thank you so much, Mr. Speaker. I can also inform the member that very deeply women care about the fact that we—they want to have tax taken off of baby supplies, which, of course, is part of the process of this budget that they so vigorously oppose. They absolutely want to have a leader that cares about a woman's right to choose, that cares about a woman having access to daycare for her

children, that cares about providing free cancer drugs.

Mr. Speaker, this leader says he's going to go out and find out about what women want. I'll give him a tip: Women don't want a tax on tampons like he put on.

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

**Mr. Speaker:** Order, please. We're wasting precious time in question period, as all members know.

The honourable member for Spruce Woods has the floor.

### Legal Proceedings Total Costs

**Mr. Cliff Cullen (Spruce Woods):** Mr. Speaker, just like at a Bomber game, we need a program to follow all the court proceedings the NDP are involved in. We know the Minister of Finance had his hand slapped for withholding funds under The Pari-Mutuel Levy Act. We know the NDP are now front and centre of that \$350-million lawsuit. We know the NDP had 12 lawyers in court this past month—Monday, attempting to defend themselves, five lawyers—five lawyers—on Tuesday.

So I'm going to ask the Minister of Finance (Mr. Struthers): What's the NDP legal bill to date?

**Hon. Steve Ashton (Minister of Infrastructure and Transportation):** You know, Mr. Speaker, I'm glad the member opposite mentioned the Bombers, because how about that stadium? How about yesterday when they held the first game?

And I know members opposite have problems with that. They also have—

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

**Mr. Speaker:** Order, please.

I regret to interrupt the honourable member, but the level's going up a little bit.

### Introduction of Guests

**Mr. Speaker:** So while I'm on my feet, I'd like to draw the attention of honourable members to the public gallery where we have with us today from Gilbert Plains Elementary School 30 grade 6 students under the direction of Anne Richards. This group is located in the constituency of the honourable Minister of Finance.

On behalf of honourable members, we welcome you here this afternoon.

\* \* \*

\* (14:10)

**Mr. Speaker:** The honourable Minister of Infrastructure and Transportation, to continue with his answer.

**Mr. Ashton:** Now, where was I? Oh, yes. How about those Bombers?

Mr. Speaker, how about those Jets? We got professional hockey back in the city. We were proud to be part of the MTS Centre. I know they still have arena envy. They couldn't do it when they were in government in the 1990s.

And horse racing continues in this province. In fact, we'll continue to support it. Not only that, we're supporting harness racing.

So I hope the member opposite will not only congratulate this government and everybody in the province for the success of the stadium but the fact we continue to have horse racing and harness racing in the province.

**Mr. Cullen:** Now, we've got the NDP front and centre in a \$350-million lawsuit. We've got the Minister of Finance in court on conflict of interest allegations. We've got the Minister of Healthy Living (Mr. Rondeau) also in court on conflict of interest allegations. We've got the Manitoba Lotteries Corporation named in a lawsuit. We've got a consultant that's been hired by the NDP named in a lawsuit, Mr. Speaker. The NDP have hired a barn full of barristers working to keep them out of jail.

And I'm asking the Minister of Finance: Are Manitoba taxpayers picking up his legal bill?

**Mr. Ashton:** Well, Mr. Speaker, I can tell you one thing the Manitoba taxpayers are not picking up. In the 1990s when members opposite were in government we were subsidizing the Winnipeg Jets, only we didn't get the stadium. We didn't keep the Jets; we just subsidized Winnipeg Jets salaries. That's what the taxpayers of Manitoba have done. They partner with the private sector so as a result we now have the arena. We now have the stadium. We have professional hockey. We have a rightful place for the Bombers—and I know most of the members opposite are Rider fans, according to what we see in the Chamber.

And I want to say to the member opposite, despite all the conspiracy theories, my understanding, Mr. Speaker, once again, we're going to have horse racing plus harness racing.

So the bottom line is we as a government made huge commitments to sports in this province and we continue to be committed to horse racing.

**Mr. Cullen:** Well, Mr. Speaker, the NDP legal bills are adding up faster than horses out of the gate.

You know, aside from the conflict of interest allegations against two ministers of the Crown and the \$350-million lawsuit, the NDP are also facing constitutional challenges on their proposed legislation.

Mr. Speaker, what we are seeking is a detailed explanation of who is paying all the lawyers' bills over there. The NDP have hired a stable full of solicitors to keep them out of jail, but who's actually paying the tab?

**Mr. Ashton:** Well, Mr. Speaker, I just wanted to stress again, you know, we put the puck in the net for the Winnipeg Jets. We put the ball in the end zone at the new stadium for the Blue Bombers, and despite all of the conspiracy theories—and I know Assiniboine downs is saying they're concerned about going bankrupt; apparently, they seem to have a lot of funds for lawyers and lawsuits.

The bottom line is we continue to have horse racing in the province plus we're going to have harness racing, supporting an important part of the culture and tradition of rural Manitoba.

So I hope the member opposite will give us some credit. We're making things happen in this province.

### **Keeyask Centre Project Update**

**Mr. Ron Schuler (St. Paul):** Mr. Speaker, in a later–letter dated April 13th, 2011, regarding the Keeyask Centre operating costs, it states, and I quote: You're currently holding the balance of Keeyask's 2011-2012 adverse-effects agreement monies, which amounts to \$404,861.98, which—provided by Manitoba Hydro to fund the Keeyask Centre operating costs.

So I ask the NDP member for Kildonan: Where did that money go? What was it used for? When will he stand and be accountable, Mr. Speaker?

I'd like to table for the House a photo that was taken this morning of the site of the Keeyask Centre which shows there's nothing there. Where did the money go?

**Hon. Dave Chomiak (Minister of Innovation, Energy and Mines):** Mr. Speaker—

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

**Mr. Speaker:** Order, please.

The honourable Minister of Innovation, Energy and Mines has the floor.

**Mr. Chomiak:** Mr. Speaker, my friend from the Tea Party there has—has a habit of putting inaccurate, wrong, mistrustful information on the record.

For example, yesterday he tried to table a report about mining taxes, saying Manitoba's the highest. What he didn't say—and the reason he didn't table the document is because the document says Manitoba provides a tax holiday for new mines and relief for lower profit operators through a two—through a three-tier mining tax rate scheme. In other words, Manitoba has the lowest rates in the country. He didn't have the courage of his convictions to table that report which says that, Mr. Speaker.

With regard to this site, I will answer it in full in the next few questions, Mr. Speaker.

**Mr. Schuler:** Mr. Speaker, I'm glad that the minister goes back and tries to correct what he's put on the record. Fact, we know that in mining we have fallen to 21st place internationally under his watch.

The \$404,861.98 was to be spent as follows, according to the agreement, which he has a copy of.

My question is: Was it to be spent on operating, maintaining and repairing the Keeyask Centre? Or was it to be spent on leasing and/or purchasing equipment and supplies to be located in and used in connection with the operating of the Keeyask Centre?

Mr. Speaker, the question is very simple. The money was forwarded. Where is the money, what happened to it, where's the Keeyask Centre and how could he have funded operating costs for a Keeyask Centre which on the picture shows doesn't exist? There's nothing there.

Under his watch, they funded operating costs that—for a centre that doesn't exist. Why is he not standing up and why is he not being accountable?

**Mr. Chomiak:** Yes, Mr. Speaker, the government of Manitoba's not a party of the funding agreement he's asking about. The agreement is between Manitoba Hydro and Split Lake.

As per the agreement, funds were provided to Split Lake from Manitoba Hydro, and First Nation is responsible for the decisions. As Scott Thomson told him, quote, we don't have oversight over the construction contracts.

Due to the short construction season in the north, construction wasn't able to start on time. The delay gave Split Lake a chance to reconsider the design of the centre with Hydro's agreement. Split Lake asked that some operating funds be used for those building enhancements.

Why does the member not trust First Nations? Why do you hate everything we do with First Nations? Why are you so against First Nations?

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

**Mr. Speaker:** Order, please.

I've said this a few times before in this session. We have guests with us this afternoon, some of them perhaps coming here for the first time, and we want to leave a good impression with them so that they will return. And so we want to encourage that by making sure that we're on our best behaviour here, and so I'm asking for the co-operation of all honourable members. Please keep the level down a little bit so we can encourage our visiting visitors and guests to come back here.

The honourable member for St. Paul has the floor.

**Mr. Schuler:** Well, and perhaps the minister needs a Snickers bar because, you know, he gets a little angry when he's hungry, Mr. Speaker.

In the 2011 TCN consolidated financial statements, \$125,000 was spent on furniture and equipment for the new Keeyask Centre. Again, \$125,000 was spent furnishing the Keeyask Centre. That would be the same centre that was never built.

How can the NDP member for Kildonan be so derelict in his duties and—as minister and allow Hydro ratepayers' money to be squandered in this fashion? Mr. Speaker, the buck stops with him. He has been funding the operating costs, he has been funding the furnishing of a centre that doesn't exist. The photo shows that, as of this morning, there is

nothing there—no equipment, nothing—and he's been funding the operating costs on it.

Why doesn't he stand up and for once be accountable and stop trying to pin it on absolutely everybody else but himself?

**Mr. Speaker:** Order, please. The member's time has expired.

**Mr. Chomiak:** Yes, Mr. Speaker, my friend from the Tea Party does not agree in allowing partnerships between Hydro and First Nations.

Mr. Speaker, in discussions with First Nations this week, I understand that the First Nation intends to go to construction this June or July, but because there's forest fires in that area, that is taking priority today in that community, because of the forest fire risk in that area, and the intention is to go to construction this year.

And the contract is between Hydro and the First Nation, Mr. Speaker, and if we interfered on multi—the member would be standing up and saying we shouldn't interfere. And I still regret why members opposite do not believe us doing partnerships with First Nations and letting them build their communities, because they are—they have been treated not very well by members opposite when they developed their hydro and flooded those people out of their homes.

\* (14:20)

**Mr. Speaker:** The honourable mem—

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

**An Honourable Member:** I'm trying.

**Mr. Speaker:** So am I.

I'm asking again for the co-operation of honourable members. Please keep the level down a little bit. We have some young folks that are with us here this afternoon, as we have most days. I'm sure we want to leave a good impression with them to make sure that they have a good understanding of how our democracy works. And I want to make sure that we're on our best behaviour while they're here visiting us, in fact, every day of our sessions.

The honourable member for Morden-Winkler has the floor.

### **Hip and Knee Replacement Patient Wait Times**

**Mr. Cameron Friesen (Morden-Winkler):** Well, it's another day, another D for this Health Minister.

The Wait Time Alliance of Canada just published its most recent report card on wait times in Canada, and once again it's a report card that this Health Minister won't be putting on the refrigerator. The latest results show that Manitoba once again gets a D for hip replacement and another D for knee replacement, and this despite the fact that hip and knee replacement is one area where all Canadian Health ministers were called on to improve.

Why is this Health Minister so content to stay at the back of the class?

**Hon. Theresa Oswald (Minister of Health):** I know the member opposite only has 45 seconds; he likely didn't have time to acknowledge that Manitoba ranked A+ in the life-saving surgeries for cardiac and A+ for the delivery of radiation therapy. I'll give him that.

And, Mr. Speaker, we well know that those life-saving surgeries are what matter most to Manitobans. We know that when we came into office, the wait time for radiation therapy was six weeks long, dangerously long. We immediately set to work, and today the Wait Time Alliance, the Canadian Institute for Health Information both grade us as having the most rapid access to radiation therapy in the nation.

**Mr. Friesen:** Well, Mr. Speaker, I only had 45 seconds, so I didn't have time to say that the same report gave this minister a F for prostate cancer treatment and a D for breast cancer treatment.

So, in so short of a time, Mr. Speaker, I would remind the minister that our recent CIHI data shows that only 56 per cent of patients get their surgery within the benchmarked time when it comes to these kinds of procedures.

Last year at the same time, the wait time gave her, you know, another D. And the Health Council of Canada is following up and saying that the hip surgeries performed in the benchmark period has declined substantially.

Clearly, when it comes to wait times, the data is very consistent. Report after report, this minister is consistent as well, consistently bottom of the barrel. Why?

**Ms. Oswald:** We know when it comes to the main five surgeries that medical professionals across the nation have set medically recommended benchmarks for cancer. For prostate cancer, Mr. Speaker, that is a medically recommended wait time of four weeks. The Wait Time Alliance sets a very aggressive target—which we support, by the way—at two weeks. Canada's—or Manitoba's wait time for prostate cancer during the period that was measured was, indeed, three weeks.

I might remind the member opposite that when he and his leader had their hands on—or his leader had his hands on the wheel, the wait for prostate cancer was 18 weeks.

**Mr. Friesen:** Well, Mr. Speaker, let's sum up.

A few weeks ago, the Conference Board of Canada gives this minister a failing grade on health-care services, the worst grade you can get. Then the Health Council of Canada comes up and reveals that hip surgeries performed in a benchmark time are declining compared to BC, Alberta, Saskatchewan and Ontario. And now the Wait Time Alliance gives this minister yet another D, a F for prostate cancer treatment, a D for breast cancer.

When it comes to wait times, we know that this minister promises, but she does not deliver. How much longer will she give Manitobans excuses instead of results?

**Ms. Oswald:** Yes, Mr. Speaker, in this report, best in the nation on radiation therapy, best in the nation on cardiac.

We know that we have driven down the wait times for those quality-of-life surgeries, the hips and knees, by 50 per cent since 2006. We know we have more work to do there, Mr. Speaker.

But what I can assure the member and every member of this House is that what we will not do is what was recommended by the Leader of the Opposition not one month ago, and that is swing the door wide open to American-style, two-tier health care. We believe you should get care based on medical need, not the size of your wallet. And that's what they want.

### **Flooding (2011) Compensation Claim Settlements**

**Mr. Ralph Eichler (Lakeside):** Two years of a disrespectful government have left flood victims with little hope for fair compensation that was promised in 2011 by this NDP government.

Mr. Speaker, I'd like the Minister of Finance (Mr. Struthers) to tell this House why this government lied to those flood victims.

**Hon. Steve Ashton (Minister responsible for Emergency Measures):** Mr. Speaker, I'd like to remind all members of the historic nature of the flood and the historic nature of the flood response.

We, Mr. Speaker, put in place \$1.2 billion, both to fight the flood and to provide compensation and assistance. To date, through the DFA program which is cost-shared with the federal government and with nine stand-alone provincial programs, we put in place more than \$800 million in terms of assistance, particularly in and around Lake Manitoba and Lake St. Martin. In addition to that, we're working on the future mitigation as well. I was very pleased to join with the Premier when we announced the \$250 million to provide permanent flood protection in and around Lake Manitoba, Lake St. Martin.

So, Mr. Speaker, we've lived up to our commitments. We did not forget the flood victims in 2011; we're not going to forget them in the future.

**Mr. Eichler:** This minister is unbelievable. There's hundreds and—500, at least, claims that have not been settled. This—tell this to the flood victims, Mr. Speaker. It's disrespectful.

In 2011 flood victims were promised quick and fair compensation, yet there are still 500 outstanding claims, 2,000 family members out of their homes two years later.

I ask the Minister of Agriculture: Will he right the wrong of this Minister of Finance?

**Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Initiatives):** Obviously, the report that the critic is indicating, I think, has got some misleading information.

I've recently met with the team from—the MASC team and have been involved in the investigations. And I want to ensure the member opposite 90 some-odd per cent of the claims have been investigated and they will be *[inaudible]*

So I understand there's some misinformation, but I'd be glad to share some of the information with the member opposite if we need to get some clarification. Thank you so much.

**Mr. Eichler:** We'll certainly be happy to take that information if you could get it correct.

Mr. Speaker, lies, disrespect, broken promises are the legacy of this NDP government. Not only did the First Minister, but the first minister of Finance and every member of this NDP government are responsible for the man-made flood of 2011.

Mr. Speaker, I ask the First Minister, the member from St. Boniface, if his government will, after two years, finally keep their word to flood victims and settle flood compensation that they were promised in 2011.

**Hon. Greg Selinger (Premier):** One of the great legacies of any premier in this province was the building of the floodway, including the diversion channel. The members are actually spitting on their own legacy and that's really unfortunate, Mr. Speaker.

The reality is this: We spent \$1.2 billion on flood protection. We spent \$850 million on compensation. We built the emergency channel. And just a few weeks ago, Mr. Speaker, we announced \$250 million for additional outlet from Lake Manitoba into Lake St. Martin to make the emergency channel permanent, \$250 million of new resources under the Manitoba Building and Renewal program, and the members opposite have voted against that. They've voted against that again, as they have done every year.

When we put resources in place for Red River Valley, the Leader of the Opposition said, that should be stopped. That \$1-billion investment has saved \$30 billion of damage in the Red River Valley and the city of Winnipeg.

We're building the province; they want to halt it in their tracks, Mr. Speaker.

### **Off-Street Rapid Transit Government Timeline**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, the present government doesn't have a reputation for timely action.

Yesterday many were stuck in traffic trying to get to the new Investors Group Field for the Bombers game. Travel times for some were on the order of two and a half hours to go a distance usually travelled in a few minutes.

Time and again this government has failed to act to ensure the first leg of off-street rapid transit is completed all the way to the University of Manitoba. Today critical decisions still hold up progress.

I ask the Premier: Will he give us a firm, guaranteed date as to when the rapid transit line to the University of Manitoba will be completed?

\*(14:30)

**Hon. Greg Selinger (Premier):** I thank the member for the question.

It was a great day in Manitoba yesterday to see the new stadium being fully operational, full of fans from around Winnipeg, Mr. Speaker.

And let's not forget the opposition. The opposition opposed the new stadium, just like they opposed the MTS Centre, just like they opposed flood protection for the people in the Assiniboine valley.

Rapid transit—the first significant investment in rapid transit has been done during the last decade with this government and the City of Winnipeg, and I look forward to the second phase, Mr. Speaker. And I particularly look forward to the member from River Heights, as well as the members of the opposition, voting for it and putting their money where their mouth is.

**Mr. Gerrard:** Mr. Speaker, ordinarily I'd be excited to read a headline that the offensive linemen were moving faster than buses. But today, reading the details, it's because the buses could hardly move. The gridlock is because rapid transit has been delayed time and again and is now stuck halfway between the Premier and the mayor's office, and today there isn't even a traffic jam.

My question to the Premier: When will he ensure rapid transit to the University of Manitoba is on fast-forward so that the parking headaches for Bomber games and other events can be overcome?

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

Only the members on this side of the House have voted for anything for transit in the last 10 years. The member from River Heights, the leader of—the members of the Progressive Conservative caucus have consistently voted against any improvements in infrastructure. This budget is an infrastructure budget. Everybody on the other side of the House voted against it. Every single member voted against it.

We're going to build flood protection, we're going to build streets, we're going to build rapid transit, we're going to build schools, we're going to build hospitals, we're going to build a prosperous

Manitoba. A hundred thousand more jobs will come out of our investments, and the members opposite, their approach? Lay people off and drive them out of the province, Mr. Speaker.

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

**Mr. Gerrard:** Mr. Speaker, as the Premier well knows, I have been pushing for years to get rapid transit done, and the fact of the matter is that it could have been completed and be ready and have been used yesterday except for delays in the prioritization of this government and their poor communication back and forth with the mayor.

The first leg of rapid transit is partway completed for 3.8 kilometres. The second part of the first leg is still not completed.

What are the Premier's specific plans? Tell us today instead of, you know, bringing up, you know, objections, excuses. Tell us today what is going to be the timely completion for the first leg to the University of Manitoba of off-street rapid transit.

**Mr. Selinger:** Again, Mr. Speaker, I appreciate the question. It's a—very important for the future of a city which is going to grow to a million people. And the reason it's growing? We have 125,000 more people in the province of Manitoba, and the members opposite do not any—do not do anything to support that.

The new stadium is a wonderful investment, not just for the Bombers but for the University of Manitoba and for the public, and it's a tremendous asset that's going to move 30,000 people out to that campus. Twenty-five thousand people a day go out there when the university's in session, and rapid transit will be a very significant part of the future. Our money's on the table. Our commitment is clear.

We're also funding the electric bus, which'll be a cleaner bus. We think rapid transit, electric bus, is the future of Manitoba.

I only wish the members opposite would support these things. When we want to see new schools, they vote against it. When we want new hospitals, they vote against it. When we want new infrastructure, they vote against it. When we want to see hydro built, they vote against it and say hold it. We're going to build it; they're going to resist it. We will make Manitoba a better place, Mr. Speaker.

**Mr. Speaker:** Order, please. Order, please.

The honourable member for Fort Garry-Riverview has the floor.

**Elder Abuse Awareness  
Government Initiatives**

**Mr. James Allum (Fort Garry-Riverview):** On June 15th, I'm pleased to note that my dad will be turning 91 years of age, and he lives in a very nice place in Waterloo, Ontario. Sadly, not all of our seniors live in such safe and secure circumstances, which is why June 15th is also World Elder Abuse Awareness Day.

I wonder if the Minister for Seniors could please update the House about the services that are available within the province to make people aware of and deal with this most serious problem.

**Hon. Jim Rondeau (Minister of Healthy Living, Seniors and Consumer Affairs):** I'd like to thank the member for the very important question because, you know, we really care about all people and we think that everyone should live in dignity and have a good quality of life. And so that's why I'm pleased to have—be part of a government that's really expanded supports for seniors and makes sure that we have the programs for—to prevent elder abuse.

So I'll tell you a few of them: (1) We have expanded telephone service so there's a 24-hour-a-day, seven-day-a-week service so that people can get information, get reference and get support; (2) we have three safe suites, two in Winnipeg and one in rural Manitoba, to provide a safe, secure environment for people who need it. Another one is we've worked with Good Neighbours seniors centre to go out and do outreach and work with other groups and the RCMP and all that to find out the areas—

**Mr. Speaker:** Order, please. Order, please. The honourable minister's time has expired.

Time for oral questions has expired.

**MEMBERS' STATEMENTS**

**Collège Saint-Norbert Collegiate  
Varsity Girls Basketball**

**Mr. Dave Gaudreau (St. Norbert):** Mr. Speaker, I rise today to recognize an incredible young team's accomplishment. This year, the Celtic Varsity Girls Basketball team from Collège Saint-Norbert Collegiate was top of their division, winning their zone banner. The team showed that with dedication, passion and teamwork anything is possible.

From December to March, the young women spent countless hours honing their skills between practices, games and tournaments. The teams were together anywhere from three to six days a week. As these group—as a group, these young women shared some special experiences while working together to strengthen their friendships and to make the most of wonderful opportunities.

Participation in sports is extremely important in every community in the world. Not only does playing sports lead to healthier lifestyle, it also leads to safer and more connected communities. When we play and enjoy team sports like basketball, we learn many valuable lessons. We learn to look out for each other, ensure that support is always there right there beside you. We learn to forget our differences and work together towards the same goal. We also learn that even if you miss the net, the rebound is equally as important. These lessons teach us the skills needed to develop and grow in our schools and in our communities.

Mr. Speaker, successful people do not achieve in isolation, so it is important to also recognize those who have supported these young women along the way. The teachers, coaches and parents who have encouraged them and been there for these girls surely have and will continue to make a difference.

A special thank you to coaches Denis Marinelli and Colin Ritchie and school Principal Stewart Shinnan for their attendance here today.

The Collège Saint-Norbert Collegiate Varsity Girls Basketball team members are Carole Dupuis, Jessica Hunt, Jade Unrau, Carley Wiens, Bailey Choma, Morgan Highfield, Jaden Weir, Kaelyn Lisoway, Melissa Anderson, Courtney Engel and Lisa Hocking.

Congratulations to all of you on your win, and best of luck in their futures.

Thank you.

**South Central Cancer Resource  
10-Year Anniversary**

**Mr. Cameron Friesen (Morden-Winkler):** Mr. Speaker, last weekend I had the pleasure of attending South Central Cancer Resource's 10th-year anniversary celebration in Morden. SCCR is a non-profit organization providing support to cancer patients living within the service area of Boundary Trails Health Centre.

South Central Cancer Resource was started in south central Manitoba by Don Alexander in 2003 and a group of people who saw the need for cancer-related support services for rural people without travelling great distances.

SCCR does not receive financial assistance from this government or from organizations like CancerCare Manitoba or the Canadian Cancer Society. The office, located in Morden, is funded entirely by the communities it serves in the form of grants, memorials, donations and successful fundraising initiatives and support from individuals.

Mr. Speaker, this organization provides many services to patients and community members, including individual support for people facing the tremendous challenges that come with a diagnosis of cancer and to their family members and friends.

A transportation program helps individuals in need of getting rides to appointments. A loan bank of wigs and other head coverings in a variety of colours and styles is available to help people experiencing hair loss as a result of cancer treatments. A resource library of information in print, audio and video regarding a wide arrange of cancer-related subjects is available as well.

SCCR actively encourages the community to get involved and the many volunteers that help out make these services possible.

\*(14:40)

I wish SCCR all the best as they work on their plans to move into their new location at 34 Stephen Street in Morden, and Mr. Speaker, I want to invite all members of this Legislature to join me in congratulating the South Central Cancer Resource on their 10th anniversary.

I commend them for the work that they do within the community to educate, support and provide hope to cancer patients, and, in particular, I congratulate Ila Swain, president; Pam King, vice-president; the board of directors as well as Norma Hildebrand, clinical co-ordinator; Laura Matychuk, administrative co-ordinator; and the many supporters, friends and volunteers that make SCCR work.

#### **Philippine Heritage Week**

**Ms. Melanie Wight (Burrows):** Mr. Speaker, Manitoba is the strong, diverse province it is today because of the outstanding contributions of the Filipino-Canadian community. Since the first four

Filipino nurses arrived in Winnipeg back in 1959, Filipino Canadians have been our teachers, artists, health-care professionals and members of the Legislative Assembly. This year, on behalf of the Minister of Immigration and Multiculturalism (Ms. Melnick), I had the distinct honour of presenting the Manitoba proclamation designating June 8th to 15th as Philippine Heritage Week.

The Manitoba Filipino community has helped build our province's social, economic and civic spheres in many different ways. This year's theme is Celebrating Our Families, which is fitting since more than 60,000 Manitobans trace their family roots back to the Philippines.

Heritage Week is hosted by the Philippine Heritage Council of Manitoba, a Filipino-Canadian non-profit made up of 35 different organizations and members of the community who strive to celebrate the unique traditions that contribute to our dynamic province. Their goal is to preserve and promote Philippine culture across the generations and to share their culture with all Canadians.

I was honoured to read the full Philippine Heritage Week proclamation at the flag-raising and opening ceremony on Saturday, June 8th, hosted by the Philippine Canadian Centre of Manitoba.

Other events this week include a Philippine film night, a picnic in Assiniboine Park and the Philippine independence ball, which I'm very much looking forward to attending this Friday. This gala evening celebrates 115 years of Philippine independence from Spain, a meaningful celebration for Filipino people around the world. These events are open and welcome to everyone and help promote intercultural understanding, social harmony and universal acceptance of Manitoba's cultural mosaic.

Mr. Speaker, Manitoba is stronger because we stand together. The unique perspective brought to Manitoba by Filipino families is invaluable to shaping our diverse province. Huge congratulations to all the Philippine Heritage Week volunteers for organizing the events, and I look forward to celebrating with everyone at the independence ball tomorrow. Mabuhay.

#### **University of Calgary**

**Mr. Ron Schuler (St. Paul):** I'd like to get up and send my compliments to all the universities and colleges across Canada, all the post-secondary institutions that do a great job, including my own alma mater, the University of Manitoba.

And Mr. Speaker, I'd also like to compliment the University of Calgary, although that during question period several days ago, the Minister of Energy, the member responsible for Manitoba Hydro, took the opportunity to trash-talk the University of Calgary, which was really most unfortunate, considering that within the University of Calgary is the School of Public Policy, and great documents are being written, some by individuals like Jack Mintz, who's one of the most pre-eminent and respected public policy experts.

But for the Minister responsible for Manitoba Hydro, the NDP member for Kildonan (Mr. Chomiak), that's not good enough. He has to go further and trash-talk institutions of higher learning. And what's really most unfortunate is when he did that, he also slandered individuals who, for instance, Ray Martin, who's a politician out of Alberta, used to be the leader of the NDP party of Alberta; Gary Mar, I'm sure known to many members of this House, in fact, known to the NDP member for Kildonan; Gary Mar, very respected individual in Canada.

I would, however, suggest that there are 40 eminent people across this country and across this world who have come from the University of Calgary, who also deserve the respect from a member of the government, from a minister of the Crown, and not be trash-talked and be referred to in the way that the NDP member for Kildonan did. Evan Adams, he followed his medical degree with a residency in Aboriginal family medicine through UBC. Bernadette Andrea, at a time when Islam is coming under constant scrutiny in the West, she is delivering into understanding it better and has become a professional in that field. Kevin Boyles, to make the switch from being an Olympic-level volleyball player and captain of an undefeated CIS national championship team, he's now attending the University of Calgary. Bonnie Dupont, often the sole woman at the executive table, Bonnie Dupont has earned her position as one of Canada's top 100 most powerful women for three consecutive years, and this is another one of those individuals that the member for Kildonan, the minister, decided to trash-talk.

#### **Ron and Michelle Trudel**

**Mr. Frank Whitehead (The Pas):** Mr. Speaker, providing children and youth with opportunities is the best way to ensure that they learn the skills needed to succeed in their community, this province and the country. Dedicated volunteers are essential

to teaching these skills and building healthy communities where all people can flourish.

Mr. Speaker, I rise today to recognize Ron and Michelle Trudel, two outstanding individuals who have a long history of volunteering with the 303 The Pas Royal Canadian Air Cadets Squadron. Now that they have retired from their volunteer positions, I would like to thank them for the incredible commitment they have showed to improving the lives of young people in our province.

Every Tuesday night for the past decade, Ron and Michelle Trudel volunteered their time and energy at The Pas Legion as leaders with the air cadets squadron. There, it was common to have 40 to 50 youth aged 12 to 18 gathered to participate in air cadet programming. As strong mother and father figures, the Trudels led activities that focused on helping youth develop confidence and pride in themselves and in their communities. Some of the Tuesday night programming included goal setting, fitness and sports, leadership, target practice and aviation education.

The air cadet night is an opportunity for youth to come together to socialize and set goals. Dedicated present and past volunteers, such as Ron and Michelle, help to provide guidance for youth so that they are able to succeed in variety of life's challenges and opportunities.

Throughout the decade that Ron and Michelle were officers in the program, the 303 royal cadet-Royal Canadian Air Cadets Squadron also worked to engage youth from outside of The Pas. At times, youth from Moose Lake made the commute to The Pas, where they were able to join in the activities while bridging the cap-the gap between neighbouring communities.

Mr. Speaker, I ask all members of the Legislative Assembly to join me in thanking Ron and Michelle Trudel for their years of service to youth in northern Manitoba. Their dedication and contributions have made successful changes in the lives of young people in Manitoba.

Thank you.

#### **House Business**

**Mr. Speaker:** Prior to calling grievances, I'd like to indicate to the House that I have received a letter calling the House back into session on June 13th, two-or two-pardon me-on June 17th, 2013, at 1:30 p.m.

Order, please. Grievances. Seeing no grievances, we'll move on to—

### ORDERS OF THE DAY

*(Continued)*

#### GOVERNMENT BUSINESS

**Hon. Jennifer Howard (Government House Leader):** Mr. Speaker, would you please resolve into Committee of Supply.

**Mr. Speaker:** We'll now resolve into the Committee of Supply.

Mr. Deputy Speaker, please take the Chair.

#### COMMITTEE OF SUPPLY (Concurrent Sections)

##### HEALTH

\* (15:00)

**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, questioning for the department will proceed in a global manner. The floor is now open for questions.

**Mr. Cameron Friesen (Morden-Winkler):** I'm glad to be back in Estimates.

I wonder if the minister has any updates, information that she's been able to locate and produce, and would share now.

**Hon. Theresa Oswald (Minister of Health):** I do have some updates for him. Some work is still ongoing, but I'm happy to provide him with some updates based on our conversations a few days ago.

Before I start, I would like to for his benefit introduce, or reintroduce, my officials with me today. Chief Financial Officer Karen Herd, who has been here throughout, for which we are grateful, and Assistant Deputy Minister Bernadette Preun is also here today. Deputy Minister Sussman was not able to be here with us today. He's got a very significant event that he is attending, but I know that we'll be held in good stead with the officials that are with us today.

I'd like to follow up for the member on some questions that he had regarding the Main Street Project staffing. The member raised a question about paramedic staffing at the project and if, indeed, the

new community paramedicine pilot was causing paramedic staffing difficulties at the Main Street Project. I can let the member know that some of the paramedics who started with the Main Street Project are involved in the pilot, but their positions were backfilled. There is always at least one paramedic at the Main Street Project, 24 hours a day, seven days a week.

The Main Street Project operates, as I said, around the clock, seeing about a thousand people per month, which we have seen, through the data that we've collected, is a really, really important tool enabling those individuals to not have to go to an emergency room where they would—prior to the installation of the project where they would have to go.

It's also worth mentioning, I think, that the paramedics at the Main Street Project were the recipients of a prestigious national award for their groundbreaking work. Winnipeg Fire Paramedic Service members Ryan Sneath and Karen Martin received the prestigious Award of Excellence from the Emergency Medical Services Chiefs of Canada at the association's annual conference in Vancouver last summer. So we're very, very proud of them, and it's my great pleasure to put that information on the record.

I can update the members of this committee; there was a question raised last time concerning the diabetes data repository. The member for River Heights (Mr. Gerrard) asked if we have or are looking to create a central diabetes data warehouse. The member has made some similar inquiries in past. Part of the objective in his line of questioning was, of course, to develop this registry of people with diabetes over the age of 16 and to develop a—yearly diabetes reports. I believe the member even tabled a bill to this effect.

We do publicly report the incidence of diabetes in Manitoba through annual statistics which are available online. The reporting contains information about multiple forms of chronic disease, not singularly diabetes but also hypertension, acute myocardial infarction—I think I got that right—stroke or other chronic conditions. So that information is, indeed, available.

We do continue—the member for Morden-Winkler (Mr. Friesen) did ask some questions regarding senior management compensation from RHA mergers. There is still more work going on. As the member knows, we have our RHAs

going through their year-end process, and so we're still gathering some of the detail that he asked for. I can tell him, though, that the annual savings are anticipated to be roughly \$3.7 million. That's an estimate. And these savings are not of the one-time variety but savings that are anticipated to continue for years to come.

The member asked about the full-time equivalent status for members of a senior management team. I'd like to confirm for him that all senior management positions are, indeed, full-time, with the exception, as I noted the last time we met, of some of the chief medical officers. Some CMO positions were part-time, like a 0.5, and the rest of the CMOs' time was spent delivering patient care.

If we look at the net reduction of positions by full-time equivalents, we see the net reduction is 35 FTEs at the senior management level, 69.3 full-time equivalent positions before the mergers, and 34.3 full-time equivalent positions after the mergers. As I said to the member, there'll be more information coming, and we look forward to be able to answer the number of questions concerning some of the arithmetic and detail.

I can tell the member that salary information is provided, as I've said to him, in the public disclosure document, and we are having the department ensure that by providing the information as he asked it, we won't be in breach of any privacy legislation. So that's part of the work that's going on. It may be that specific names attached to salaries may need to come through that public disclosure document, but I have asked the department to find a way to provide it, as appropriate. So they're still working it through. I think that's it for today.

**Mr. Friesen:** I thank the minister for providing that information.

I'm on page 91 of the Estimates, under Health Emergency Management. I wonder if we could direct our attention to that area of the Estimates. I'm looking under other expenditures, and I would like to ask the minister about a line that is indicated as supplies and services. The estimate of expenditure for the 2012-13 year, I believe, is basically 9,966,000; the estimate of expenditure for the new year at \$12 million, a difference of approximately \$2 million—\$2 million and change, representing a 21 per cent increase in funding.

I wonder if the minister could indicate if that line, indeed, refers to the STARS contract and if she

could explain the reason for the increase to the—that amount.

**Ms. Oswald:** Yes, that is accurate. It does refer to the STARS helicopter service, which accounts for them moving to 24-7.

**Mr. Friesen:** Can the minister indicate whether there are other supplies and services that are captured under that same line, or whether the STARS contract accounts for the total of that estimate of expense?

**Ms. Oswald:** Mr. Chair, I can inform the member that the majority of that amount that he cited does, indeed, provide for the increase to 24-7 coverage for STARS but, indeed, it does pertain to the entire unit, the entire department, I should say, and as defined in the book, supplies and services would cover things like operating supplies, materials, office supplies, maintenance, other services, rentals, professional services, utilities, et cetera. So the majority, indeed, would fall in the area of STARS, but the other needs of the emergency management office would be captured there as well.

**Mr. Friesen:** I'm aware that the minister has stated on numerous occasions that the annual agreement with STARS is a \$10-million agreement, and I see here that last year the estimate of expenditures were at exactly just under \$10 million. So that causes me to wonder whether the number she provided was accurate if indeed we, the Province of Manitoba, contracted with STARS for \$10 million. That wouldn't really leave any more monies available. So, when the minister says the majority of the supplies and services monies would go to STARS, could she indicate even an estimate of how much of that line item would go towards the STARS contract? Would that be in excess of 95 per cent or 98 per cent?

**Ms. Oswald:** I'm informed that the amount in that 9 million, nine hundred and sixty-six that the member was citing, that the amount would be about \$8 million for STARS.

**Mr. Friesen:** Mr. Chair, now, can the minister just also indicate, then, is the \$10-million annual agreement, is that an accurate figure? I mean, I'm not certain offhand. It might have been that we didn't actually capture the whole amount in that first year of operation with the contract with STARS. Did it—did that contract, indeed, commence consecutive with the start of the new fiscal year? Or is the reason we saw—if she says \$8 million is the accurate number in that first year of contract is that simply because the entire \$10 million wasn't captured? The other, I

guess, scenario would be that Manitoba somehow got a better deal with STARS. Or is there additional information that the minister would like to submit at this time to indicate revenues received from STARS from other sources that would have decreased the obligation of the Department of Health to fund that contract?

\*(15:10)

**Ms. Oswald:** Yes, I can tell the member that, indeed, we did contract with STARS for \$10 million annually.

It was always part of our expectation that the STARS contract would indeed have a fundraising component to it. We do know that their fundraising, really, in earnest, has really just recently begun. So we anticipate it will cost about \$12.8 million per year for the STARS contract once the 24-7 operations have been added. Last year, we said it would be \$10 million without the 24-7. We also have an expectation of STARS, as I say, to raise about \$2 million. They have donor campaigns bringing money in. They—a major corporate sponsor is actively being announced, and, of course, they have a fundraiser currently under way.

So it certainly was our expectation at the outset that we would work in partnership with STARS, support them as needed, to get their fundraising going. It took a little longer than we might have initially anticipated, but it was very important to us to ensure that this service was active and available for Manitobans when needed in trauma situations. And it was also very important to us that people receiving the services of the helicopter ambulance receive it at no charge. We know that our neighbours to the west do charge individuals \$350 per flight, and that hasn't been the path that we have chosen.

**Mr. Friesen:** I know that the minister and I have quarrelled about math in the Estimates previous, but today I just want to quarrel with her with a small matter with regard to this Supplies & Services line.

Now, the minister indicated that the contract with STARS will be \$10 million—or was \$10 million per year. The estimates for expenditure for 2013-14 indicate 12 million and 59. And, of course, by the minister's own admission, that captures not only the contract cost of STARS, but those other supplies and services, which she says also appear in that line. But now the minister just quoted a number, an annual number, of \$12.8 million payable to STARS under contract. That's a difference of \$800,000. Where did

that new \$800,000 come from, and why was that not included under the estimates of expenditure for 2013-14?

**Ms. Oswald:** What I'm citing to the member is the actual cost. We do anticipate, as I said before, that that will be offset by the fundraising, and the numbers that are cited in the book, as I've said, are the department's best estimate for cost. So it is an estimate, and we do anticipate that the fundraising is going to amend that number, as I cited for him the actual cost.

**Mr. Friesen:** I had an opportunity to go back and read the considerable exchange that the minister and my colleague the member for Charleswood (Mrs. Driedger), a former critic for Health, had on the subject of STARS, and it was wide-ranging. And I think that—the minister's nodding, so I know she also knows it was a very comprehensive conversation. One thing that came out in that exchange, I noticed, is that the minister had indicated as well, there would be target set for STARS to meet in fundraising, and some very interesting questions and, I thought, some very important questions were asked by my colleague.

I guess what I'm wondering today, first of all, is still on the subject of STARS and on the subject of the target of \$2 million for fundraising. Has STARS, indeed, met the target now of \$2 million? And what is the actual balance now in the account of the monies that STARS has successfully raised in Manitoba through their fundraising efforts?

**Ms. Oswald:** Yes, I can inform the member once again, in the initial year of operation, STARS did not meet the \$2-million target. We have set that \$2-million target again. They are certainly more established now. As I have said to the member, they do have a significant corporate sponsor that will be announced. And, as I say, they have a significant fundraiser under way.

When we look at the STARS organization as they exist in other provinces, we can see very clearly that once they have an opportunity to mount their fundraising campaigns, they have been very effective. And so we feel quite confident that they are going to, indeed, be able to meet that target, and we have set it for them, you know, quite clearly and aggressively. And we want them to be able to function in a way that—function in a manner that is similar to what happens in other jurisdictions. We know other jurisdictions have significant portions of their total funding that are covered by private donors,

and STARS, from the outset, you know, has said that this is the kind of model that they prefer and that they are, indeed, actively planning to pursue here in Manitoba.

We knew that it would be \$10 million at the outset. We had to make a decision about whether or not we wanted to bear those costs. We were able to see through the flood in 2009 and then again, that their service was very important for Manitobans, and so we did make that budgetary decision.

**Mr. Friesen:** The minister has indicated that STARS did not reach its initial target of \$2 million in fundraising. Can the minister, then, also indicate what was the actual amount that STARS was able to generate in fundraising in Manitoba in the first year of operation?

**Ms. Oswald:** There have been a number of discussions between the deputy and the CEO of STARS—and fundraisers—and I will commit to get back to the member to update him on those numbers.

**Mr. Friesen:** I was hoping to go through questions at a good rate, but I find it interesting that the minister would not know. If I were the minister, I'd be very curious to know how it would be that a contract of this size and of this importance to Manitobans would have an impact on the commitment that she entered into—the agreement she entered into with them.

If the minister is not able to produce that information today, could she indicate a round-off figure that might give us some indication as to how close STARS got to meeting that goal of \$2 million? Perhaps they got 75 per cent of the way there, maybe they only reached 50 per cent. I know that Manitobans would be interested in those responses, and could she indicate an estimate today?

\* (15:20)

**Ms. Oswald:** And again, I—as I indicated to the member, the deputy has been in conversations with STARS very recently. I commit to him to get him the most up-to-date information. He's not able to be here today, but I know those meetings have taken place, you know, within the last days. So I will instruct my staff to see if they can come up with an estimate, but I know that it is important to him to have accurate information, and I will commit to get that for him to be sure.

We know that this is a really important investment across Manitoba and for Manitobans, and

we know that it wasn't an investment that we took lightly. We worked with STARS in developing a contract, in developing a fundraising arrangement within the context of that contract, and we want STARS to fulfill that part of the contract. We know that they didn't fill it in the first year, but I will commit to get back to the member about how many funds they did realize.

**Mr. Friesen:** The minister mentioned that the STARS is just now in the middle of another fundraising campaign, and I know that we're all aware, and I actually just have in front of me right here one of the several mailings that I've received from STARS asking for donations from 10 or 15 or 25 dollars per month or I can indicate my choice and send that back. They were even so even kind as to send a small pad of paper along with the mailing that I can use to make notes on, and maybe I'll choose to use this pad during the Estimates process to make some notes as a reminder to get back to the minister and request from her the number that STARS was able to fundraise.

I'm a little troubled to think that the minister doesn't have at her fingertips even a ballpark figure, because she must have some general idea of where they went and how successful they were. I would surmise that her decision to not disclose that information here in this context would indicate she's not pleased with where they ended up. And maybe that's too much of a stretch to make. And, if that is too much, then maybe the minister will correct me. If she's pleased at the way they've met their targets, I would hope that she would also indicate that. I'm looking for some response from her that would indicate either way how things are going.

But I guess the obvious next question would be—in the absence of that information, is: Does the minister have confidence that STARS will make their target in the second year of operation? Has this indeed been an issue of just getting started and getting going, and does she have confidence they'll make their target this year?

**Ms. Oswald:** Yes, again, I want to assure the member that I take to heart his meticulousness and want to ensure that we provide him with accurate information. I can say for the member that the amount collected in the first year was modest. I know this to be true. I also know that we were very clear in that we wanted the priority to be the setting up of the emergency helicopter service. We wanted them to focus on the development, focus on ensuring

that it was smoothly up and running. We certainly, you know, would love to have \$2 million, but we didn't panic about it at the outset because we wanted the program to get up and running and functioning.

We have set as a target for them \$2 million. We want them to raise \$2 million. And we know that their success rate in other jurisdictions, as I've said, in Alberta, in particular, has been very good. This mailer that the member did receive, I'm sure they would appreciate your feedback on it. I know you are an excellent student of layout and so forth, and you can let them know if you like it or not. They would enjoy that, I'm sure. *[interjection]* So—but, you know, I think that your opinion on that—it is the first mailer of its kind that STARS has done in Manitoba. There have, as I say, been donations in the past, but, you know, I can say generally, without accuracy, that I will need to check back that the amount last year was modest. But we do have confidence. They have the corporate donors. They have cheques coming in. Their lottery is functioning.

And I know that the member did read a long conversation that the former critic and I had last year, and he will note from that conversation that I posed a question to the member that she seemed reluctant to answer at that time. And I'm not picking up the same—I guess I'd use the word negativity from the member that I did from the former critic but, yes, you're a pretty positive guy. I would say that to be almost entirely true, almost.

But I wonder if the member might comment. He is asking questions about the fundraiser and about STARS, and so forth; I wonder if the member might be interested in sharing with us if he has any material objection to STARS being in existence and functioning here in Manitoba in its current construct.

**Mr. Friesen:** Mr. Chair, I think the minister understands very well that our party has always welcomed the idea of bringing in an air service to assist. From the very outset I know the concerns expressed by my colleague and our party always surrounded the fact that this was a sole-sourced contract. It was a non-tendered contract and we had concerns about the way the minister entered into service. And she's well aware of that, too, because, as we both acknowledged, it was a long conversation that the critic and the minister had last year, so we had initial concerns about that.

I think that where I'd want to focus just my other question on this subject would be about a concern about the fact that in that wide-ranging and

comprehensive conversation that the minister and critic had only one year ago in the Estimates process, the minister at that time made no illusion to the fact that there was going to be an immediate 21 per cent increase to the STARS contract. At no time did she say, and, by the way, in a year we're going to be back looking at a \$12.8-million contract with STARS, as opposed to \$10 million.

So I guess the question I have for the minister is: Should I, as the new critic for Health, also be on alert for other and subsequent significant increases to the size and scope of operations in Manitoba? Does she anticipate that the scope of operation of STARS will grow in the province of Manitoba in the next year? And, if so, could she indicate by how much and for what services?

**Ms. Oswald:** Mr. Chair, I think I answered this question already, but I might have missed part of what he asked.

There was a decision to move STARS to a 24-7 availability. The group that was doing training and so forth was successful in recruiting and training made-in-Manitoba paramedics and flight teams and nurses and so forth to enable the 24-7 service to occur, and we think that that's a good investment, you know.

As I said earlier, there are other ways to go about funding the STARS program. We know that one option being taken by one province, Saskatchewan, is to charge their patients—individuals involved in trauma—\$350 for the flight, and that is not something that we support. Does the member?

**Mr. Friesen:** Just to clarify, I wasn't asking the minister to expand on the decision to expand the operation to 24-hour service. Instead, I was asking her if she plans in the same way that the budget has grown 21 per cent from last year's Estimates to this one, are there other significant components that she could see added to STARS? Is she anticipating that the scope of operations for STARS will grow in the next year again? And, if so, what would be the reason for that growth? Is she looking to expand the STARS program in Manitoba significantly and would there be a significant additional cost to Manitoba because of that?

\* (15:30)

**Ms. Oswald:** Certainly, I can say to the member that the helicopter ambulance is operational, 24-7. That is where that—those monies are going. Unless they miraculously find more hours in a day, I don't

anticipate costs increasing for anything the—anything in particular. This was the incremental investment, and again, I'd reiterate, it's an investment that we're making at no charge to patients, contrary to what they're doing in Saskatchewan at \$350. I note the member's a bit silent on that point, offering, you know, whether or not he might give me advice to take a look at their model to charge for the flights. He does have another opportunity, I guess, to—if he wants to direct me to offer that advice, that would be—you know, the floor is his to do that. But no—no. Unless, of course, we start going to 38-hour days, no, I don't anticipate those costs. We'll be monitoring, of course, the work that they're doing on their fundraising, but we know they have been very successful in other jurisdictions and we don't see any reason why they won't here either.

**Mr. Friesen:** Well, the minister seems to lack some imagination because I don't think that the day will grow any longer. I don't think that Earth will spin any faster or slower as the case might be, but I think that the more obvious incremental increase would be expand to a second base, and I wonder if the minister has given consideration to this. We know that in Saskatchewan the STARS operation includes two bases instead of one. I think the most natural thing would be—if the minister was wanting to go in that direction, is if she would extend the service to operate and maybe fly out of Brandon. Is that something she's given a consideration to and it should be something we—is it something that we should anticipate seeing in next year's Estimates of expenditures for 2014-15?

**Ms. Oswald:** Certainly I can inform the member that the Medical Transportation Co-ordination Centre in Brandon monitors emergency response for a variety of providers in Manitoba. In fact, when STARS first came to Manitoba and started discussing with us the potential for setting up a program here in Manitoba in partnership with us, they toured the MTCC and were quite complimentary to not only the staff but the technology that is available there. They clearly said, we don't have anything like this in Alberta and we should have something like this, which I can say made the folks at MTCC feel very proud, and rightly so.

But the function of the work that is done there is to provide data that's appropriate about response times, about the need for the helicopter to stop to refill, the time that that would take, and if Lifeflight would be more appropriate in those scenarios. So it's through that data at MTCC that, indeed, decisions

would be made about any kind of capital construction or expansion elsewhere in the province. At this time, that is not something that's being recommended to us from data coming out of there, but there will be constant monitoring going on, you know, as is the case for land ambulance and so forth.

**Mr. Friesen:** I thank the minister for that response. I wanted to draw her attention to the unproclaimed sections of Bill 6. And last week the minister both thanked me for suggestions I gave to her when she solicited for them. We had corresponded on this issue and she thanked me and then she promptly moved to throw me under the bus and to misquote me when it came to what I actually asked her to do.

I take some considerable interest in this issue. I followed very closely, as a new MLA last spring, when she decided to not proclaim certain aspects of the bill, consenting instead to enter into respectful dialogue with third-party groups—a lot of concern driven forward by third-party groups delivering services to RHAs, including personal care home providers. These are faith-based and non-faith based non—not-for-profit and for-profit personal care homes, delivering services on a contract basis to the minister's RHAs. And I would clarify for the minister that it was not the case that I was asking her to simply step away from any kind of standard. Instead, I made clear to her that the kind of provisions she was hoping to put in place through Bill 6 extended to and surpassed what we saw in other jurisdictions in Canada.

As a matter of fact, quoting from the letter I sent to her: even in Ontario where legislation subjects any health facility that receives government funding to regulations pertaining to employee compensations, budget planning and budgetary service—of surpluses, they maintain that no legislation will be enacted to give health authorities, the government, the ability to give directions to health service providers that receive funding about the process providers use to hire senior managers.

So my question to the minister is: How is the work going consulting with the working group that she put together to—that was supposed to meet and discuss and give their perspective on the minister's unproclaimed parts of that legislation? In particular, I'd just like a quick update, if I could, when it comes to what these groups are saying to her about CEO remuneration, CEO hiring and reinvestment of surpluses and whether she feels that the positive has been—the process has been positive and whether she

feels that she is going to be proceeding in the near future on the basis of those discussions.

**Ms. Oswald:** I thank the member for that clarification.

So Bill 6, which is, of course, an amendment to the RHA act, was indeed passed last year to support the merger of the RHAs, to foster local involvement in health planning, improve fiscal accountability and transparencies within our RHAs and hospitals and, indeed, personal care homes, as the member knows.

We did hear during the committee hearings and, in fact, outside of that from a few faith-based health organizations that were concerned about a few sections of the bill. So we did make the decision at that time to listen to those individuals, to hear them further, and we amended the legislation to delay those sections, as the member has noted.

I would want to very clearly and emphatically say again that faith-based organizations have, literally, built the foundation of health care in the province. They have delivered quality care to those in need for decades, even before medicare was created, and that commitment endures to this day. And we honour that through operating facilities, donating time and resources to ensure that those patients receive quality, compassionate care. So we deeply value and respect the role that faith-based organizations play in health care.

And to that extent, in 2001 we enshrined that respect into the law to ensure that a directive an RHA may give to a health corporation must indeed respect the unique role of faith-based facilities ensuring that they can respond to the spiritual and religious needs of their residents and patients, that they can provide care in a way that's consistent with the fundamental principles of their religion or faith and that reaffirms that religious organizations can continue to own and operate their facilities, retain their identity and be governed by a board of directors appointed and elected by that religious organization. So if we weren't serious about it, Mr. Chair, indeed we wouldn't have enshrined that set of principles into law. What is proposed in Bill 6 is in no way intended to diminish the respect that we have for these organizations and the dedication that they have to providing quality care.

But it is fair to say that Manitobans also expect financial accountability and transparency. And I am glad that, while rare, there have been a few concerning situations in non-profit facilities here in

Manitoba such as Sharon Home, Middlechurch and the Bethania personal care homes.

In other provinces we've seen really egregious situations arise, like we saw in Ontario with their helicopter ambulance not to put too fine a point on it with Ornge.

We saw just yesterday, actually, the Health Minister in Alberta give the boot to the entire Alberta Health Services board because they weren't meeting the public expectations of transparency and of appropriateness, particularly in more challenging economic times.

\* (15:40)

So, specifically related to the faith-based concerns and our response: We believe that the amendments accomplish both protecting the role of faith-based organizations as stated in the '01 legislation, but that also update fiscal accountability and transparency. Bill 6 included five amendments that do directly affect non-profit and faith-based hospitals and personal care homes.

The first concerns the prohibition on rehiring executives, as the member has asked. No concerns were raised by the faith-based groups during a legislative process about the proposed prohibition on rehiring health executives within one year of their employment ending without prior approval. So this provision came into force last June. We have actually already had to use that provision to protect taxpayers, as members know, because they read the newspapers.

Secondly, the posting of hospital and personal care home CEO expenses online: While no concerns were raised by the faith-based groups in the discussions thus far, we did decide to include that in the consultation process, specifically on hospital and PCH CEO hiring processes. The proposed legislation does not say that RHAs will now hire the CEOs for faith-based organizations. Some people have suggested that, but it doesn't say that, nor are we purporting that that should happen. We propose that the RHAs should be part of the hiring process, but that faith-based organizations would continue to lead that process.

On the subject of compensation for hospital and PCH CEOs as asked by the member: The proposed legislation does not say that an RHA will decide the salary of a new CEO for a faith-based facility. Some people have suggested this. This is not the case in the legislation. Rather, it enables the RHAs to establish a

compensation policy to ensure that public funds are being used for executive salaries and that they are reasonable, responsible and consistent across the board.

Some faith-based organizations have asked for such a policy in recent years, in fact, and currently the salary for a PEO-PCH CEO could range from 70 to 80 thousand all the way to 150 and 160 thousand, and we think that there should be a bit more consistency.

Finally, on the subject of the use of surpluses and ancillary revenue, the member has asked about this. The proposed legislation does not say that faith-based health organizations have to give back any surplus that they may have at the end of the year. Rather, it will ensure more accountability with how any potential surplus of public funding is used to ensure it's consistent with its intended purpose of delivering care to patients and residents. There have been examples of facilities transferring out a surplus one year to their foundation for purposes for which we can have no accountability or knowledge and then ending up with a deficit the following year and requesting more money to cover that gap. We don't believe that this is an appropriate use of funds.

Revenue from ancillary operations such as gift shops can continue to fund foundation activities, faith-based or spiritual aspects of the health facility such as pastoral care.

The member did cite for me in his letter; he says that I misquoted him, and I would never wish to do this. In his letter he says: I urge you to remove the provision to increase bureaucratic control of the hiring process for senior managers. The member well knows that there is an investigation and review currently under way at one of our Winnipeg personal care homes directly related to this process and the lack of oversight therein. And so I would suggest to him that, when such an example is before us in the public domain that speaks to this entirely, I would suggest to him that now is not the time to call for less oversight. Certainly, we want things to be fair, but we also want to ensure that Manitobans have confidence that precious health-care dollars are indeed going to patient care.

**Mr. Wayne Ewasko (Lac du Bonnet):** I really appreciate that question from the member from Morden-Winkler.

I'd like to ask the minister a quick question on the Selkirk and District Hospital. I know that during

the—just before the election there was some photo ops and shovel diggings going on, and I'm just looking to see what the plan is, time frame. And where are we at with the Selkirk hospital?

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

Certainly, we know that increasing access to quality care close to home is a priority for us and for the families in Selkirk, and that's why we committed to build the new hospital. The new health centre is among the biggest Health capital projects in process in the province. It is going to double the size of the facility, including a 27 per cent increase in beds and a design that delivers 80 per cent private rooms, compared to only 20 per cent in the current facility, which I know that the members of the community will find very important. It's also going to house an MRI to serve the people in the surrounding area, which will be an additional MRI outside of the city of Winnipeg for our residents to use.

And, without a doubt, we share the community's desire to see the construction move under way as quickly as humanly possible to continue. I can confirm that there was a need for the Interlake-Eastern RHA to cancel the tender for the next phase of construction to ensure that there would be no question that the bidding process was fair and transparent. There was an issue with that tender. It is unprecedented to reissue tenders, but, certainly, you know, we were not delighted that this had to happen in the process. It will be reissued in the coming months, and construction will get under way just as soon as possible after that. So it is not a delay that was anticipated. We aren't happy about it, but I know that officials in the RHA and my department are working very hard to get the tender out so that things can keep moving.

**Mr. Ewasko:** What was the reason for the cancellation?

\* (15:50)

**Ms. Oswald:** Mr. Chair, I can tell the member that there were some concerns about the tender documents themselves, and in reviewing and looking at issues of fairness and transparency, it was determined that this would have to be reissued to maintain that there would be no question about that. So it was an error, I would say, in how these documents were crafted. It would appear—I'm not a legal expert or any such thing—but it was recommended that these be retendered. And, going forward, there will be a greater sense of that balance

and fairness, to ensure that that process can be transparent.

**Mr. Ewasko:** Mr. Chair, and thanks—thank the minister for that answer.

So, in regards to the piers—or the piles and the piers that have been put there already, how much money has gone into it? And then now that we're reissuing out the tender, was that the evidence of sort of the start of the construction? And what happened there, that we've got a little bit of Stonehenge happening?

**Ms. Oswald:** The tender, as I say, is being reissued. The—and it's for the next phase of the hospital. It's not—if the member's asking me, you know, are we going to have to tear those down and start all over? No, that's not the case. It is, you know, causing somewhat of a delay right now which was not anticipated, but this staged construction approach isn't uncommon, I am informed. I'm not in construction, personally.

It was the same kind of phasing used in Boundary Trails in Morden-Winkler, actually. And, you know, the bottom line is, we want to see it going back on track, but it's not like any sort of retreat is going to happen on the construction that exists to date.

**Mr. Ewasko:** I just—I thank the—thank you, Mr. Chair, and Madam Minister for the answer.

I'm just, as she knows, concerned in regards to the ER closures that are happening in the previously known North Eastman and with the Selkirk hospital not going up, it's sort of a little disheartening for the whole amalgamation of the regional health authorities.

But I'd like to move on to the Lac du Bonnet personal care home and see where—what the timeline is for that now, that we've surpassed some benchmarks.

**Ms. Oswald:** I can just inform the member that there's interviewing going on this week for the project management firm, and I can let the member know that the decision should also be happening, you know, immanently, hopefully even this or next week. The next step we'll be able—will be to advertise for the architect, as this will be done, you know, as swiftly as possible, as the new project manager can finalize those details.

The RHA and Health is—will work with the project manager and architect to develop, in

consultation with the community, of course, the design based on, also, the PCH standard design. One of the issues—not issues—one of the elements of discussion with the community was that, certainly, they want to have a voice and give advice about what happens with the personal care home, but they're quite happy with the templates and models of templates that have been built recently in other areas of Manitoba and are quite open to help move the project along by not necessarily photocopying those plans, but, certainly, looking at them very strongly to be the model that they would shoot for.

So that work is going on right now; that process is going on right now. We hope to get construction going immediately or as quickly as we can after these steps are fulfilled, and we would hope that we could see construction get going in the spring of '14. And we would want to see it get completed—to see it completed roughly two years later or less, if possible.

**Mr. Ewasko:** Thank you, Mr. Chair, and Madam Minister, for the answer.

Just back on the Selkirk hospital, just quick. Was the original tender that then was cancelled, was it ever given out? And, if it was, how much was that original tender for or allotted?

**An Honourable Member:** Yes, thank you—

**Mr. Chairperson:** Honourable minister.

\* (16:00)

**Ms. Oswald:** Oh, thank you very much, Mr. Chair. Sorry I jumped the gun there. I'm very excited and exuberant about answering these questions. I know you've noticed.

As I was saying, I can confirm for the member that, indeed, the original—the original tender did have bidders, and it was issued. I'm sure the member would understand that I can't tell him the amount because, of course, that—there's a retender going on and that might compromise our ability and the process in and of itself, and what we're going for here is absolute fairness.

But I can let the member know that bidders on the original tender have filed a statement of claim against the region which is being reviewed by the court, and certainly that process is duly available to these individuals and we respect that. Our focus, of course, is ensuring that the reissue happens as swiftly as possible and is done with the level of transparency and fairness that, frankly, we wished had been there in the first place. But we're going as fast as we can.

**Mr. Friesen:** The minister answered some questions just now about the Lac du Bonnet PCH, and I want to just take this opportunity and also ask if the minister could indicate, after considerable delays on the Tabor Home in Morden and after a year in which the working committee back in the community reported almost next to no progress and almost next to no forward motion, can the minister give assurances at this point in time that indeed progress is being made and that she has confidence that the PCH will go to tender, it will enter into construction phase and be completed consistent with the new targets that she has set and indicated in a December 2012 press release?

**Ms. Oswald:** Yes, I can confirm for the member that the timeline should indeed still be the same, construction starting in spring of 2014 and certainly taking roughly about two years. We anticipate a little less than that. That's our hope. But, yes.

**Mr. Friesen:** I would also ask the minister if she could give a little clarification to an issue that has arisen with respect to that PCH. More recently, the minister has suggested that there might be a new component for the Tabor Home, one that the committee was not aware of initially, and as they proceeded with this project they were not made aware. But, more recently, now, the minister has indicated that there could be another component, as many as 20 beds that could be seconded for the purpose of a behaviour treatment unit.

And I wonder if the minister would clarify for us today, just so we understand. I don't think there'd be any resistance at all; as a matter of fact, we all know—I know the minister is aware, as well, because the research bears it out and practice bears it out in PCHs that more and more it's incumbent on personal care homes, both directly funded and the ones delivering services, to have very, very good practices in place to be able to deal with residents who might pose issues, pose hazards. There can be violence in personal care homes that can cause risk to other clients and also to workers in the system.

I wonder if the minister would then just clarify today the behaviour treatment unit component of Tabor Home. Does she see that as being a component that would serve the local community, because I have every confidence that there would be, you know, enough individuals, clients receiving care, who would fall into that capacity—that category so that the community could simply deliver services to the community? Or does she see something different

in mind? Is she talking about a model whereby this behaviour unit might have more provincial scope and we'd actually end up with a community personal care home that's doing a lot of fundraising on their own, delivering something that would fall under a provincial mandate?

**Ms. Oswald:** I do thank the member for the question. It certainly does capture a really important issue concerning the new construction of our personal care homes. All new constructions of personal care homes are indeed going to include—probably not the perfect term for it, but for the sake of expediency I'll say a behavioural unit, and this will be standard as we go forward. And I think the member was quite accurate in acknowledging that in his large and growing community that the needs for individuals with—that become more complex in a personal care home environment will, regrettably, be there from members of his own community. And so I don't think the member needs to have any deep-seated fears that there will be people flown from all over Manitoba to function in this one behavioural unit. We will ensure that individuals that are choosing the Morden-Winkler—the Tabor Home as their first choice, and indeed do fall into the category of someone for whom that kind of unit might be most appropriate, will be placed in those beds.

I think the member himself, and forgive me if I'm putting words in your mouth, but, certainly, members of his caucus have, you know, stated very passionately how important it is to the citizens that they represent, to their families, to wherever possible have access to personal care home beds that are close to home. And so this would be no different for the loved ones of persons that would need the services of—and more complex care that would be provided in a behavioural unit. So it would not be likely, I would say, that somebody from The Pas would make, as their first request, the Tabor Home, and because they had behavioural issues they would be shipped to Tabor Home. That's not the intent of this construction.

I think what the member will find, because of the fact that our residents in personal care homes have really changed over the last 30, 40 years—once upon a time you would see routinely what we might call level 1 and level 2 patients residing. There was a time when individuals had parking spots—*[interjection]* Exactly. And those days are long gone. The individuals that are residing in personal care homes now have much greater medical needs, and I

believe that if the community is anxious about this concept that the member has raised, I hope that he can return to the community and I will ensure that my officials that are working with his community provide a level of comfort that it is not anticipated that these beds are going to be given to individuals that, you know, don't come from the surrounding area.

Now, I would put a caveat on that in that if we have a senior who's, let's say, in Winnipeg right now, is a parent of children that might be living in Morden-Winkler, and they have not come from the community, but that becomes the No. 1 choice for that family, I certainly do foresee that happening. But I think that it would be well within the level of comfort of the community, because I agree with him in that his community does an excellent job in fundraising and in caring for their senior citizens, and we want this kind of availability of behavioural beds to be a plus for the community, not to be a detractor.

**Mr. Friesen:** I thank the minister for those assurances, and I want to assure her that the community had not expressed any kind of tremendous, I should say, shock or surprise, but they were looking for some clarification around that model because, as the minister understands, too, in some respect we're talking about semantics or terminologies here. I welcome her assurances that going forward all personal care homes will have some kind of an allocation of space to a behaviour treatment unit, which differs from a few personal care homes that have developed expertise and staff training and secure units. And they deliver something that I think is—we define too closely in terminologies and sometimes it's referred to as a behaviour treatment unit, but sometimes it's referred to as something that would go beyond that, and I think part of that is just understanding the terminologies.

\*(16:10)

I believe that Holy Family was one of the original groups that pioneered the pilot project for that kind of closed, sequestered unit with special staff training. And, of course, Salem Home in my own constituency was another that went back, oh, I think it could have been 20 years in the first pilot study, and then, of course, kept on going and delivering those services. I can tell the minister I've had a chance to tour that facility and see just the excellent work that they do and the expertise that

they've gained with respect to that area of specific care to that specific group of clients who would fall into that more high-risk or high-need area.

Because the minister went there, I thought we'd just take a minute and then just talk about the amount of seniors who are—find themselves in the position where they are panelled and they are awaiting placement either, you know, sometimes in hospital and sometimes in community. I wonder if the minister could indicate at this point in time how many—I know we only have statistics available online for the WRHA. You know, I know, and the minister knows, as well, that we request information for the other areas of Manitoba, but can she indicate right now how many seniors are currently waiting in the WRHA to be placed in a personal care home and how that number would compare to, let's say, a year ago?

**Ms. Oswald:** May I just ask the member for clarification? Did you say the WRHA in your question?

**Mr. Friesen:** Yes. I asked for the WRHA because I know that's what is readily available and that is what is publicly reported on on the website.

**Ms. Oswald:** I can inform the member that for 11—in '11-12 there were 98 individuals in hospital awaiting a PCH bed and in community, 382. And as of June the 4th, I can inform the member—that's the swiftest data that I could get, which I'm hoping he will appreciate me not taking longer than necessary—the number for hospital is 66 and in community, 354.

**Mr. Friesen:** I thank the minister for the information. I know that I had a chance to share with her—I believe it was during the course of a resolution that we debated a few weeks ago; sometimes, it all tends to blend together—but I know that we had the opportunity to talk about personal care home wait times. And, at that time, I used the time allotted to me to bring to the minister's attention a situation—I won't talk specifics now, but I want to let her know that I know she's aware, as well, that we continue to have in Manitoba such a high number of seniors who have lived and worked and raised their family in a community and then, in the very last hours of their lives, sometimes the last weeks or months, they find themselves in a place where they're panelled; they're awaiting placement and they're sent out of community to an alternate facility, and sometimes that's a one-way trip. And all too often it's a one-way trip.

As a matter of fact, during that resolution a few weeks ago, I shared a specific example of one family who experienced that. I think in a very important sense it represents an issue of accessibility. The minister talks about the importance of delivering services to Manitobans in health care where they live, and I can't tell you the tremendous hardship that families endure in those last months when a husband and wife are separated, when the travel time is too great for one to get there, when the spouse doesn't have transportation services to be able to go and see that person.

I know the minister understands because I've read back in Hansard a number of years, and there's been some good exchanges about what happens when a person is taken out of their area of familiarity. This might be someone who's actually experiencing some degree of dementia or Alzheimer's. And they go to an unfamiliar surrounding and then, all too often, there's a course of treatment that includes psychotropic drugs, and because the individual might be acting out or might be acting aggressive and the staff might not know how to deal with an individual, it's just tragedy after tragedy.

And I'm wondering, in lieu of the fact that the most recent report that came out just this week, I believe it was the awaiting—oh, sorry, the Wait Time Alliance of Canada that made some general remarks about directions they would like to see ministers of Health go in, and they particularly dealt with the issue of awaiting placement unit. They talked about exactly this issue of individuals who are panelled awaiting placement, who then occupy an acute-care bed at hospital for a cost of, and I'll ballpark here; I'll offer a ballpark figure and say that cost might be anywhere from a thousand dollars to \$1,500 a bed when they could be much more appropriately cared for in a different environment.

And I know that in some other areas of Canada, in some areas of the United States and other G8 countries, G12 countries, there's been a lot of effort undertaken to establish almost like an intermediary step to allow seniors to receive appropriate care but to do so more close to home.

I guess I'm wondering from the minister, I think that the issue of, or the solution of, sending seniors to a placement 50 or 60 kilometres down the road was supposed to be a stopgap measure, and it has very quickly grown to be entrenched in our system.

I guess I ask her: What's the next step and how do we get out of this situation and how do we speed up the process whereby an individual can actually spend that last part of their life in a PCH close to home?

**Ms. Oswald:** Yes, and I thank the member for the question. You know, the nature of our jobs, I think, is such that we go to war with each other at 1:30 every day and we thrust and parry and do all of those things, but there are times, I think, where partisan politics don't really have a huge role.

I absolutely believe the member and his level of sincerity and compassion for the seniors in his community and elsewhere in Manitoba and wanting to advocate for them, to have the kind of place that they need and the kind of place that they want, easily accessible. And we share this view, and I—if it hasn't already happened and there's anything that can be done specifically for a family that may be currently in some circumstances, I hope the member knows that if he can send me information, we'll do our very best to try to help.

\* (16:20)

But, more broadly, I would say that the next step for us, as asked by the member, is to build. That's what I believe we need to do. And it sounds simple, I'm sure, to the point of facile for members opposite, but in actual fact there are decisions being made in jurisdictions across Canada right now by ministers of Health of all political stripes, actually, to just cease and desist in capital expenditure and building, particularly for seniors.

There are lots of marvellous, well-meaning bureaucrats that will say that, as a nation, we are over-bedded for personal care home beds, but when I read a list to you that is not tens but hundreds of people that are awaiting placement, I have a hard time believing we're over-bedded. It's not that complicated to me, and it's why we commissioned the report from the Manitoba Centre for Health Policy—really, there's report No. 1 and report No. 2—to test some of these assumptions and to test some of this arithmetic analysis that was going on, and it did, indeed, come back and say, well, actually you need more personal care home beds. And I would argue that if the nationally renowned Manitoba Centre for Health Policy went to any other jurisdiction in Manitoba and did the same kind of study, that's what they would be telling those ministers too. And I think those ministers should be asking that question and

not making declarations that we're not going to build anymore.

Now, why I think these ministers are making these decisions is because, quite rightly, they want to really make investments and augment home care and find new and supportive ways to provide care for people who, ultimately, really want to stay in their homes in which they lived for 60, 70 years. I don't disagree with that, and that is certainly part of our plan, is to augment home care and to also look at what kinds of innovations like the hospital home team that we tested and saw great success, not only in terms of the data—you know, significant drop in trips to the emergency room, significant drops in injury, significant drops in illness—but emotionally, for those families, that thing that is impossible to measure. But I would argue even more powerful the results of that pilot are great. And so we want to work to expand home care, to expand the hospital home team, to provide supportive housing environments. But where those interventions cannot provide the kind of care, perhaps, for the individuals that the member and I were just discussing, we need to ensure that we have that support that's available.

I also know that in some other provinces there is a policy in place that you absolutely must take—you have to take the first PCH bed that becomes available within a hundred kilometers of your home. Those policies exist. There isn't choice, there's isn't preference. And that hasn't been the process that we have taken in Manitoba. Now, what results from that are exactly what the Wait Time Alliance has shown, and that is that those patients that need alternate levels of care can wait in a hospital and perhaps take up a bed where a knee-replacement patient could be going.

So there are trade-offs, to be sure. But I believe that as we go forward and take the advice of the Manitoba Centre for Health Policy, of our regional health authorities, and make good on our commitment—our \$200-million commitment to build more personal care home beds in the areas where we need the most and augment home care and keep developing supportive housing. I think when the member asked me the question, what are the next steps? I think it's a multipronged approach, but it most definitely involves building.

**Mr. Friesen:** I want to turn our attention at this point to the interchangeability formulary for Manitoba and ask some questions as the new critic for Health, whose issues relating to the formulary are complex,

and I have endeavoured to try to understand better some of the challenges facing Manitoba when it comes to drug costs. And, in the background study that I conducted, I had some questions I was hoping to bring forward, and I'm pleased to see the assistant deputy minister here who's responsible for this area who can assist us in getting to some of these answers.

In particular, what I want to do first is—because we know that in Canada drugs are approved for use, but then in the provinces they are approved for use inside that province, I've been going back to examine the bulletins that are published for Manitoba and compare them to bulletins published in other jurisdictions. And what I notice, and what I think has been the subject of discussion in the past, is that we seem to lag in Manitoba, or we evidently lag in Manitoba, when it comes to actually publishing bulletins that essentially allow drugs to be used in Manitoba—both new brand-name drugs that will bring treatment for specific conditions and also to— for generic drugs that will allow the system to save money because that generic will usually result in considerable savings, sometimes as much as 80 per cent savings or 85 per cent savings. So if I'm looking—I did a printout just a couple of weeks ago of the website page where Manitoba prints the bulletins. So, in the bulletin archive, I wonder if I could invite the minister to comment on the fact that for the year—for instance, for the year 2011, there is only one bulletin published to the interchangeable formulary. In the same year, if I look even at Saskatchewan—

**Mr. Chairperson:** Order. Order, please.

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

If the bell continues past 5 p.m., the section will be considered to have risen for the day.

## FINANCE

\* (15:00)

**Mr. Chairperson (Rob Altemeyer):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the ever exciting Estimates for the Department of Finance. As previously agreed, questioning for this department will proceed in a global manner, and the floor is open for questions.

**Mrs. Myrna Driedger (Charleswood):** I just have a couple of short little questions to start with. Can the minister tell us whether funerals are now subjected to PST?

**Hon. Stan Struthers (Minister of Finance):** PST's not applied to funerals.

**Mrs. Driedger:** Can the minister also indicate, in relationship to the vote tax, is it going to be money that has to be borrowed by his government in order to pay themselves that vote tax?

**Mr. Struthers:** Well, first, I think we can look high and low throughout the budget. You won't find anything called the vote tax. I mean, if the member's got a cute little name for something that's real, then I'm sure we can probably find that somewhere in the budget. But, to my knowledge, there's no such thing as a quote, vote tax, Mr. Speaker.

The—what I believe the member is talking about is public financing, which is something that we have committed to. We're quite proud to be the government that a number of years ago did away with corporate and union donations. We made a whole number of improvements to the electoral process back at that time.

I remember one of the very important changes we made to make things way more democratic was that, after the '99 election and some of the experiences of a number of MLAs, we made it so that the Chief Electoral Officer would interview people interested in becoming returning officers in each of the constituencies. And instead of having the premier of the day appoint returning officers, that was left to the—to Elections Manitoba. And they conducted interviews and had a set of criteria that were followed, which I think really, really made a big step forward in helping to preserve democracy in Manitoba.

I know I dealt with, in 1999, a Tory-appointed, Filmon-appointed returning officer who tried to make the case that I didn't live in Dauphin and left me a message on my home answering machine in Dauphin to tell me that I wouldn't be able to vote in the election that was coming up in 1999. Those kinds of shenanigans undermine the people's confidence in Manitoba democracy. We moved to make sure that those kinds of things wouldn't happen in the future. Public financing fits into that category. We think it would be wrong for people in Manitoba who have the thickest wallets to be able to have the most say in who governs in our province.

So the public financing, which we've made provisions for through the budget implementation tax statutes act, BITSA, I think, goes a long way in ensuring that everyday Manitobans have, you know, access to democratic institutions, have their rights, democratic rights, protected and, certainly, the public financing plays a huge role in that. That public financing will be provided to political parties through the Legislative Assembly portion of the budget, in answer to the member's question.

**Mrs. Driedger:** Can the minister indicate why he picked July 1st as the date to increase the PST? I know the retailers have indicated that it is a very, very awkward time for them to be bringing it in, on a holiday when there isn't a lot of people around, when there could be glitches and there's nobody to turn to. It seems like a, you know, a real hardship for retailers that are out there. So can he give us his indication of why they decided to implement this on a holiday day, particularly July 1st?

**Mr. Struthers:** Would the member have preferred June 1st, then? I'm just wondering.

**Mrs. Driedger:** I don't know why the minister would want to be stonewalling this particular question. It's a fair question that comes from thousands of retailers here in Manitoba: What was the reasoning for it?

I don't see the need for him to be cheeky and obstinate about this. It's a fair question.

**Mr. Struthers:** I understand it was a fair question, and that's why I asked it.

Mr. Chairperson, July 1st, we chose because we believed that, since we brought the budget in, in April, that would still give retailers ample time to make the adjustments that they needed to make to plan for this. As is there with any tax change, there will need to be changes that will take place. We believed July 1st was a reasonable amount of time. It was a reasonable date.

We also, as the member knows, have people in our Finance Department, the Taxation Division, who work very closely with retailers and others whenever we bring a tax forward, whenever we make changes to taxes. Just as occurred when she was in government, Mr. Chairperson, the tax divisions put bulletins out to help in the transition from prechange to postchange, whatever that change may be when it comes to taxation.

So, we've—we believe that July 1st is a reasonable time period. It's enough and sufficient

time to allow retailers to adjust. We've put online the transitional rules that are very clear, that help in order to—for retailers to be successful with this. We've, I believe, taken all the steps that are necessary to make sure that there isn't confusion, come July 1st.

We have folks in the Taxation Division who work very hard to make sure that that happens and that it's done as smoothly as we can in transition. That always happens whenever this government or any other government makes tax changes. And tax changes occur on a regular basis, so there is a very definite process that's in place that we have been committed to follow. And those rules have been in place for decades, but they've—they were also made very clear on April 16th when we brought forward the budget. And they've been online and there for retailers and others to take a look at.

And, of course, if there are any questions, they can get a hold of people in the Taxation Division, either online or they can get a hold of people in Taxation Division by picking up the phone and speaking with us on that.

So we think July 1st is a reasonable time frame, and of—and a very doable time frame.

**Mrs. Driedger:** The retail association had sent a letter to the minister prior to the budget, indicating that if the government was thinking about bringing in a PST hike, that they would urge the government not to do it, that it was going to have a negative effect on businesses in Manitoba.

They also pointed out that Manitoba retail sales in 2012 were down 4.3 per cent from 2011, and it's the weakest it's been in three years. So they were indicating that, you know, we've reached a three-year low in the retail sales growth. People weren't spending money. They wrote a letter to the Finance Minister indicating that this would not be a good thing for businesses, for retailers or for people, you know, in the job-creating businesses.

Can he tell us why he didn't have any consultation with retailers prior to making the decision to increase the PST and why he didn't listen to them when they were indicating that this is going to hurt businesses? And why isn't he listening to his own third quarter financial report that shows retail sales have been getting weaker in the last three years? Like, were there not enough warning signs there to show him that what he's doing is going to hurt this province?

\* (15:10)

**Mr. Struthers:** Well, first of all, I want to say that any time Lanny McInnes wants to sit and chat with me about these, I do have a lot of time for Lanny. We have spoken, whether that be in my role as Finance Minister or in other roles that I've had over the years. Mr. McInnes is—he's not a wallflower; he's not shy, he—and I appreciate him being straightforward and upfront about impacts that decisions of government may or may not have on his members.

I will point out, however, that in 2012, the retail sales in Manitoba rose by 1.6 per cent. Retail sales the year before had risen by 4.5 per cent. We've been experiencing growth in retail sales in Manitoba. We've been experiencing growth in retail sales across Canada.

I think that is because—the Manitoba numbers at least—a strength in retail sales is, I think, an indication that, not just government, but—not just public sector, but private sector decision making has been solid. I think it's a reflection of our very diverse economy.

I think that Manitobans feel good about living in Manitoba. They feel good about the economic advantages that Manitoba families have in comparison to other jurisdictions across the country. When a Manitoba family can count on a guarantee, through legislation, that their hydro, Autopac and home heating bills are going to be the lowest in the country, and then we show through an independent third body that—third party that that is actually what has happened, I think that that puts a lot of confidence in the—in Manitoba families, to continue to invest and to continue to spend some of their hard-earned earnings here in our province.

I do always talk—when I talk about the amount of money that Manitoba families are spending, I also always talk about the level of debt that Manitoba families incur. That is not something we should forget about. And when you look at the Manitoba experience compared to other provinces, and, indeed, the Canadian experience, the debt load that Manitobans carry is probably the best in the country. We are very competitive when it comes to that against any other jurisdiction.

And I think, again, that's because we have the best in terms of hydro rates, we have the best in terms of Autopac rates, we have the best in terms of home heating. We have tuition costs that are

competitive with anybody. And, Mr. Chairperson, we have that advantage, that Manitoba families know and understand.

Now, I will say this is a discussion that takes place, you know, with Manitoba being part of a bigger economic picture, a global economic picture. That global economic picture isn't as bright and rosy as it once was, and it isn't as bright as—and rosy as either the Canadian or the Manitoba experience. So, when you see what's happening in Europe these days, when you see what's—the very sluggish recovery in the US, who is our biggest trading partner, when you see even hot markets like China and others cooling off that has implications for the—for Canada and that has implications for Manitoba. It has implications for the private sector and the public sector. And we all need to be making good, sound decisions based on that.

The other thing that I think we should very much understand is that key decisions made by government have implications for our general economy. You know, the Conference Board of Canada just recently came out and said we are going to have fourth-strongest performance in terms of our own economy when you stack us up against other provinces. That's still pretty good.

**An Honourable Member:** So why raise the PST?

**Mr. Struthers:** Well, the member opposite is on this kick of, you know, that on the one hand she keeps saying how bad things are and how doom and gloom everything is in Manitoba, and then she says, oh, things are really doing really good so you don't have to bump up the PST. The PST, I will remind her, is being taken on, the one cent on the dollar increase is being undertaken, because we do have the challenges of infrastructure. We have a report that says over a billion dollars needs to be spent on flood proofing and flood mitigation. We're not going to ignore that report. We have a federal government, and this is very key to ensuring our economy remains strong and grows and is stimulated, that to its credit, the federal government, in its budget this past spring came forward with its 10-year Building Canada plan, which we are participating in. We will be right there with the federal government, because we think the federal government is correct in moving forward with that. As I said last time, there's no tree at the back with money growing out of it. We—if we're going to participate in an infrastructure program, we need to find the money or we can't participate in that program. So we're moving forward with that. We're

putting it place—in place the necessary tools so that we can obtain the money to invest in roads and hospitals and schools and daycares, the things that Manitoba families depend on.

Now, the point of all that in terms of this question is to say that that commitment from both us in the public sector and private sector partners instills confidence in Manitobans, in Manitoba families. If we're not growing our economy, then, of course, Manitobans aren't going to go out and invest in our province. They're not going to go out and buy the things necessary. They're going to look to scale back. If they don't think we're confidently moving forward with our provincial economy, Manitoba families won't move confidently forward either, Mr. Chairperson.

So our strategy is to keep investing in those things that are important to Manitoba families, make sure that those long-term needs are met, and make sure that we make decisions that expand and grow our economy so that that then provides us with not just the services Manitoba families depend on, and—but higher levels of employment so that people can then turn and go back to the same people that Lanny McInnes represents that they're—with retailers here in Manitoba, so that those folks have in their bank accounts the money that they can use to purchase goods and services in Manitoba.

I was very interested to see some of the discussions taking place with our Prime Minister over in Britain and some of the talk that has come out of that in terms of how far Britain has gone in cutting back to the point where many economists are pointing to decisions made by that government that slows the growth of the economy. That's not good. That's not what we want to do. We're projecting strong growth for next year, and we're projecting strong growth in—on the retail sales side. And I want to assure members and members opposite and members of the retailers in Manitoba that we're committed to growing that economy so that those numbers remain strong.

\* (15:20)

**Mrs. Driedger:** I really liked sitting in Estimates when Eric Stefanson was the Finance Minister. He actually was very forthright in answering questions. He didn't stonewall. He didn't do the Durban two-step. He actually—and I admired that, I really did. The longer the NDP seem to be in government, the worse their answers are becoming in stonewalling here at Estimates. And that's really too bad because

this is a process that is there for, you know, the public to, you know, have an opportunity to see a government that is supposedly working for the people. But it's becoming more and more obvious the longer a government is in office the worse the accountability and transparency becomes, and we've really seen it.

I am disappointed in this Finance Minister. I never thought he would become like this. I really didn't. Maybe because we are from the same area of Manitoba, this sorely disappoints me.

But I have to ask my questions. I'll keep asking them. I know I'm not going to get any answers, but I'm going to do my job anyway and ask him: Was an economic impact assessment done prior to the decision to raise the PST? If that had been done, I understand that it might've looked at what impact the PST is going to have on consumers, businesses, retailers and other sectors that are out there that are going to be impacted by this tax grab. So was there an economic impact assessment done?

**Mr. Struthers:** Let us start with an area that we agree on, because I sat in the House at the same time as Eric Stefanson, and when Mr. Stefanson was the Finance Minister—and I do say I enjoyed listening to many of his answers, whether they be in Estimates or right in question period. I thought Eric was very deft at—you know, we would come up with a question that we thought was very pertinent and very pointed and very specific, and Eric would stand up, and I've never seen a minister talk so fast to get so many points in to a 45-second answer as what Eric Stefanson used to do, and he was quite effective at it. He got going just rattling off one positive stat after another, one example after another of this business moving into the province or that corporation moving into the province.

One time I really got a kick out of Eric Stefanson was when he accidentally voted against the privatization of the Manitoba Telephone System in committee. And, you know, it was obvious that we'd been there for quite a while and I think maybe Eric wasn't quite paying attention, but he almost blew it on that one. But there was some laughs around the table and Eric then made sure he voted in favour of privatizing MTS and selling it off. We know the whole story about that.

My assumption has been that Mr. Stefanson would've done an economic impact assessment on, you know, before the decisions that that government undertook. I would've—I assumed that they knew the

impact of the decision to sell MTS right from the beginning. I give him the credit for that. I thought Eric Stefanson was an honest, decent guy who would do that.

And the—and, of course, it's—that part of the equation hasn't changed. We take very seriously understanding the impact of decisions that we take, whether that be at the Premier (Mr. Selinger) and ministers at the Cabinet level or whether that be this minister and staff in Finance. Before we actually move forward with the decision, we make sure that we understand what those implications are.

This year, as in other years, we put forward budget paper A, economic review and outlook. This is available for people to take a look at. It moves through a number of different areas that talks about economic outlook. It takes into consideration a whole number of indicators that set the stage for decisions that we take. I want to assure the member for Charleswood (Mrs. Driedger) that before we take decisions, not only do I understand what's in this review, but I make sure that others in government understand it as well. I mean, our Premier for 10 years was Finance Minister, who was involved with these very kind of reviews, understands this completely and thoroughly.

So we—of course, we start by looking at the international and Canadian economic developments. We need to know what that stage is, and I think I've tried to set that stage here in Estimates with the member for Charleswood. We know what's going on around the world and how that impacts Manitobans, both families and the provincial government in terms of budgeting. We take a good look at the Manitoba economy, and as always, it's kind of a two-part, two-step kind of a review. We need to know what that is out there now, what those economic facts are, what our strengths are, what our weaknesses are, what our advantages are over other jurisdictions.

And then the second part of that is not just knowing where you're at, but trying to forecast where you're going to be over the next budgetary year, over the next number of years. We try to understand where we're going to be over the—a longer time horizon. We also make sure we understand that there are different implications for decisions, whether you talk about Manitoba's north, which is a different economy than rural Manitoba, which is different from, say, the Capital Region and city of Winnipeg.

The member opposite mentions that we're from the same part of the country and that I like to do the

Durban two-step. Well, the—that part of the country has special requirements, has special needs, and that may be different than that in the north. So we—it's not good enough just to know how it's going to—the decision is going to impact across the province, we need to understand how that impacts the different regions here in Manitoba.

So we—the two appendixes that go along with the economic review and outlook, one deals specifically with the north, the other one deals with growing rural Manitoba, investing in sustainable growth opportunities, because, essentially, I mean, I'm a rural Manitoba guy. I've lived there the bulk of my life. I want rural Manitoba to succeed. I want us to organize ourselves in such a way that we have that opportunity to be successful, and I want to be making decisions—good, fundamental decisions that help rural Manitoba.

I'll just give a quick example of that. When we 'becay'—we came into office, there were three different rates for hydro in Manitoba. You paid a lot in the north, you paid almost as much in rural Manitoba, and you paid the least in the city of Winnipeg. That was a situation that was thought to be okay by the previous government, because they didn't lift a finger to change it, we did. We believed that for the benefit of rural Manitoba and the benefit of the north, we should equalize rates. We should take advantage of our strong hydro advantage in comparison to other jurisdictions. We then moved to make sure that those rates were equalized, that they were—that we took advantage of that and that it was fair for rural and northern Manitobans, so we did that.

\*(15:30)

The last thing I would want to talk about is not just the economic impact assessment of the tax or a measure you're going to take on, we also need to know what's the economic impact of investing in infrastructure, because as we've talked about throughout this whole Estimates, is that the cent-on-the-dollar increase is going directly into infrastructure, and that infrastructure has a positive economic impact on what happens in our province: grows our economy, puts people to work, keeps our retailers in a positive position. And that's been the strategy that we've employed.

So, yes, we do make every attempt to understand economic impacts, and we do put some work into reviewing and assessing the economic impact of what we do.

**Mrs. Driedger:** The minister almost put me to sleep there. Durban two-step.

Can the minister tell us: What percentage of Manitoba's budget comes from federal transfer payments?

**Mr. Struthers:** Well, I'll—I'm trying not to cause the member for Charleswood to doze off in the middle of something as important as Finance Estimates. I—and maybe she's more interested in equalization and health—Canada Health transfers and Canada social transfers and all the transfers that are involved that every province in the country receives, that every province in the country contributes to, including Manitoba. We do receive transfers to us. We do pay into the overall pot of money that every other province receives from as well.

In 2011-2012, we received 31 per cent of our total amount, our total budget revenue from the federal government. Of that—sorry, that was 2011-2012, 31 per cent. This year, that will have gone from 31 per cent down to 28 per cent. In terms of major transfers, equalization, CHT, CST, it's about 24 per cent. And equalization on its own is 13 and a half per cent. So that's the total of what—of the revenue that we pull in.

Next year, 2013-14, we're projected to decrease again from 28 per cent down to 27 per cent; 23 per cent of that will be major transfers, equalization, CHT, CST, and we will fall in equalization down to 12.7 per cent. She will notice in each of those categories we are declining. The culprit in this, quite clearly, is the federal government backing away from its commitment to health care. It's the drop in the—in year-over-year, the amount of money, the percentage of money that the federal government contributes to our health care.

We have very firmly stated our case to the federal government. We believe that it's unacceptable that they have gone over a period of time from funding 50 per cent of health care in each of the provinces down to around 20 per cent, and it's projected over the next—between now and 2017 to reduce further to the 10 or 11 per cent number—10 or 11 per cent figure.

So we think that the federal government has a responsibility to work with the provinces in terms of health care. We believe that Manitobans want them to, and that we will continue to press our case with the federal government.

As I said earlier, every province in the country contributes into the pot of money that is then redistributed out to every province. One of the misconceptions is of, you know, a province like Alberta doesn't receive this. Well, they do. They were actually, a year and a half ago, quite a big winner when it came to a change to per capita decisions from the federal government, where Alberta, at the expense of other provinces, made huge gains in terms of helping them with their health-care costs in the province of Alberta. So it's—it sometimes runs counter to what people think, but Alberta does receive money through the—from the federal government in terms of total transfers. So do we; so does every other province.

As a matter of fact, when you look at the money that goes to other provinces, 14 per cent or so is the amount of money that represents the revenue that Alberta—Alberta's budget is 14 per cent dependent on that revenue coming from Ottawa. Prince Edward Island is at the other end of that spectrum, at the high end, at about 40—I believe it's about 43 per cent, in that area. So, obviously, PEI is in a different position than Alberta. We're right in the middle. When you look at this year's number being 28 per cent, we're right in the middle of the spectrum.

We—of course, the other part of this that has been—produced a negative result is that Ontario now receives equalization. They've been added to the list of provinces that receive that equalization. And what the federal government did—unlike on the per capita side which really benefited Alberta in terms of health transfers where there's no cap—the federal government moved to cap equalization and then moved Ontario into that, into that fund with the cap on it now, and Ontario is actually the biggest receiver of equalization. So that, then, because the cap's in place, takes money away from provinces like Manitoba and Prince Edward Island and New Brunswick, Québec. So now that contributes to a falling amount of support from the federal government.

I—it's my contention that every province is working to make sure that we grow our economies so that a bigger percentage of what—of the revenue that we gain is found from own source. Every province, I think, irrespective of political stripe, is working towards that, and I believe, down deep, that the federal government will work with us to achieve that. But I also believe, as do most of the ministers when I get together with them at federal-provincial-territorial meetings, they also

believe that the federal government has a responsibility, a long-standing Canadian federation responsibility, to be committed to major transfers, total transfers, equalization, CHT, CST, all of those transfers that help provinces to be able to offer services, services that are acceptable at a comparable level of taxation. Where I don't think we want to head is in a direction where some provinces, because they are fortunate enough to sit on a pile of oil and gas, can have better services than a province that doesn't happen to be situated on a pile of oil and gas.

\* (15:40)

Manitoba's economy is different than that. New Brunswick's economy is different than that. PEI's economy is different than that. We're diverse. We have strengths in that, but that shouldn't work against us when it comes to offering comparable levels of service for comparable levels of taxation. This is an important fundamental part of being Canadian. It's an important and fundamental aspect of governing in Canada, and our government's intention is to make sure that the federal government doesn't continue to walk away from their responsibilities in this matter.

**Mrs. Driedger:** I'm sorry to see the minister wasting so much of the people's time here, stonewalling with some of this instead of just providing some straight direct answers.

I will ask him a very straight question: How much money is there right now in the fiscal stabilization account?

**Mr. Struthers:** Well, I'm sorry she feels that way about, you know, what she calls, so-called stonewalling.

My intention is to give complete, thorough answers, which I believe I've been doing. I believe that's the best way to have a decent discussion about the very important matters that we deal with here in Finance's Estimates. I'll continue, for every question that's asked, to be thorough and to be complete and to ensure that the member opposite has as complete a story as I can possibly provide. It's up to her what she does with that. And I've seen the outcome of some of the things we've talked about here and the misconceptions that she then takes on from this table. But I can control my answers and I will control my answers to the point that they can be helpful for the member for Charleswood.

Her question about the fiscal stabilization account, I would refer her to supplementary financial information, as part of Budget 2013, page B1.

There's a complete accounting there for 2012-13 year and the 2013-14 year.

In 2012-13, we had forecast the total account balance at the beginning of the year of \$527 million. She can see that we took \$140 million and applied that to debt repayment, which I think is a proper thing to do.

It makes sense, I think, to Manitobans if you—who have mortgages—to understand that if you have some money and you can apply that to your mortgage and bring your costs down that way, then that's a very good policy. That's what we were doing. That's what we have been doing. You can see we've done that as of the 2012-13 year. That brings the balance down—some other small things that we did—but it bring the balance down to \$375 million.

In Budget 2013-14, then, we start with that same balance of \$375 million. We have a \$100-million debt repayment that we planned to make. Again, I think good, sound fiscal decision making to bring down those costs.

I do not want debt-servicing costs to increase and have that money come out of our economy, money that could be going to hospitals and schools and daycares and roads, going off somewhere outside of the province. I think members opposite understand that. I think they would agree with that.

So we're going to continue to make these debt repayments. That would bring the balance, at the end of the '13-14 budget year, to approximately \$275 million.

**Mrs. Driedger:** That level is far short of the \$630 million which should be there, as suggested by the 5 per cent of core government operational spending that is recommended to be in that account, and that is, certainly, far lower than what the recommended amount is.

So what is Manitoba, then, going to be doing for emergencies, like floods and fires, when we don't seem to have a good amount in that fund?

**Mr. Struthers:** Well, let's start with—first of all, we work to try to hit the targets that the member opposite has talked about. She should know that, in 1999, the last year of her government, \$265 million was in the fiscal stabilization account. If she's worried about the 5 per cent, then she should have been worried about it back in 1999 as well, when her own government fell short of the same target that she talks about today.

We are, right now, well above the \$265-million number. At the end of this year, we'll still be above that \$265-million number. You know, this is a story that I think Manitobans could well understand and could well agree with, and would expect nothing less in a government who managed their resources in a fiscally responsible way, like we have for 14 years.

\* (15:50)

For 10 years in a row, we managed the books in such a way that we could put into the 'fiscalizay'—fiscal stabilization account funds when there were surpluses available to do that.

It wasn't that we went out and spent those surpluses. It wasn't that we did any of the things that some members opposite accuse us of doing. We took surpluses in each of those 10 years and we put them into the fiscal stabilization fund and we built up that amount knowing full well that someday we could end up with an economic downturn that would cause us then to not be running surpluses and to have some money to draw upon to do the things that we need to do, to pay down debt or to invest in infrastructure, invest in hospitals and schools and roads and bridges, and daycares and parks and all of the things that we've been talking about.

The—you know, when members opposite were in government, it was referred to as a rainy day fund. I think if I remember correctly, they sold the telephone system to set up the rainy day fund. That's not what we're doing. When we had our opportunity, we put surpluses into this rainy day fund so that we could use it someday when it actually started to rain. So, in 2008–2008, 2009, we all understand what happened to the global economy—it turned downward. In other words, it started to rain, and you had governments like ours and other governments across the country, including the federal government, that were then turning to programs to stimulate the economy and spend money on things such as the original Canada-Manitoba Infrastructure Program.

So we—I think this is a very good story that, in my view, doesn't get enough attention. But, for 10 years in a row, we put aside money that was in—that was kept in the fund, that then was used when the economic situation turned downward to provide that kind of stimulus, and, I think, very wisely pay down debt as we go along, because as I said earlier, if you can make those kinds of decisions, keep the money from the surplus years, put it towards stimulating the economy but also pay down your debt so your servicing costs aren't as high.

And I do want to put in a plug here for the folks that work in Finance whose job it is to go out, they borrow money—they borrow money at reasonable rates, they manage that debt in such a way that those costs are minimized—that is good prudent fiscal management.

The—what we've seen over the last number of years is that money then can be used to pay down debt, and I believe I've outlined where this money has gone, from last year to this year, and the amount of money we still have available at the end of this year in order to continue what I think is a very prudent course in terms of keeping our debt down, paying it down. And, as I've said at the beginning, I think any Manitoban with a mortgage understands that if you have years in which you make some money, you can put it in an account that can then be used to keep your mortgage costs down. That's the same kind of a principle upon which we've been managing and that's the same kind of principle that we'll continue to manage into the future.

**Mrs. Driedger:** Can the minister indicate by the predictions that he has there, by fiscal year '15-16, would it be accurate to say that there will only be about \$133 million left in that fund?

**Mr. Struthers:** Again, I'd refer the member to the budget papers 2013, page 11—yes, page 11. There's some explanations there in terms of the questions that she's asked. We will—at the end of '14-15, we will be at \$275 million. She's pretty close in terms of the ballpark \$133 million or so for 2015-16 assuming that, you know, we continue on what I think is a very prudent fiscal approach to paying down debt as we move along. That—I would refer her to on page 11 there's—one, two, three, fourth bullet down where it says that we will—it says that the amendments we make will continue with the provision to utilize the fiscal stabilization count FSA to address the amortization of increases in general purpose debt and related interest expenses.

So I think it's prudent to be able to actually pay down the debt that we have for all the right reasons. I think reasons that we both understand. There are always interest costs and amortization costs that are part of any capital budget that we have to deal with. That would mean that by the end of 2015-16, her number would be in the ballpark. I'm not going to commit to exactly the number she said but—because that could depend on some decisions made between now and then, but she's in the ballpark on that.

**Mr. Chairperson:** Seeing no further questions, is the committee ready for—*[interjection]* Seeing no further questions from committee members, we'll now move to resolutions.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$30,215,000 for Finance, Fiscal and Financial Management, for the fiscal year ending March 31st, 2014.

Do committee members need me to repeat that? No?

**Resolution agreed to.**

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,842,000 for Finance, Treasury Board Secretariat, for the fiscal year ending March 31st, 2014.

**Resolution agreed to.**

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,119,000 for Finance, Priorities and Planning, for the fiscal year ending March 31st, 2014.

**Resolution agreed to.**

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,979,000 for Finance, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2014.

**Resolution agreed to.**

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$22,189,000 for Finance, Net Tax Credit Payments, for the fiscal year ending March 31st, 2014.

**Resolution agreed to.**

\* (16:00)

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$500,000 for Finance, Capital Assets, for the fiscal year ending March 31st, 2014.

**Resolution agreed to.**

The last item as normal to be considered for the Estimates of this department is item 7.1.(a) the minister's salary, contained in resolution 7.1.

At this point we will request the minister's hard-working staff to leave the table for a

consideration of this last item, and thank them for their time here with us.

Once again, thank you to senior staff.

The floor is now open for questions on resolution 7.1.

**Mrs. Driedger:** Can the minister tell us whether or not we can expect that the fiscal stabilization account is going to be pretty much drained by the time the next election rolls around?

**Mr. Struthers:** No.

**An Honourable Member:** You can't tell us or you don't know if it'll be drained?

**Mrs. Driedger:** And my colleague asks a good question. Is it that the—he doesn't want to give the answer or is it that the account will not be drained, but pretty close to being drained?

**Mr. Struthers:** The account won't be drained. I have outlined very clearly the—what I think is a very prudent approach that we've taken over the 14 years that we've been very responsibly fiscally managing the resources of the province.

We have taken 10 years in a row where we've moved surpluses into the fiscal stabilization account. We've actually treated it in a very, I think, prudent way. This account that was set up through the sale of MTS by members opposite back in the '90s, and then drained by members opposite to a point that I mentioned earlier in Estimates today.

We will—we've—we set that up, as they refer to it as a rainy-day fund, where in the times where we had surpluses we put that money to the side. We then, when it actually began raining, when '08, '09 when the world economy turned downwards, we moved forward in terms of paying down debt, investing that money in infrastructure and participating in the Canada-Manitoba building fund, all those kind of things that kept our employment levels strong and kept our economy buoyant compared to other jurisdictions, not just other jurisdictions in the world, but in many cases other jurisdictions within our nation.

We believe that that is a very common sense approach. We believe that's the same kind of approach that Manitoba families employ when they deal with their mortgages. If you have times when you're earning good money and you can set that money to the side and pay down the mortgage on your debt and lessen your incurrence of those costs,

that is a good policy whether you're a Manitoba family or whether you're the provincial government. We've been following that strategy.

You can see in the material that we've talked about today that that is a strategy that we will employ and we'll continue, I think, to be very prudent. And I think it's a wise strategy that works in favour of the Manitoba taxpayer.

**Mrs. Driedger:** Can the minister indicate, is it a rule that he's breaking, or is it a law that he might be breaking, when there is a recommendation—or that the recommended level of money in that account should be 5 per cent of core spending, and if we're only going to be left—well, already we're well below that target—and if we're down in '15-16 to about \$133 million, that's only 1 per cent of core spending. Now, is that a rule of his government, a policy of his government or a law that there should be that much money in that account? What is he breaking?

**Mr. Struthers:** It's the same policy that was in place when her government only left \$265 million in the Fiscal Stabilization Fund in 1999, which was below the 5 per cent that she's talking about, Mr. Chairperson.

I know she wants to develop this political strategy of law-breaking and rule-breaking and all the rest of it. Her strategy doesn't fit with the facts. Her strategy hasn't fit with the facts throughout the course of this—[interjection] Yes, I understand that. This doesn't stop members opposite from trying to twist the facts to fit their political narrative. I hate to disappoint her yet again in these Estimates, but, again, her political narrative is just not informed by the facts on this issue.

So it's the same situation exists today as what existed when her government was in, when her leader, the member for Fort Whyte (Mr. Pallister), was in Cabinet—it's the same thing. We, actually, today, have more money in the Fiscal Stabilization Fund than what they had when they left office, and we're going to continue to use that money to pay down our—the debt. We're going to continue to use that money to stimulate the Manitoba economy and provide employment so that Manitoba families can be successful and so that our economy can continue to grow despite the economic predicament that much of the rest of the world finds itself in.

**Mrs. Driedger:** At the last time we sat, I asked the minister to provide a list of the—of where they spent the \$128 million from government spending in the

last budget. The minister indicated that they promised that and they fulfilled that commitment, and the commitment was for cutting \$128 million from government spending in year. I had asked him if I could have a list of where that spending occurred. I understand that I have not received that list.

Is the minister not prepared to tell us where that spending took place?

**Mr. Struthers:** Well, I mean, let's be clear. That \$128 million wasn't money that we spent; that was money that we saved.

The—what we did, which is diametrically opposite to what her leader has said they would do—we understand that we need to—if we're going to go to the people of Manitoba and say, we're going to increase by 1 cent on the dollar what you pay for services in Manitoba and goods, that we have to make sure that we're making every effort to be frugal with the money that we collect from you and we be careful with that money.

We targeted \$128 million in administrative savings in government. We went out and we worked minister to minister and we found \$128 million. Example that I used very clearly was that millions of dollars that we saved by reducing, from 11 down to five, the number of RHAs that we have in Manitoba, and there was millions of dollars of savings in that. We took—we put two—she may not believe me, but, you know, the facts are the facts, and she's going to do what she likes with them. And that's okay; that's her prerogative. But, you know, we also combined Manitoba liquor and Manitoba lotteries, saved millions of dollars there too. These are administrative costs that we saved.

\*(16:10)

You know, to finish the discussion on the health authorities, that's money, then, that was then put back into the front lines of health care. That approach is absolutely opposite to the 1 per cent across-the-board, indiscriminate cuts of 1 per cent, across the board, that the member for Fort Whyte (Mr. Pallister), very clearly one Thursday morning, put on the record and talked about and bragged about. That means that instead of increasing by 3.7 per cent funding to health care, that the Conservatives, her leader, would—instead of increasing by 3.7 per cent, would reduce by a per cent. That's a lot of money coming out of health care, not out of health care administration, not out of duplication, not as a result of some good lean

management approaches that health care has put in place. That is simply coming out of health care.

That means if they had their way on that, there would be nurses fired. There would be fewer spots at university to train and educate doctors, and there'd be fewer health-care professionals throughout the province, specialists right across the board. We can make that argument for every department—Education, which is a huge value to Manitobans, a huge priority. Those two approaches are absolutely different. I'll take our approach any day, compared to 1 per cent indiscriminately cut across the board from every department of government, which is what the members opposite have put forward.

We have realized that \$128 million. We've—did it without impacting front-line services. We used it to actually enhance front-line services because the money we saved on administrative costs and duplication and the money we found through adopting some—I think, some very progressive lean management principles, we put right back into health care. When we find those savings in Education, we put it right back into Education. Those go towards—those savings go towards supporting those services that Manitoba families depend upon. So, Mr. Speaker, the judges on those are the 1.2 million Manitobans who want us to do that.

**Mrs. Driedger:** Well, the minister, for some reason, says a lot of things but he's not delivering in terms of proof that we are asking. Nobody believes him anymore. That's the problem. He has lost all credibility and so when we are asking—

**Mr. Chairperson:** Order. Order. Just a moment. Just for Hansard's sake, I know we're all excited, but for Hansard's sake, let's allow the member for Charleswood to continue.

**Mrs. Driedger:** Thank you, Mr. Chair. That's very nice of you and for Hansard, as well.

But I would indicate just that the minister, for some reason, doesn't want to provide the list of where that PST hike money is going to go. He's refused to table that. He says, wait till we—after we spend it and then we're going to tell you where we spent it. Well, that says slush fund to me because they can then cherry-pick any infrastructure project they want that'll be more politically palatable to them and say, okay, that's where the money goes.

Now we're asking him—he's making this grand pronouncement that he cut \$128 million from government spending but he won't tell us where. He

won't provide a list of where, and he really has, through these past number of months, lost all credibility. He really doesn't deserve the respect of this House. His stonewalling here in Estimates certainly hasn't helped the—his situation very much.

So, Mr. Chair, I move, seconded by the member for Steinbach (Mr. Goertzen),

THAT the minister's salary be reduced to \$1.08 for unnecessarily increasing the provincial sales tax.

***Motion presented.***

**Mr. Chairperson:** It has been moved by the honourable member for Charleswood,

THAT the minister's salary be reduced to \$1.08 for unnecessarily increasing the provincial sales tax.

The motion is in order. Are there any questions or comments on the motion?

**Mr. Kelvin Goertzen (Steinbach):** I just want to support the member for Charleswood. I think she's laid out a strong case here and in the Legislature that the Minister of Finance has let down Manitobans in terms of fiscal responsibility, in terms of not keeping his promise to Manitobans. Ultimately, we are all accountable to Manitobans, and he simply hasn't kept his word to Manitobans on the issue of the tax increase. And, in fact, none of the Cabinet ministers or members of the NDP caucus have kept their word to Manitobans, to the people they went to to try to get elected from.

So I think that this motion, not only is it in order on the parliamentary side, it certainly is reasonable. And I think that most Manitobans would agree that the minister should not be drawing any more than \$1.08 from his ministerial salary because he has let down Manitobans in his ministerial portfolio.

**Mr. Chairperson:** Any other comments?

**Hon. Jennifer Howard (Minister of Family Services and Labour):** I listened to the members opposite. I've listened to their many, many, many questions, sometimes the same question over and over and over and over and over and over again. And I've been listening to the answers that the minister has given. And I want to say, what I've appreciated from the minister's approach to what has been a challenging time, he became minister, certainly, when there's been a challenging economic time all over the world, all over the globe. And Manitoba, of course, has fared better than a lot of places, and that's to the credit of Manitobans because

they work hard, because we have such a diverse economy.

But at the same time, even in—even with a healthy economy compared to other places, I think that every economic indicator around the world is that these are challenging times and uncertain times. And when I talk to people in other provinces, and especially when I talk to people who are elected in other provinces about—because they struggle with similar situations and they struggle with similar challenges about the decisions that they are taking, and they're all hard decisions. I think all of us get into elected life because we want to try to make things better for our communities, and that often means trying to find ways to get people the services that they need, the programs that they depend on. When I talk to some of my colleagues around the country, the things that they have done in the face of challenging times are things like deep, deep cuts to core services, services like health care, cuts that we know from past experience take decades and decades and decades to recover from, and some cuts that are very difficult to ever recover from.

And I know, today, in the House, we had some interesting exchanges about nurses and the effect of cutting the number of nurses. And there can be no argument that when you look at the registration numbers for nurses in 1999 and you look at what they were 10 years earlier, that it went down in Manitoba. And we continue to experience the effect of that cut. And when I talk to—and I know the member from Charleswood had—was a nurse in her life before being elected—and when I talk to nurses today, the challenges continue, challenges to have nurses in place who can mentor new nurses, who can help educate them, who can help make sure that those nurses graduate, because that generation of nurses that would have been hired through the '90s, that would have been educated through the '90s at a time when those spots were cut, that would now be in positions of leadership in nursing, that would now be in positions of management, they are gone. They weren't educated because the spaces were cut. Those that were here were fired, were laid off, were driven from the province. And many friends who were nursing that left during the '90s to work in other places because it was such an inhospitable environment for them, those nurses are gone forever. And so we continue to face those challenges.

So I have appreciated the minister's approach to, in difficult times, look for ways that we can, more efficiently, spend the dollars that Manitobans trust us

with. And he spoke, I think, about the work that was done with the regional health authorities to go from 11 to five. Now, I think there were 13 or 14 or 15 or 16 when we came into office. I can't remember. I know there were two in the city of Winnipeg alone when we came into office, and we have progressively made sure that there is leaner and leaner and leaner management there.

\* (16:20)

And doing that means that we have been able to do things like provide cancer drugs free of charge to Manitobans. I think when—I don't remember what the number was that the minister cited—I think it was 10 or 11 million dollars that was saved in that move of RHAs, it almost directly corresponds with the amount of money we've been able to invest in cancer drugs. And that's an important thing for Manitobans to know, that when we make savings in the administration of services, we can reinvest those savings in the services that Manitobans depend on.

So I appreciate that that's a different way than most other provinces are handling these difficult times. Many places are going to a cutting mentality and—because they feel like they have no other options. It's harder to do what the minister is doing; it's harder to find savings and options and leaner ways to do it; it's harder to find those kinds of efficiencies. But it is definitely a better way, I think, to handle these difficult times and a more certain way to know that Manitobans are going to get the kind of services that matter most to them.

So I want to thank the Minister of Finance for the work that he's been doing—difficult work. It's not an easy time to be the Minister of Finance in this Province. Maybe there never is an easy time, and—but I want to thank him for the way that he's doing that.

And, with that, Mr. Chairperson, I want to say clearly we will not be supporting the motion that's been put forward.

**Mr. Chairperson:** Any further comments or questions regarding the motion from the member for Charleswood?

Seeing nothing further, we'll now see if the committee's ready for the question.

**An Honourable Member:** Question.

**Mr. Chairperson:** Shall the motion pass?

**Some Honourable Members:** No.

**Some Honourable Members:** Pass.

**Mr. Chairperson:** I—in the opinion of the Chair, the Nays have it.

And—oh—honourable member for Steinbach—I was waiting for that.

### Recorded Vote

**Mr. Goertzen:** Well, I don't want to be too predictable, but can we get a recorded vote for that, Mr. Chairperson?

**Mr. Chairperson:** A formal vote has been requested by—do you have a seconder? *[interjection]* Oh, sorry, no, no, my bad. Yes, yes.

A formal vote's been requested. This section of the Committee of Supply will now recess to allow this matter to be reported and for members to proceed to the Chamber for the vote. And—*[interjection]* Just one—one—just, there's a little extra bit here that I want to try and get in here, but to get it all perfectly clear.

A formal vote's been requested by two members. This section of Committee of Supply is now recessed to allow the matter to be reported and for members to proceed to the Chamber for the vote.

If the bells continue to ring past 5 o'clock today, this section of the Committee of Supply will be considered to have risen for the day, just so folks know, okay? This section is now in recess to allow for the vote in the Chamber.

### EXECUTIVE COUNCIL

\* (15:00)

**Mr. Chairperson (Tom Nevakshonoff):** Order. This section of the Committee of Supply will now continue consideration of the Estimates for Executive Council.

Would the minister's—would the Premier's staff and opposition staff please enter the Chamber.

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

**Mr. Brian Pallister (Leader of the Official Opposition):** Just go back to the document; I believe we tabled a copy. This was from that Business Council thing that was put together in a discussion document that was put together for the Business Council's 15th anniversary there about a month ago, the seminar and so on. I think we had tabled a copy of that last time. No? *[interjection]* Okay, we'll get

a—I know we had a copy; Elliot will just go and get it.

I'll just refer to a couple of things in there. The one was in respect of capital investment, and this was just—I'm quoting just from a summary document we'll get you in a second here, Mr. Chairman, but that was put together to preface a discussion on the province's past, present and future, and it just spoke about capital investment. It said that—and this is a good-looking number for the Premier—capital investment has increased by 144 per cent since '98—they used as their starting point—which is fourth-best in among the provinces. So that looks good. And it says it was better than the national increase of 124 per cent, but it did note that there was a shift more towards investment in the public sector than the private. And I'm just—I didn't know what the causative factors might have been for that. Just to give the Premier these numbers: investments in '98, public sector comprised 21 per cent of total investment in the province in that year; and, in 2012, it went up from 21 per cent to 33 per cent of total investments. So that's a change of considerable amount, 279 per cent.

Public sector investment increased considerably; as a percentage of our investment, private sector dropped from 78 per cent down to 67 per cent. So just wondering what the reason for that was. What were the—I guess I'm giving the Premier the opportunity to explain what some of the major public expenditure projects were in 2012. How's that for a soft lob?

**Hon. Greg Selinger (Premier):** We've had actually very strong private sector investment in Manitoba over the last decade, and it has been above the Canadian average, both private and—private sector investment and total investment. So it's been a very positive story, and we've incented some of those investments through the Manufacturing Investment Tax Credit, through R & D tax credits being improved and having some refundability attached to them through some partnering with the federal government on rapid writedown of capital investments and things like communications technology and modernizing the manufacturing sector.

All governments increased their public sector spending, growing out of the '08-09 recession. There was a federal-provincial-municipal program for infrastructure that provided a lot—and a stimulus program as well, that provided a lot of public

investment. But private sector investment has remained very strong. I don't have the data for this year; I will try to get it for you, but, actually, I think the private sector intentions are quite strong this year in Manitoba, as they have been for the last several years.

**Mr. Pallister:** And in respect of the—some of those programs—I had the chance to be part of some of those incentive programs that we worked on together at the federal level with the Premier's predecessor, and I think that they seem to be, on the surface of it—without a considerable amount of analysis on my part, they seem to be working, and that's good.

But I just wondered, in respect to the public investments, is that—would that be due to the infrastructure programs that the federal and provincial governments have worked on together? Is this part of the reason that you're seeing that increase in the 2012-11 fiscal?

**Mr. Selinger:** I'd have to check, but I suspect that the federal-provincial programs are part of it, even though some of the federal programs have started to wind down. But, as the member knows, we have continued to make investments in Manitoba Hydro as we grow our energy assets in the province, and we've made record investments in roads and infrastructure in Manitoba. Accounting practices have changed on that over the last decade; they're required to be put on the books over the life of the asset now. So they're recorded that way and financed that way, but the reality is is that we've seen very strong growth in private sector investment as well as public sector investment, and it dipped down in all jurisdictions. Private investment, '08-09, '09-10, there was a lot of—credit markets seized up, essentially, and credit rates were very high for a short period of time there, and it took a lot of work to get the rates back down so the private investment would flow again.

But we have seen the Bank of Canada keep interest rates at historic lows, and that has been an incentive, a spur to a lot of private investment. Recently, we've seen the federal Minister of Finance try to put a damper on the housing market by changing the ratios of down payments required and the length of time for which you could have a mortgage that was insured by the central mortgage and housing corporation. So there has been some dampening of private investment in the housing market. But manufacturing investment has stayed quite strong, and we are seeing a lot of private investment in Manitoba.

**Mr. Pallister:** Well, I'll just apologize here because I don't have a copy of this document available, but I promise to get it to the Premier, and I'll just—I'll continue to just—if there's any confusion whatever, I'll just try to elaborate as best I can, from the—from this document. Again, we'll get a copy made rather than having it—taking it out of here with all my handwriting on it. But thank you for that—those responses. I appreciate that.

The next category I had marked off—and this is—this was put together by the Manitoba Bureau of Statistics, so, I mean, these are just—I'm just citing numbers that they put in here. One of them was in respect of energy exports, and it was just an almost scary graph that they had included here because it was showing a drop in US energy exports that was down considerably.

The Premier had alluded in earlier discussion to the possibility of the prices rising and I understand there's been a slight increase, but I wondered what kind of research led—leads to that observation? Is there an agency the government contracts with or something that—or is it all done through Hydro as to projecting where we expect revenues to go in terms of a US market?

**Mr. Selinger:** Yes, I'm informed that Manitoba Hydro projects rates by using a variety of several private and other forecasters on energy prices and then they put an amalgam together of what they think the realistic price will be going forward, so they use multiple sources of information for that and we can get more information on that if the member wishes. But there are—they don't rely on one single source.

**Mr. Pallister:** Yes, I would appreciate any kind of more detailed commentary.

I know that the, you know, the PUB expressed some concerns about the projections and as is the nature of the PUB, they were pretty open about that in their report.

The energy production in the United States and, of course, this is a US general graph that is contained in this information but just shows the tremendous spike, of course, from 2005. Of course, we're aware that a lot of that spike is due to increases in Bakken and, you know, in our export—immediate export area, so it's just an incredible increase, approximately 30 per cent in terms of just, since 2005 to this data which was up till last year of energy production in that area. And, so as a consequence of course, less

energy export potential as we see the US moving, in some respects at least, to self-sufficiency.

Also, the subsidization of wind power by the US government, by the federal Treasury, it's a tough treasury to compete with, in terms of alternatives that they're driving in the United States that compete with Hydro exports. So I would like to see what analysis may be available that Hydro has pursued if that's possible just to be able to do a proper—begin to do a proper analysis. If the Premier could make that available, that would be great.

**Mr. Selinger:** Yes, the Standing Committee on Crown Corporations met April 9th, 2013, and the CEO of Manitoba Hydro gave a presentation there and that's on the public record and I think it's available to your caucus, and on page 24 of that analysis, of the slides and there's two slides to a page, one on the summary here, page 24, he has natural gas prices currently low and expected to increase significantly. US EIA data, 2012 outlook, Henry Hub's spot natural gas prices and they show in the diagram, and I'll just hold it up for illustrative purposes, how the price has fluctuated pretty dramatically over the decade—over the decades and that it's gone to a low point but all the forecasts, and there's about 12 or 13 forecasts here, all, you know, show the price rising again. Most of them are showing them rising fairly dramatically.

As the member knows there has been a lot of shale gas discovered in the United States and has been a bit of a game changer down there but there's also a changing use of that shale gas. It's becoming much more popular for transportation purposes, it's become popular as a replacement fuel for coal of which at one point the United States was over 50 per cent coal, it's down in the 40s now. I think the low 40s.

But we're seeing again, with the rise in natural gas prices that a lot of American energy providers are starting to shift back towards coal because it's cheaper and there's no carbon price in most jurisdictions down there. There is, however, mandates being imposed upon energy providers and utilities that provide energy in various states, to have a certain percentage of renewables.

\*(15:10)

And, for example, in Minnesota they have some renewable requirements that have encouraged Minnesota Power, for example, to purchase wind power. Well, they actually see hydro as an advantage

in terms of providing wind power because wind power is an intermittent source of power. When the wind's blowing, you have the energy; when it's not blowing, it's not available. And those—the time of availability for wind power is not necessarily the time of high demand or peak demand. So they look for a way to store that energy, and they have an agreement with Manitoba Hydro that they can store some of their wind energy in our dam system, which, in effect, acts as one of the largest batteries in North America for storing intermittent sources of energy.

So they see multiple advantages in having relationships with Manitoba Hydro. One, they want the diversity of energy sources. They see Manitoba Hydro as a key diverse source of energy that complements other renewables that they're putting in place, and it does provide up to 10 per cent of the power in Minnesota. They like the capacity to have the relationship with Manitoba Hydro to store some of their renewables like wind power, and they recognize that there is going to be more pressured price carbon or to count carbon in the costs of providing energy in the States. The externalities that are produced by carbon fuels are not priced at the moment but do contribute towards climate change.

So, even though Congress is highly divided on these matters, there is a view that over time all jurisdictions in the world will have to some—take some account of carbon and the impacts on the environment and be able to factor that into the price of the energy that they consume. It might be cap and trade. It might be carbon tax. It might be regulatory requirements in Canada. The federal government is imposing regulatory requirements on coal sources of electricity to increase the amount of emissions that are controlled and reduced by new technologies, and in some cases some of those regulatory requirements are causing Canadian jurisdictions to shift away from coal-provided sources of power to look at other sources of power. And hydro is going to be a very key product in those shifts as we go forward, a product that will be attractive to a variety of jurisdictions but is already attractive to some of our customers in the United States.

**Mr. Pallister:** That same EIA report highlighted a projection of a decrease, though, in hydro exports at 52 per cent—or of import use by the United States market. A decrease projected of 52 per cent reduction, so the price would have to rise. Obviously, it would have to rise considerably to make up for that loss of potential exports to that market. That was a projection for up to 2035, if I'm not mistaken. I don't

have the report right in front of me, but I remember that figure. So the same report that the Premier cites is also giving us some red flags in respect of the potential for declining. Despite the valid points he makes, it does highlight the fact that there is a real danger that we will see a reduced opportunity to export to the United States—export electricity to the United States over the next 20 years.

So I thank the Premier for putting on the record there's a projection of possible increase in prices, but I have to note that it would have to be considerable to make up for the loss in the potential export market that they're projecting, and, if you believe the projections on the one hand, then you may have to be forced to accept them on the other as well.

I invite any response that the Premier might like to make.

**Mr. Selinger:** The presentation shows that sales for firm energy will remain strong and that short-term sales could decline, but there's also a growth in industrial sales. And the point I was trying to make is that the product that's produced by Manitoba Hydro, as long as it retains a good reputation for being a clean, reliable product at a competitive price, well, there will be a demand for that because it allows jurisdictions like Minnesota to diversify their sources of energy, which is a strategy they believe in as a matter of principle. They have nuclear. They have coal. They have wind. They have—but they want hydro as well. They see it's an important part of their diversified base, and other jurisdictions in the States have mandates to increase their amount of renewables. And this is one of the reasons we have done some missions down to Washington to promote hydroelectricity because the Americans are pursuing a clean energy strategy and they're trying to 'reduce' their dependence on sources of energy from more volatile locations in the world, and they're very interested in having a reliable source of energy but also a clean source of energy. And they see hydro—Canadian hydro as a part of that solution. There's lots of work that has to be done to educate them. There are—is obviously a public debate on that.

But our customers are well ahead of many down there, in understanding that Canadian hydro is complementary to others forms of renewables, that they're being mandated to provide. And they, in fact, think it strengthens the case for having renewables required in their own jurisdiction. Their renewables have more power, more firm price power, when they can be complemented and backed up with Manitoba

Hydro's storage facilities, called our dams and our rivers and lakes, that provide that. And so they see it as very complementary and that's a real plus for us.

**Mr. Pallister:** Moving on in the report that Wilf Falk and the folks at the Bureau of Statistics put together for the Business Council, there was just a short section on social indicators, talking about employment and income assistance numbers. And it was really notable, since 2009, the increase in caseloads.

And I wonder if the Premier could elaborate a little bit on what—I mean, we understand there's—there are various factors that can lead to social assistance applications, but I'm struck by the increase.

We're—just to share the numbers because, I'm, again, apologetic for not having a copy of this thing in front of the Premier.

But in 2008, number of cases, employment and income assistance was 30,943, and last year, 35,427. So we're talking about a 5,000 approximate case increase in one year that—over—I'm sorry—not in one year, over five years. That's very significant.

And I just wondered if the Premier could comment on his thoughts on what, you know, maybe the cause of the factors are in respect of the increased caseloads?

**Mr. Selinger:** Through the first part of the decade, from '99 'til about the time of the great recession, we saw a steady decline on the number of people relying on social assistance. But in the '08-09 recession, we saw a rising trend of people requiring that kind of support.

First of all, older workers, in some cases, were among the first to lose—older workers were among the first to lose opportunities in the labour market.

*Mr. Dave Gaudreau, Acting Chairperson, in the Chair*

We also have, as the member knows, an informal labour market, where people are working and doing things that earn income that may not show up in the employment rolls. There's lots of people that are working that do not count as employed, they're not properly counted. And, when the recession occurs, they're among the first to require social assistance.

So we did see a rise all across the country with the recession in the number of people on social

assistance. And that is something we're very aware of and we have taken several measures to provide additional support for people to move back into the labour market, to get the skills they need, to get the supports they need, daycare, training, other supports that they need to be able to re-enter the labour market, because we do have a gigantic demand for skilled labour over the next decade—75,000-plus more skilled workers are going to be needed in Manitoba. We see providing proper supports to people that have come onto social assistance, who are still able and willing and interested in working in the labour market, we want to provide more support for them. Which is why we've moved social assistance into the department of employment training and trade, to be closer to the labour market programs, and the supports they can get out of the labour market programs. And other provinces have also been very interested in finding ways to increase the number of labour market opportunities.

So we're aware of it. We're moving on it, and there's lots of things that have to be done to support people to get back into the labour markets.

One of the reasons that we focus on portable benefits, instead of increasing welfare rates, as—because the portable benefits allow you collect say, a shelter benefit, or a rental benefit, while you are on assistance, but a portion of that can stay with you as you enter the labour markets, it's not all or nothing, and it allows people to have more choices on removing themselves from welfare, as the job opportunities become available. So the portability of benefits has been an important feature of some of the redesign we're doing of our social programs, as well as more opportunities for training, more opportunities to get daycare, more opportunities to get apprenticeship opportunities.

And all of these things are an important part of increasing the uptake of people in the labour market, where we have a very high participation the labour market in Manitoba, about 69 per cent of people of working age, do participate in the labour market.

\* (15:20)

We've also seen a trend of older workers, for reasons of disability, requiring social assistance because they're not of full-pensionable age yet. And they've come on to social assistance, say, in their late 50s, early 60s; when they're not entirely ready and eligible for social—for Old Age Security, for example, or the Canada Pension Plan, they've come on to social assistance rolls.

And that's why it's dismaying to see the federal government increase the eligibility for pensions to 67 years old. There will be a definite cost download on provinces as a result of that. And that will just be another way that provinces have to pick up the tab for programs being changed by the federal government, including Old Age Security.

**Mr. Pallister:** So this may be an example of kind of a false statistic, right, if in terms of the caseload numbers, because the caseload numbers maybe reflect, I'm just, I'm guessing here—the Premier mentioned, announced the introduction of some new portability aspects to the program which might artificially inflate the number of people who are eligible for the program because they're in transition or—it might be a causative factor, no?

**Mr. Selinger:** I don't think so. I don't think we're counting anybody that gets these portable benefits as people staying on social assistance longer. The rolls all across the country of people requiring social assistance have genuinely grown. That was a real problem. There were some temporary programs put in place by the federal government during the recession for labour market opportunities. A lot of those programs have been cut and reduced already.

And, as the member will know, the federal government did bring in a change to the labour market agreements where, in '97–2007, a lot of those agreements were devolved to the provincial level, and all the staff were devolved with them to provide these employment training and supports, including counselling.

And then in the last federal budget they have unilaterally decided that they want to take six out of \$10 back, for example, to have a grant available to hire people that has to be matched by the provincial governments and the private sector. The concept is good, but if you've had \$10 and lost \$6 and then you have to match the \$6 you've lost, that poses a challenge. And the private sector itself may not always be in a position to come up with their six bucks. So I think we're—this is going to be a live topic among the premiers and the Council of the Federation and the respective ministers.

So we are all very interested in finding ways to ensure that people can transition off various forms of assistance back into real, paid employment. And we actually think provincial governments on the whole, regardless of political stripe, are a little closer to labour markets and a little better able to do that. So

this is a very live subject right now that's under discussion across the entire country.

**Mr. Pallister:** I thank the Premier for that. It's an area I have great interest in, though no expertise to speak of. You know, it's, I have a bit of background at the federal level in terms of from the opposition side, working with Jane Stewart when she was the minister in charge there. But I just wanted to be clear. What I was really asking was just, you know, sometimes, I mean, definitions are important and it's showing an increase of almost 30 per cent in caseloads, but what is a case? That's what I was trying to get at. I'm not clear that this is an accurate reflection of the increase in social allowance, necessarily even social allowance benefits being paid in our province.

I'm wondering if some of the changes in the last five or six years haven't actually in terms of the transitional advantages that are being applied to people, may create the false impression.

**Mr. Selinger:** I don't think that's the case. But I'll check on that. I don't think that's the case. I think it really is one of the outcomes of the great recession that a lot of people were squeezed out of the labour market.

And the point I was making earlier, there were a lot of people working in sort of what we call the informal labour market, whether they were self-employed, the home repair people, doing a variety of jobs where they didn't really rely on social assistance, but they weren't necessarily counted among the employed statistically. And they're among the first to get squeezed out when the economy shrinks. The informal labour market often is the first to get hit.

So I think we saw a rise because of the informal labour market being the first impacted. I think we saw a rise, as I said earlier, because of older workers not being able to maintain themselves in the labour force. I think we saw a rise with the younger demographic coming on stream in Manitoba, and the recession shrinking the number of jobs, both in the private and the public sector. And so all of these factors have been contributing at this time.

The good news is, is that we do see growth in the economy and Manitoba has recovered reasonably well and has done well throughout the recession, and we do see an expanding economy providing a lot of opportunities for people.

Then the challenge is to ensure that people have the skills required to match those opportunities going forward, which is why, in the Throne Speech this fall, we brought forward a major skills agenda and had a skills summit and identified a goal of achieving 75,000 more skilled workers in Manitoba and identified that employers have to be a part of that—colleges, universities, high schools, increased access to apprenticeship opportunities in rural Manitoba, for example. And Hydro's a part of that, too, because they will be doing a lot of building. They will create a lot of job opportunities for people in the north to get skills that will then become—allow them to stay in the labour market after Hydro projects are completed. And so, all of these are part of our vision of growing the Manitoba economy, for energy self-sufficiency, exports, to increase our skills.

We want the federal government to be a partner in that. That discussion is still going on, but I can tell the member that the skills agenda is one that has resonated across the country in just about all jurisdictions, and it's one we're very supportive of and have taken a leadership role on.

**Mr. Pallister:** Mr. Chairman, just in respect of the—there's a—it's a theoretical debate on minimum wage that I don't think the Premier or I are interested in getting into—I'm not—but I do know that there have been assertions by—certainly by some business lobbies over the years—that increasing the minimum wage can result in a push down on entry-level opportunities for young people. And this, particularly, can hurt families that are dependent on that wage and this is quite often at the lower level—lower income families. Disproportionally, those are the families who depend on entry-level minimum wage types of jobs, and so there's, I think, among theorists, pretty well understood sort of a trade-off there: in raising the minimum wage, you can also have a perverse consequence and push down the number of entry-level jobs.

Is that—are there some studies that the government does in terms of minimum wage policy that work through what the consequences are? For example, in Manitoba what we have a somewhat higher percentage of entry-level youth right now and the demographic looks like we will for quite a while, where in Manitoba it may be beneficial or less beneficial to raise minimum wage disproportionately to other jurisdictions around us. Is there some study the government has done in that respect that I could have a look at? Is there?

**Mr. Selinger:** I'm not aware of any kind of specific study like that.

There's lot of academic literature on this, and there is a school of thought that raising the minimum wage makes it less desirable for people to hire entry-level workers, but it—again, it depends on the conditions.

In tight labour markets, you see in many jurisdictions in Canada, minimum wages going up. And, even when it doesn't go up, employers are willing to pay considerably more than the minimum wage to attract workers. Probably the most obvious example is in hot economies or in hot communities that—just for example, Fort McMurray—somebody working at Tim Hortons is making 18 bucks an hour, because they're just so desperate to have a person doing the job.

So, we have found in our economy that increases to the minimum wage have been coincident with keeping low levels of unemployment and actually declining levels of unemployment and allowing more people to enter the workforce. And many employers, regardless of the minimum wage, are paying above that to attract or retain workers in Manitoba.

But we also have incentive programs to encourage people to hire new workers—wage subsidy programs, training programs, support programs, mentorship programs—and so there are many ways to encourage employers to hire new workers and youthful workers that may not have the same experience profile. But often new workers—it's often forgot—may not have the same experience, but what they lack in experience, they make up for in energy and hustle and motivation.

So there is literature. There's also literature that shows that a higher minimum wage actually increases the number of people that are willing to take the low-paid or lower paid jobs. So it's easier to attract people in some cases when the wages are higher. I gave an example of that.

So, yes, the traditional literature was that minimum wage can be sometimes a disincentive. Empirical studies have refuted that and our experience in Manitoba is is that we've been able to retain a pretty low unemployment rate and a high participation rate in the economy, while strengthening the minimum wage, which has been a major factor in reducing poverty in Manitoba. So minimum wage is an important tool for fighting poverty.

At the same time, we've eliminated taxes on small business to zero and doubled the threshold from two to four hundred thousand dollars and, in this budget, increased that \$400,000 threshold to \$425,000.

\*(15:30)

So these are part of the discussion. There's a number of ways to come at this and if you're lowering taxes for small business, it makes it more easier for them to pay a stronger wage to people which allows more people to do those jobs and generates more interest in doing those jobs.

**Mr. Pallister:** Right. Well, I would note that the small business tax threshold, even should BITSA pass, is still, I think, the second lowest in Canada. We begin to tax earlier than most other jurisdictions on small business even with those increases, but I will—I want to offer this to the Premier. I just finally got the document. Wouldn't you know it, after we've referred to it repeatedly, which I'll table for the Premier to see.

I declare a conflict on this next question. I have a—we have a 22-year-old daughter in the serving business, and this was one of the questions that I'll paraphrase, that was brought to me, which was a suggestion for people in that—in the hospitality industry who live on tips essentially. I think—I'm told, and I haven't seen any research documents in this respect, it was just a verbal conveying a question. There's some jurisdiction that have waged a lower minimum wage for people in certain occupations, or something to that effect, that they can be paid if their principal income is being derived from tips.

And I just wondered if the—if there'd been ever any consideration given to establishing such an approach here because we do have pretty vital and pretty darn good hospitality industry in this city and province. Has there been any consideration ever given to something like that?

**Mr. Selinger:** Well, I mean, this has come up. We've been approached on this by the hospitality industry but, in our view, it would add a lot of red tape to administer it, a lot of requirements for regulatory inspections. Is this person properly classified? Should they get the higher wage? Should they get the lower wage? And I think another—so that is a factor. We want to keep the amount of red tape down. Having a single minimum wage just makes it easier. You don't have to have all these inspections, et cetera.

I think the other factor to bear in mind is that in the hospitality sector, tips are technically the property of the owners of the facilities. They're not really the right or the property of the servers, and so whether or not they get access to those tips is entirely dependent upon who the owner or the operator of the company is. So I don't—I would be careful about going that route. I think you could wind up leaving some people dependent on a source of income that's not theirs, and the employer may not make that available to them or they may, but if minimum wage is a requirement, that levels the playing field and allows all employers to compete on a level playing field for the labour that they need.

And, you know, the hospitality sector has done very well in Manitoba. We want it to continue doing well. We think things like having professional hockey back in Manitoba, in the MTS Centre downtown, has generated a lot of hospitality activity. We know that the hospitality activity at the stadium last night was demand exceeded supply in many lineups that were there by a long shot, but there is—Manitoba and Winnipeg are great parts of the province for having a hospitality sector. We have a lot of great restaurants. We have a lot of great facilities with a diverse number of providers. You know, ethnic food, every kind of food. I actually believe Winnipeg's one of the best places to eat out, quite frankly, and go to a restaurant—just a very—there's just so many choices at various price points, and the people that are providing the service, we think, should have an adequate minimum wage for doing that.

Some will get tips, some won't, depending on the shifts you work, the clientele you're serving. You probably get less tips at lunch hour and breakfast than you do supper. You probably get less tips in fast food operations than you do in high-end restaurants. So it really varies widely the access to income that you will get from a tip as long as the employer's willing to make it available to you. So it's a real wide variation there. And some will do very well. If they're, say in a really high-end restaurant and everybody's spending a couple a hundred bucks for a meal, they're going to give a 15 to 20 per cent gratuity. That person is going to do very well that night, but, you know, the person working at McDonalds or a fast food outlet may not get any tips at all. Probably doesn't.

**Mr. Pallister:** We can swap some horror stories about working, you know, working at a 25-person table all night and getting a \$7 tip and owing the

guys in the kitchen money under the arrangement, you know. That would—I agree. On the red tape side this is—could be a quagmire because every business doesn't have the same arrangements, of course, and you know, getting into the breakdown on that one would be a challenge. No doubt about that.

Moves us to the—when we're talking about unintended consequences, right, the perverse possibilities of raising PST on business. I expect that the—before this decision was made, there was some study done as to the possibilities of things, for example, like pushing the underground economy, the consequences to an underground economy of raising tax.

These are some of the things we dealt with in the—certainly in the Finance committee, federally. Every revenue generation, yin has its yang, and I wonder if the Premier could share with me any study or research that was done in advance of this decision to propose this as to the possible downside consequences, not solely in respect of underground economy, though that is one of the, one of the factors, I know, that would have been considered. Is there something, some analytical work that we could have a look at that would give a better indication of the rationale that was considered for the decision?

**Mr. Selinger:** The issue of underground or informal economy and what happens to taxes in that economy is a long-standing issue among all jurisdictions, because every jurisdiction levies taxes, including the federal government. Probably the most discussed example is what happens with tobacco taxes and tobacco sales, and that's a big issue down in Ottawa as well; more of an issue in eastern Canada, but everywhere. As tobacco taxes have gone up, there's been more and more pressure to enforce the collection of taxes on tobacco and a lot of illegal tobacco sales. Manitoba does a very good job of protecting the legal transfer and sale of tobacco in this province for a variety of reasons: good staff, but good regime as well.

But there are always people that will work in the informal economy for cash and offer you a price with taxes or without taxes. We know that happens. We don't actually think it's gigantic in Manitoba. I think it might be more difficult in some other jurisdictions, but most people report their income here. Most people pay their taxes on it. And our officials are pretty good at policing that and managing that—policing in the sense of ensuring the regulations are followed and people report on it.

But, as long as there's taxes, there's going to be people that don't want to pay them. And there's going to be people that do. But there's always going to be, on the margin there, some compliance issues. I think our compliance records are pretty strong, pretty high, well over 90 per cent. I'd have to check the data, but I know when I was responsible for that file that we had pretty good compliance and we were able to work with people, when they got into trouble on compliance, to rectify the situation.

Now, there's obviously some people that deliberately try to avoid paying taxes and will do that for a long time, and some of them have strong ideological reasons for not wanting to pay taxes and as a matter of principle won't pay taxes, and those cases sometimes wind up in court. And the courts have to ensure that those people undertake their obligations like everybody else.

**Mr. Pallister:** Yes, those are good observations. The problems we have with the occasional smoke shop kind of pale in comparison to some of the issues we became familiar with along the Great Lakes on either side between, say, New York State and on the Québec side. Pretty serious, serious problems, and violent problems at times too.

Yes, but again, backing up. Is there some—was there some prebudget study that I could have a look at that takes into account some of these factors? They would have been examined, I'm assuming.

**Mr. Selinger:** The only studies I'm aware of would be of long-standing nature about tax compliance in the informal economy versus not. And I don't think there was any belief—I'd have to check but, I mean, I don't believe there was any specific study related to this specific set of measures in the budget. But various tax measures are studied all across the country all the time, and I don't know that it's specific to one tax versus another. I think it's the total tax compliance regime and the accountability that people have.

But, you know, tax compliance has been something that has been strengthened in consultation with employers and businesses in Manitoba. There's been a lot of automation in that regard. There's a move to a single business number. There's the ability to remit taxes electronically. There's been a lot of improvements in the efficiency and time required for people to collect and remit taxes. So it's been made more user-friendly and we have a good tax collection department and good relationships, for the most part, with people remitting taxes.

**Mr. Pallister:** When the Premier has that document I'm assuming that I tabled—or, not yet. *[interjection]* Oh, you're making copies; I had—oh, sorry about that. Okay. Supposed to table three copies. Okay, I'll know that for next time.

\* (15:40)

Well, we'll just—we'll move on to this document again, and it—when the copy comes in, it's on page 24 in respect of violent crime rates, and it speaks about 2011, 26,000-plus violent crime code violations in Manitoba, second highest. Highest was Saskatchewan, which compares—again, 26,265. Comparing that to '98, which is again, the reference numbers they use, for some reason, 23,472.

So we've got the second highest per capita on violent crime, and the observation here is violent crime rates are increasing in Manitoba and among the highest in the country. The success of the motor vehicle—the stolen motor vehicle program, I think, is evident, too, in the numbers. But the homicides were up from 1998 when there were 33 to 53 homicides in 2011. So we're the highest rate of the provinces.

I just would like the Premier to comment on this category, and perhaps make some comment in terms of how we can lose that ranking and move down into a middle-of-the-pack status or better.

**Mr. Selinger:** These areas—these are important areas. We do have some very good ideas and we've got excellent working relationships with our law enforcement agencies in Manitoba, both on organized crime as well as things like murder and capital crimes like that, and it is important to address those and move on them. I mean, many of these things—depends where you want to start.

First of all, suppression: where you know there's a pattern of violent behaviour, you have to be on top of it on a regular basis. So where there's a clear pattern of violent behaviour, then—and if it's a systemic pattern of violent behaviour that takes people's lives, we have to be very much on top of that in terms of organized crime, and we are.

Manitoba, for example, is been a leader on the issue of missing and murdered Aboriginal women across the country, and we held a major conference on that here this fall where there was a lot of work done, and we've engaged with our local police forces on trying to discover what has happened to these women that have disappeared from their communities, from their families and from the neighbourhoods that they lived in. And there has

been some breakthroughs that the member will recall. This—just this last month or so, there have been some people apprehended and some locations discovered where people had been buried that went missing.

So these require long-term investigative procedures to get on top of these things and to pay attention to it. We all know about the experience in British Columbia where a number of missing and murdered Aboriginal women became a major focus of an inquiry and the infamous Pickton was arrested and went through the inquiry, and we saw the issues there related to misogyny and racism that fuelled some of that very horrific behaviour, and these are long-standing issues.

So one of the places to address it is in—right in the way we raise and educate our people to be respectful of differences and how we deal with issues of gender and equality and how we deal with issues of misogyny and patriarchy and all of these kinds of issues. We have to educate people to be aware of these biases that can exist in our society and how we squarely tackle them and make it very clear that these things are unacceptable, which is one of the reasons we're doing the antibullying bill in Manitoba, because it allows us to start creating a different atmosphere in schools for learning and safety, but to educate people on how we need to respect—and diversity—and respect each other as human beings even though there are some minor differences that might be the cause of conflict and victimization.

So I now have the document that's been provided to me, and if the member wants to tell me the page he's referencing, I'll take a look at it as I complete my answer.

**An Honourable Member:** Twenty-four.

**Mr. Selinger:** Twenty-four, thank you.

And so it—there's lots to be done on the prevention side. There's lots to be done on the suppression side. There's lots to be done in—between hard suppression and prevention in terms of better co-ordination of services, better identification of risk in the community and working with specific individuals or families or groups in terms of gangs and ensuring that their behaviour changes.

We did find with the auto theft suppression strategy, there was a number of approaches that were taken there, from immediate suppression of that behaviour—first of all, reducing the opportunity for that behaviour by some of the devices that the cars

were equipped with so that it was harder to commit those acts. But, then, the people engaged in them were monitored on a 24-7 basis for making sure they're complying, for example, with probation and/or parole requirements, and then working with those individuals to divert them into other training and education opportunities and behavioural change that heavily discourage them being involved in these kinds of activities. And we've seen some very strong success there by this multi-tiered approach.

We think that approach can apply in neighbourhoods where there's high crime rates, higher than the average, and we are doing that. We've made very significant investments in policing services, and we put a particular emphasis on community policing now, and we've seen the results of that in terms of cadet programs and police patrols on Main Street, on Selkirk Avenue, in the West End, in areas where there's a need for that—perceived need for that and evidence to support that. So, in every step of way, we're seeing efforts being made by everybody in a concerted way to tackle these issues, and it's going to show results, and I believe it will show more results in the future.

So the homicide rate has gone up according to these stats, and there is a general tendency for the homicide rate to be higher in western Canada than eastern Canada, historically. This has been a long-standing trend, but, in all cases, we want to reduce that. It has to do with people, maybe, being colonized peoples, in some cases, that were uprooted from their families and their communities, excluded from labour markets and opportunities. It has, perhaps, something to do with newcomers coming to Manitoba and not being fully aware of the laws that as they apply here. But we're seeing tremendous progress in the way we educate people and train people and in the way we do policing in Manitoba, so I think there'll be lots of opportunities in the future to address these issues.

**Mr. Pallister:** On page 24, just near the bottom there, the last paragraph, I just wanted the Premier to comment on those incarceration rate numbers. A couple of thoughts here, but in respect of the incarceration rates being high compared to other provinces and increasing—'98-99, they cite. I'll just read it into the record here: Incarceration rate was 127 per hundred thousand adult population, and by 2010-11, that rate had gone up to 213, a 67 per cent increase. That's kind of shocking numbers, really, and Manitoba's rate far and away the highest among the provinces, Saskatchewan the next highest—189.

*Mr. Chairperson in the Chair*

This, obviously, has ramifications for, in many ways, for provincial budgeting; I suppose, also for federal. I don't see a breakdown and don't have a breakdown of, you know, where these people are incarcerated, so I don't know the impact provincially.

Does the Premier have any breakdown or any analysis as to the relative costs of incarceration for federal versus provincial inmates? And I know I'm asking you a rather detailed question, but if there—and if there isn't anything, I just invite the Premier's response on this category.

**Mr. Selinger:** I don't have that data, but the cost of incarcerating anybody, whether it's federal or provincial, is high, and there's much better ways we could use those resources if we can channel them into education and training and job opportunities. So that's very much a part of what is being looked at.

Reducing the number of people on remand is another way to reduce incarceration rates, which means we need to deliver justice in a more timely fashion to people to render decisions and allow people to know where they stand with respect to the justice system.

Sometimes—this may be an issue as well, but sometimes it is driven by the media, and sometimes it's driven by behaviour among politicians, who raise a lot of concerns about violent crime, and that results, sometimes, in the system incarcerating more people because of the media attention that's paid to that versus other alternatives that they might select under less dramatic circumstances. So that can be a factor.

\* (15:50)

I do notice on the table on page 24 that, you know, in '98 the motor vehicle theft rate per hundred thousand was 926. In 2011 it was 313. So it's gone down by, oh, about two-thirds, about 67 to 70 per cent. I do note that the violent—property crime violations have gone down from 7,102 per capita to 4,913 per capita, and I do note that robbery has gone down as well, although not as dramatically, and that—so, there have been some distinct improvements, but in areas relating to homicides and violence there's lots more work to be done. But—and it starts from the very way that we learn how to resolve conflict and deal with each other, but also to ensure that people that have these tendencies really are carefully schooled on how to avoid committing these acts, and there's suppression in place, where necessary.

**Mr. Pallister:** Yes, the Premier's right in his observations on the numbers that I'm told and I don't see national stats on this sheet of paper, but, you know, I do see our rankings remaining high in each category. I'm told that other provinces are making progress as well, I think. Some have attributed it to the fact that we're all getting older and less likely to be able to run away from the offense so we—it tends to be a deterrent. But in any case there's a demographic reality here that the population as it ages tends to commit fewer crimes. So my concerns remain and I appreciate the Premier's comments.

In respect of another question, oh, yes, the Premier alluded to the possibility of a higher incarceration ensuing as a consequence of political attention to the issue and I want more clarification on that, if I could. I understand that there's—sometimes there's the rattling of sabres in respect to these issues more loudly than others, but I—is he meaning that more attention is paid to investing in the court system or—I'm just not clear on the correlation there.

**Mr. Selinger:** Well, again, sometimes there's just very strong demands that people be incarcerated as the first and only solution as opposed to other measures that could be taken to reducing and suppressing crime while keeping the community safe, and the media can sometimes drive that issue. I'm not blaming them by any way, shape or form, but there are different moods that are created by public discussion, media contributes to that.

And, we know that there has been an inordinate emphasis in many parts of the western world on incarceration as the solution. For example, some states in the United States have followed up with three strikes and you're out and people have been put in jail and there's a lot of criticism of the three-strikes-and-you're-out approach now because the third strike could be a minor offence and if it's the third you're in jail anyway. And so there's been a reversal of some of that. Courts have ordered places like California to find a different way to deal with people that are in jail dealing with overcrowding and dealing with some of these approaches.

So, in all cases, I think the suppression of crime and the reduction of crime is the primary objective and then the methods by which we achieve that sometimes can be more diverse than what certain groups call for. And so we all contribute to that discussion in terms of the public policy debate around that. Primary objective, of course, is to keep the community safe and to reduce crime and to

reduce the use of violence as a way of resolving conflict or achieving one's ends. But overall, we want to reduce crime, we want safer communities, we want people to be able to find ways to interact with each other in a respectful way using non-violent methods, and that's where we're going in terms of how we train people, educate people and—but in cases where communities have the risk of crime, we're investing more resources in policing. For example, we made a big announcement this spring with both the RCMP and the City of Winnipeg Police and other police forces in Manitoba on increasing the number of officers available to them, particularly for community policing.

**Mr. Pallister:** I was just going to back up and share with the Premier in respect of the comment about minimum wage and how in some parts of the country it's irrelevant and he alluded to Fort McMurray. We, with the Finance committee, travelled across the country for hearings in various places and attended meetings in Fort McMurray, and I will just share with him. The Tim Hortons was across the back lane from the hotel. Our bus got in at about 1:30 in the morning and the line-up was around the complete Tim Hortons, down the block and out of sight at 1:30 in the morning. And when I got up in the morning the line-up was at least as long. You couldn't see the end of it. So I had to get my fix, so I go over to the Hortons and the assistant manager was gracious enough to—I just saw a sign, help wanted, on the door, I went up to the assistant, I wasn't actually looking for a job at this time for myself, but I was curious as to what they would pay, and the assistant manager said, exactly what you said, I think you referenced \$18 an hour and that was, if I recall correctly, and this was now, you know, five years ago, \$18 an hour, and I said, really, to start? Yes, \$18 an hour, and he said that's not all. If you stay with us for six months, we pay for an all-expense paid vacation for two to Hawaii, if you stay for six months, just to keep the person on staff. So labour markets can be hot and cold as we know, and certainly in that part of the country at that time was extremely—extremely challenging for any business to get the skilled people that they needed.

The other poignant presentation was by a local school principal, presented to the finance committee, and he explained the challenge he faced with keeping his son in grade 11 because of the income that he could earn dropping out of school right at that age. And he, you know, he said, my son made the case to me in numbers, and then I say to him, son, that's fine.

You go do that, but you're going to be paying about \$40,000 a year here for rent, if you want to live in my house. And that was to keep the boy on the track to getting an education, right?

The—very, very interesting and revealing—as you see these different economic pockets around the country—to realize how challenging public policy-making is, too, because of the variables that exist, not among provinces: even within provinces, say, in the labour market within them.

Anyway, I digress. The—*[interjection]* Yes, it's a fascinating country we live in.

On the issue of debt-service costs, I understand that as a consequence of several factors, but principally because of our interest rates declining, we've got, you know, a nice, advantageous situation right now with debt-service costs reduced to what they are. But I'm just curious if the—what, if any, work has been done in terms of projections going forward as to the consequences of an increase in interest rates on our debt-service costs. Obviously the—this, you know, is a vulnerability, I suppose, in a time of rising interest rates for any government.

Is there some—is there any forecasting that's been done, or does the government do any forecasting in respect of the possible—I'm not sure how much you can share with me in this respect—in terms of the detail and in terms of layering of debt. You know, how much debt comes up each year for renewal? Even that number would be helpful.

**Mr. Selinger:** Well, again, that—those questions are best asked in Finance Estimates, where the officials are there, and they can give precise information. But interests rate are low right now, which suggests it's a good time to do long-term projects when you can lock in projects at a low rate of interest for 30 to 40 years, depending on what conditions are out there. To get interest rates in the 4 or 5, even in the 6 per cent range, is historically very advantageous for any long-term project.

And Manitoba's cost of serving its debt is about 5.9 cents on the dollar, 6 cents on the dollar. In the '90s, it was double that: 13.2 cents on the dollar.

So this—the interest rates are low for a reason. They're done by central banks around the world to encourage investment and to keep the economy going. It has to be managed, of course, and invested in assets that will generate economic growth which—including things like Hydro.

So, you know, there is a certain percentage of debt that's overturned every year. For several years there, the debt that was being rolled over was being rolled over from high interest rates to lower interest rates, so there was an advantage there to be able to roll that over. But on new debt that's being added, it's to build assets, and it's being financed at very competitive rates for long periods of time.

**Mr. Pallister:** Approximately how much turns over each year? Is there a—

**Mr. Selinger:** I'd have to get that information for the minister. I know it's very much—it's stated in the budget documents, and it's stated in the Finance Estimates, so that information is on the public record. I just don't have it with me right now.

**Mr. Pallister:** I thank the Premier for that and I understand also—and he may know this or have an approximation for me, but I understand—and I know this started—if I recall, it might've been Clayton Manness, I'm not sure who initiated this—but to get us out of—to a degree—reduce our exposure to foreign currencies, in terms of our long-term debt, and I know you've tried to repatriate our debt to North American currencies, US and Canadian dollars. Is there any information the Premier has in respect of that as to approximately what percentage of our debt is not in those currencies?

\* (16:00)

**Mr. Selinger:** In general, the policy has been for the last several years that borrowings are swapped or translated back into Canadian dollars so they're stable and there is no currency—foreign currency exposure risk, they're swapped back into Canadian dollars at the time it's most advantageous when they do the transaction. The exception being that Manitoba Hydro has some of its debt in foreign currency because their revenues are in foreign currency, so there's a natural hedge there on the revenues and the debt side. But the government of Manitoba's debt, it's borrowed around the world through the borrowing syndicate or consortium, but our people swap it back into Canadian dollars to reduce that foreign currency exposure. There may be a small percentage there, but the overwhelming policy is to do it that way to mitigate risk factors in that regard.

**Mr. Pallister:** I could offer to lend my personal experience with currency swapping to the government. Do exactly the opposite of what I do and you're going to find that you're swapping at the

right time, because my currency swapping from US to Canadian has really not worked out super well, my financing.

The Hydro debt, is it correct? There was an article, and I don't have it here, that the Hydro pays the government for the right to borrow on the government's lending rate. Is that correct?

**Mr. Selinger:** The Hydro is able to borrow at the Crown rate, which is a more advantageous rate than they would be able to get themselves, and in exchange they pay a guarantee fee for that to the government, and the guarantee fee, even factored in, it allows them to get more advantageous overall financing for the program of building assets that they have.

**Mr. Pallister:** Thank you. That's interesting.

Does the Premier know the current rate, approximately, that Hydro would pay the government for doing this?

**Mr. Selinger:** I'd have to get the information form, but these things are set in a way that both parties feel their advantageous to them. I mean, particularly Hydro, who does borrow under the name of the Crown, but pays a guarantee fee for that.

**Mr. Pallister:** So the guarantee fee, so that shows up on the government's books as just a levy, or something like that, or I don't know the correct—yes, okay.

And, yes, that table on page 38 is interesting just when you look at the—from a personal standpoint. I'll date myself and say my first house in 1980, I felt pretty good locking in my five-year mortgage at 17 and a half per cent. So I know what interest rates were like then, and when I look at this chart on page 38 of the Bank of Canada rate since '98 going from 5.25, and then up in 2000 up to six, and then just absolutely down to like 2009 at a Bank of Canada rate of 0.5. I can't help but, you know, wish I could've taken my mortgage out at that point in time. It's an amazing, amazing time and, I'll risk sounding like an old fogey here, and just say I hope our young first-time homebuyers remember that these interest rates aren't necessarily always going to be as advantageous as they are right now for them in terms of the longer term, 'cause it is a concern and, obviously, we saw what happened in the States in the housing market just recently.

This, of course, this—the parallel is I also have expressed concern in respect of our making sure that

our own finances are forward plans, such that we're not overexposed to this upswing either. But the Premier's helped me in one respect by explaining the longer term nature of the financing.

Does the Premier know the average, and again I—of course, we can have the Finance critic ask this, but I'm just curious if there is such a thing as a sort of an average length of time that our debt is taken out for new debt.

**Mr. Selinger:** The debts, as a matter of accounting principle, are tried—usually tried to be put in place—the amortization and interest for an asset is usually spread over the life of the asset. So, if it's a 40-year building, they try to spread the amortization interest over four years. If it's a computer, three years, for example. If it's another asset, 10 years, a road, 20 years. Again these are just examples. I'd have to check the verifiables on that. So it depends on the nature of the asset and what the realistic lifetime of the asset is in terms of its productive use, and the amortization and interest is usually tried to be matched up with that.

**Mr. Pallister:** So—but if the debt is—if the deficit is a structural one. If it's salaries and wages and so on, then how do you match that up?

**Mr. Selinger:** Yes, that's different. He was asking me about debt, I was speaking with respect, debt related to assets.

Deficits are brought on the books in the year that they are incurred, and they go into a cumulative deficit line, and then they're worked on through various mechanisms of repayment over time.

We have been using the Fiscal Stabilization Fund to make a payment towards the deficit every year that there's been one incurred in Manitoba since the great recession started. And that's quite different than most provinces. Most provinces have not had any resources available to them, with a couple of exceptions, that have handled deficits. But we've been making a payment down on the deficit every year that we've incurred one, out of the Fiscal Stabilization Fund, which, at one point, was well over a half a billion dollars.

**Mr. Pallister:** Good. Thank you for that.

Page 40 talks about marginal tax rates. The second paragraph mentions that personal income tax rates have declined in all provinces since '98 based on an individual earning \$100,000, and the table refers to that. But it goes to—in the last paragraph

talks about Manitoba's top marginal personal tax rate increasing from 17.13 in '98 to 17.4 in 2012. And this is a section referring, obviously, to the top marginal rate. It says at the same time, all other provinces saw reductions to their top marginal rate except Nova Scotia and Ontario. And then it says, in '98, Manitoba's top marginal rate was the second lowest in the country, with only Alberta being lower, at a rate of 14.28. And then it finishes by saying, and by 2012, Manitoba had the sixth highest top marginal tax rate compared to other provinces, and was significantly higher than many other provinces, particularly those in western Canada.

So we were second lowest. We're now highest in western Canada, and this on the top rate. I know—I'm aware of the reductions. The Premier referred to them the other day in some detail, on the corporate side.

But, on the personal side, was this a strategic—was this part of a strategy to increase the tax on the higher margin? What—maybe the Premier could share with me—what was the thinking going into—because I understand, of course, he prefaced his time as Premier as Finance Minister, so I thought there might be some insights in the—that seems a considerable change in our strategy over a number of years.

**Mr. Selinger:** Actually this information here is just wrong.

Under the Conservatives, when they were in government, they had a special surtax on all incomes, and it was a surtax that was levied on your net income, and it actually created, literally hundreds of different tax rates in Manitoba.

And so the 17.4 is considerably less than a person at the top marginal rate would have paid in 1998, because it excludes the surtax, which was levied in 1998, and they paid a much higher rate than that, and there were lots of complaints about that.

We simplified the system, eliminated the surtax, and fixed a simple once—one rate for the highest rate, without all these surtaxes being added on to people's net income, after it was calculated on their tax forms.

So this was a simplification and a reduce—a reduction of what taxes of what people paid under the former Progressive Conservative government. They had retained this surtax through their entire period in office, which was a much higher tax rate on high income earners, or any—all income earners, for that matter.

**Mr. Pallister:** Well it says under the table, if you look carefully, that it includes a surtax. So that's why I'm—

**An Honourable Member:** It's just not accurate.

**Mr. Pallister:** Okay, fair enough. Let's move on then.

Just in terms of the international comparisons, the Premier had shared some of the positive comparatives the other day, and that's good, we love the province.

On the KPMG, I'll turn this page, 42, it says Winnipeg ranks 12th out of 16 Canadian cities in terms of overall tax rates in 2012, was 13th out of 17 in 2008; last in 2008 and '12 in the other corporate tax category, which includes capital tax, sales tax, property tax and miscellaneous business taxes.

Could the Premier elaborate on that one too?

\* (16:10)

**Mr. Selinger:** Yes, we do in the budget. I'm following a methodology that was in place when we arrived in government, a comparison of the affordability of being a business in Manitoba and in Winnipeg.

And, if you take a look at the budget on that one and I think I've got—yes, I've got it here. Internal rates of return for a larger manufacturing firm: in Brandon, No. 1, among a set of cities that includes larger cities; internal rates of return for a smaller manufacturing firm: Brandon, No. 1, Winnipeg, No. 3; on a larger manufacturing firm: Brandon, No. 1; Winnipeg, No. 5.

If you look at Winnipeg in terms of internal rates of return larger manufacturing firm in cities over half a million, we rank No. 2 for the highest rate of return, just; it looks like almost tied with Montréal. They might be slightly ahead. Internal rate of return for a smaller manufacturing firm in a city over 500,000, we rank No. 1.

So there is these reviews that are done on an annual basis, and they look at several different measures of profitability for corporations that are in the manufacturing sector. So other studies that I've seen on the competitiveness for setting up a business, Winnipeg and Manitoba ranked very well for a similar set of cities in the Midwest and throughout North America. So I'd just add that information to the discussion.

**Mr. Pallister:** I thank the Premier for that. On page 45, there's an OECD program for international student assessment, PISA. Program for International Student Assessment measures skills that are generally recognized as key outcomes, et cetera, et cetera.

And it just talks about a project that in 2009 here that measured reading, math and science skills for 15-year-olds in 65 different countries. Manitoba was below the Canadian provincial average for reading, math and science skills, ranking 9th, 9th, and 8th, respectively, in these categories. And it finishes by saying rankings were similar to the OECD average for all three categories. So similar to the OECD average but behind other Canadian provinces is a cause for concern, obviously, at least in respect of this sample.

Would the Premier like to comment on this particular assessment? And is there, or are there some serious responses being undertaken as a consequence to some of these test results, because this is a pretty respected, I understand, a pretty respected agency.

**Mr. Selinger:** I thank the member for the question. I just want to return to page 42, the first bullet in the 2012 report, ranked Winnipeg as the most competitive city for business in its grouping of other Midwest US, western Canadian cities. Winnipeg was ranked fourth in 2002, so it's gone from fourth to No. 1 in terms of overall competitiveness.

So that, so to speak, is the bottom line. And the other points that he raised earlier were subsets of that, but, when you put it all together Winnipeg was the most competitive, so that's a very strong ranking that has improved. Number 1, it's hard to be higher than No. 1.

Now in turning to the OECD reports, this is useful information, and Canada remains one of the best places in the world to educate young people, very high scores overall and very highly regarded. The differences in the scores are—small differences change rankings quite dramatically. So it is an important discussion. And so what we have to do is we have to continue to find ways to invest in improving quality in education as well as increasing access and helping more people graduate from high school.

So we have, for example, increased our resources available for sciences and math, to strengthen outcomes there, as well as language arts,

as well as other components of the curriculum including science. And so you can see that there's lots that we can do there that will improve it.

You can see, for example, on the math scores. The difference between 8th and 9th is three points out of 500. It's, you know, less than 1 per cent difference, and the rankings between the top and the bottom are less than—well, they're just around 5 per cent difference, really, between the No. 1–543—about 5 per cent difference. So the small differences make a big range in the rankings. Nothing to be complacent about, but I just want to give him the order of magnitude of the differences. Small differences make a big difference on the rankings, and so there's things that can be done that will improve that, but we've got to put that in perspective.

Where Canadian education is among the best in the world, all provinces do very well, the differences between provinces are, in most cases, less than 5 per cent on an overall basis, but there are rankings within that. So we have, for example, not cut education, which was a problem in the '90s when they were being cut every year. We've invested in a class-size initiative for K to 3 to reduce the number of children in classes to, on average, 20, with some variation there of up to three, but reducing class size to 20 to have kids off to a better start.

Very significant investments in early childhood development to prepare kids for school. Daycares are now early childhood learning centres so that there's a preparatory curriculum in daycares to help young persons be more ready for school. There's Scientists in the Classroom grants to support high-quality science education. There's all kinds of work going on with respect to math education, strengthening the curriculum, and high school courses and teacher training. Very important key is to have teachers that are comfortable with what they're teaching and insightful as to the concepts they're teaching people and how to apply at those concepts.

The renewal of the language arts curriculum is under way. English as an additional language, very important investment, lots of newcomers in Manitoba, so helping them acquire English as an additional language strengthens their overall ability to do well in school, and then, of course, we're continuing to work to press the federal government to increase their supports for First Nations education, which is about \$3,500 per student less, and looking at ways to do partnerships with First Nations communities to improve their educational supports

and professional development opportunities and funding when they partner with our school divisions, Frontier School Division, other school divisions throughout the province.

We've done a parent-friendly report card to make it more plain language and understandable with standard reporting across different schools and school divisions. We've come up with common in-service days to make it easier for families to plan around children's attendance at schools, especially if they have children in more than one school.

So these are just some of the initiatives that we're taking right now to strengthen our educational outcomes.

**Mr. Pallister:** Thank you for that response.

In terms of—I got to back up a little bit, I obtained a copy of the OC here on the NFAT, needs for alternatives to review, for Hydro's proposed development plan Keeyask, Conawapa, and it's signed—it's an order-in-council. I just want to be clear on—is it—so it's an order-in-council. So the Cabinet determines the scope of the NFAT, and then makes a recommendation, makes appointments to the people on the panel or appoints, officially, the people on the PUB who do the work. Is my understanding correct on that?

**Mr. Selinger:** Yes, governments of all political stripes have appointed the members of PUB and the panels that flow out of that.

**Mr. Pallister:** So the—so this appoints Arthur Mauro and Mel Lazareck as members of the PUB just for the purposes of this NFAT review, I understand that, and also has the—gives the PUB the authority to appoint not less than three members, and the Premier had shared with me the makeup or projected makeup, at least, of the group that would be involved in doing this work. But I didn't get clarity, I don't think, the other day, on the time frame on this, the work itself. Is this something that's going to go on over the next six months or three or a year?

**Mr. Selinger:** I'll have to check with them on the time frame for expected completion of the NFAT review. I'll take that as a question of notice. Just looking at my staff here, if they have any sense of that, but I think the approximate time frame is a year. But I don't think it's written in stone that it has to be a year, less or more. But I think that's sort of the assumed approximate timeline on that.

\* (16:20)

I did want to mention one additional point with respect to education on the previous question, if the member would allow me, and that one of the other changes we made was that school leaving was—used to be 16 years old a couple years ago. We have changed the law to make school leaving age 18 years old now, so that more children, or young people, complete high school, and schools are given a mandate to find ways to retain people in school until they're 18 and help them accomplish more educational outcomes.

That was the first time since 1961, when there had been a change in the date by which a young person could leave school, and a couple of other provinces have done that as well. So we're looking, not only for improved outcomes, we're looking for more people to complete high school and more people to stay in school 'til 18 and get the benefit of the education that we provide in Manitoba. So we're going on both accessibility and retention, as well as quality as well.

And on the high school graduation rates, I believe they've gone from about 73 per cent over 83 per cent, and we'd like to bring it up even higher as we go forward and improve the quality at the same time. So the challenge is greater. More students staying in school longer, of more diverse backgrounds and different experiences and socio-economic challenges but, at the same time, a stronger commitment to retain them in school and helping them graduate from high school and getting good outcomes as well.

**Mr. Pallister:** I thank the Premier for adding that to the record. Just to go back to this order-in-council again for a sec. The—so the terms of reference that are here for the NFAT review, NFAT review for Hydro's proposed preferred development plan, Keeyask, Conawapa, et cetera, et cetera, has a list of not-in-scope items, and I want to just ask why these aren't in scope? The—and I think I understand, but I want—just some clarity just to assist me in understanding that historic environmental costs aren't to be considered. Why would historic environmental costs be left out of the scope of the study?

**An Honourable Member:** Sorry, just—I don't think I was clear with my question—

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

**Mr. Pallister:** Yes—no, this is just in reference to the order-in-council establishing the terms of reference

for the NFAT analysis for Keeyask and Conawapa. I was just asking because some things are left out of it, and I just wasn't clear as to what the rationale was. And this is, and again, just for clarity. *[interjection]* Sorry, I didn't mean to interrupt.

**Mr. Selinger:** I believe that it's—to look at the impacts going forward. There's quite a bit of documentation on previous impacts of flooding in the north and the Northern Flood Agreement and the compensation paid out, et cetera. So I think it's an attempt not to go back and go over that ground when there's been several pieces of work done on that already in reviews and commissions, et cetera.

**Mr. Pallister:** Fair enough. So there—okay, thank you Mr. Chairman. Okay. So that's unnecessary—to redo work that's been previously done, whatever.

Now, it also says in the environmental reviews of the proposed projects that are part of the plan—this is outside the scope—the environmental reviews of the proposed projects that are a part of the plan, including environmental impact statements, those will be conducted through the Clean Environment Commission, and, where possible, the impact on the matter should be considered, et cetera. That, I think I understand is just work that will be done by the Clean Environment Commission. Am I correct in that? So there's just to make it clear for the—*[interjection]* Okay. Right.

And then, the Pointe du Bois project, why is—I don't understand why that would be in or out. I don't understand why it's even referenced.

**Mr. Selinger:** I believe it's simply to make clear that it's not scoped into the review of Keeyask and Conawapa.

**Mr. Pallister:** Thanks. And then the commercial arrangements between Hydro and its Aboriginal partners for the development of the proposed hydroelectric generating facilities—why would they be left out, the commercial arrangements between Hydro and its Aboriginal partners for the development of the proposed hydroelectric generating facilities?

**Mr. Selinger:** If it's like any other commercial arrangement or arrangement between two parties, it's not—the need for alternatives is not to delve into all of those details. Those are available through the Standing Committee on Crown Corporations or direct contact through the minister and to the Crown itself. But it's not the place to review all of those

specific details. It's a place to review the need for alternatives to actually building the dam itself.

**Mr. Pallister:** So just for clarification: So the information would be available to the NFAT review. This is just telling them that it's not within their scope to create the information, but they can still review the information which comes from another source. Is that—am I right in that?

**Mr. Selinger:** I don't know that that is necessarily the interpretation. I think what they're saying is you should focus on the need for alternatives to actually building the dams, and that if you want to discuss the business relationships between the partners, that's for a separate place.

### Report

**Mr. Rob Altemeyer (Chairperson of the section of the Committee of Supply meeting in room 255):** Mr. Chairperson, in the section of the Committee of Supply meeting in room 255 considering the Estimates of the Department of Finance, the honourable member for Charleswood (Mrs. Driedger) moved the following motion:

THAT the Minister's Salary be reduced to \$1.08 for unnecessarily increasing the provincial sales tax.

Mr. Chairperson, this motion was defeated on a voice vote. Subsequently, two members requested that a counted vote be taken on this matter.

**Mr. Chairperson:** A recorded vote has been requested. Call in the members.

*All sections in Chamber for recorded vote*

### Recorded Vote

**Mr. Chairperson:** Order. The section of the Committee of Supply meeting in room 255 considering the Estimates of the Department of Finance, the honourable member for Steinbach moved the following motion:

THAT the Minister's Salary be reduced to—*[interjection]*

Order. I'll start again.

In this section of Supply—Committee of Supply meeting in room 255 considering the Estimates of the Department of Finance, the honourable member for Charleswood moved the following motion:

THAT the Minister's Salary be reduced to \$1.08 for unnecessarily increasing the provincial sales tax.

Order. The motion—this motion was defeated on a voice vote. Order. And, subsequently, two members requested a recorded vote on this matter.

The question before the committee, then, is the motion on—of the honourable member for Charleswood.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 19, Nays 30.*

**Mr. Chairperson:** The motion is accordingly defeated.

The hour being past 5 p.m., committee rise.

Call in the Speaker.

#### IN SESSION

**Mr. Speaker:** The hour being past 5 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 13, 2013

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>		<b>Oral Questions</b>	
<b>Petitions</b>		Nursing Profession	
Municipal Amalgamations–Reversal		Pallister; Selinger	2339
Goertzen	2333	Provincial Spending	
Rowat	2334	Pallister; Selinger	2339
Pedersen	2334	GST Increase/Reduction	
Cullen	2335	Pallister; Selinger	2340
Provincial Sales Tax Increase–Referendum		PST Increase	
Wishart	2333	Driedger; Oswald	2341
Ewasko	2333	Legal Proceedings	
Driedger	2334	Cullen; Ashton	2342
Eichler	2335	Keyyask Centre	
Stefanson	2335	Schuler; Chomiak	2343
Briese	2336	Hip and Knee Replacement	
Mitchelson	2336	Friesen; Oswald	2345
Helwer	2336	Flooding (2011)	
Schuler	2337	Eichler; Ashton	2345
Smook	2337	Eichler; Kostyshyn	2346
Hydro Capital Development–NFAT Review		Eichler; Selinger	2346
Maguire	2336	Off-Street Rapid Transit	
<b>Committee Reports</b>		Gerrard; Selinger	2346
Standing Committee on Legislative Affairs		Elder Abuse Awareness	
Third Report		Allum; Rondeau	2348
Nevakshonoff	2337	<b>Members' Statements</b>	
<b>Tabling of Reports</b>		Collège Saint-Norbert Collegiate Varsity	
Manitoba Public Insurance Corporation, 2012 Annual Report		Girls Basketball	
Swan	2338	Gaudreau	2348
Manitoba Public Insurance Corporation, 2013 Annual Financial Statement		South Central Cancer Resource	
Swan	2338	10-Year Anniversary	
Supplementary Estimates for Legislative Review–Departmental Expenditure		Friesen	2348
Estimates–Local Government		Philippine Heritage Week	
Ashton	2338	Wight	2349
Supplementary Estimates for Legislative Review–Departmental Expenditure		University of Calgary	
Estimates–Infrastructure and Transportation		Schuler	2349
Ashton	2338	Ron and Michelle Trudel	
<b>Speaker's Statement</b>		Whitehead	2350
Reid	2338		

**ORDERS OF THE DAY**

*(Continued)*

**GOVERNMENT BUSINESS**

**Committee of Supply**  
(Concurrent Sections)

Health	2351
Finance	2363
Executive Council	2375

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