

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-First Legislature**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 9, 2016

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

## ROUTINE PROCEEDINGS

**Madam Speaker:** Introduction of bills? Introduction of bills? Committee reports?

## TABLING OF REPORTS

**Hon. Cameron Friesen (Minister of Finance):** Madam Speaker, I rise today to table the Manitoba Finance Supplementary Information for Legislative Review, 2016-2017 Departmental Expenditure Estimates as well as the Manitoba Civil Service Commission Supplementary Information for Legislative Review, 2016-2017, departmental and expenditure Estimates.

\* \* \*

**Mr. Dennis Smook (La Verendrye):** Yes, I didn't hear the—Madam Speaker, I was going to introduce a bill at the beginning and it got—before I could stand up.

**Madam Speaker:** Is there leave to revert back to introduction of bills? *[Agreed]*

## INTRODUCTION OF BILLS

## Bill 205—The Ukrainian Heritage Day Act

**Mr. Dennis Smook (La Verendrye):** Madam Speaker, I move, seconded by the member from Transcona, that Bill 205, The Ukrainian Heritage Day Act, be now read for a first time.

*Motion presented.*

**Mr. Smook:** Madam Speaker, I am pleased to introduce to the Legislative Assembly for the first reading Bill 205, Ukrainian Heritage Day Act. This bill proclaims September 7th in each year as Ukrainian heritage day. This bill also makes specific reference to the fact that 2016 is the 125th anniversary of the first official arrival of Ukrainians to Manitoba.

Thank you.

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

\* \* \*

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** Madam Speaker, I

move, seconded by the member—or Minister of Justice (Mrs. Stefanson)—*[interjection]* I thought we already reverted back.

I will ask leave to continue to be reverted back to introduction of bills.

**Madam Speaker:** Is there leave for the member to revert back to introduction of bills? *[Agreed]*

## Bill 3—The Mental Health Amendment Act

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** Madam Speaker, I move, seconded by the Minister of Justice (Mrs. Stefanson), that Bill 3, The Mental Health Amendment Act, be now read for a first time.

*Motion presented.*

**Mr. Goertzen:** Madam Speaker, I'm pleased to introduce to the Legislative Assembly for the first reading Bill 3, The Mental Health Amendment Act, currently under The Mental Health Act. It requires that when an individual is taken for an involuntary medical examination or a psychiatric assessment, a peace officer must both take a person—must take the person to a medical facility and stay with the individual until the completion of the medical assessment. This legislation will enable someone who is not a peace officer, but who has received the required specialized training to stay with an individual until the examination or assessment has been completed, thereby alleviating the stress on the resources of our police officers.

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

\* \* \*

**Hon. Cathy Cox (Minister of Sustainable Development):** Madam Speaker—

**Madam Speaker:** I would—leave is going to be needed because the time notice was not given.

So is the minister seeking leave to have a ministerial statement?

**Mrs. Cox:** Yes, please.

**Madam Speaker:** The required 90-minute notice was not provided, so the minister can only

proceed with a statement of unanimous consent being provided.

Is there unanimous consent for the ministerial statement? *[Agreed]*

## MINISTERIAL STATEMENTS

### United Empire Loyalist Day

**Hon. Cathy Cox (Minister of Sustainable Development):** Today is United Empire Loyalists Day.

Whereas the people of Manitoba recognize and celebrate the United Empire Loyalists' heritage of loyalty to the Crown—in the wake of Britain's loss of the Thirteen Colonies in 1783, approximately 50,000 refugees loyal to the Crown were resettled in Quebec, Nova Scotia and Prince Edward Island. Their arrival profoundly affected the development of Canada; and

Whereas after Manitoba joined Confederation in 1870, many settlers from Ontario, Quebec and the Maritimes immigrated to Manitoba; they were known as the United Empire Loyalists and included English, Dutch, German, French Huguenot, First Nations and Scottish settlers, who established businesses, farms and professions; and

Whereas the descendants of the United Empire Loyalists have continued to contribute in a significant way to the vibrant economic and multicultural province that Manitoba is today, it is their courage and enterprise that we celebrate on June 12th; and

Whereas the United Empire Loyalists' Association of Canada celebrated their centenary in 2014, one of Manitoba's branch's centennial projects identified and marked Manitoba's cemeteries with plaques where Loyalist descendants are buried; and

Whereas the Government of Manitoba encourages the promotion of intercultural understanding, mutual respect and universal acceptance of Manitoba's cultural diversity; and

Now therefore be it known that I, Cathy Cox—

**Madam Speaker:** Oh.

**Mrs. Cox:** —Minister of Sustainable Development—that I, the Minister of Sustainable Development, do hereby proclaim June 12, 2016, as United Empire Loyalists Day in Manitoba, and I encourage all Manitobans to join in this heritage celebration and

experience the unique and diverse traditions that have contributed to shaping our dynamic province.

Thank you.

**Mr. Greg Selinger (St. Boniface):** I rise today to honour the United Empire Loyalists and their arrival in Manitoba. I note in the proclamation that it's a diverse group of people of indigenous background, Dutch, English, German, French Huguenot, First Nations and Scottish settlers. It speaks to the multicultural diversity of our province. It speaks to our desire to have a province where everybody can live with dignity and respect. It also speaks, in the honouring of them today, to our ongoing journey towards the path of reconciliation where all peoples can come together and be respectful of the origins of everybody and acknowledge their rights and recognize those rights as we go through that path of reconciliation together.

So I rise, on behalf of the opposition today, to recognize the United Empire Loyalists and their contribution to Manitoba, and I note that they regularly turn up at the New Year's Levee in full traditional costume and show their pride for being part of Manitoba and a part of this country.

Thank you very much.

**Hon. Jon Gerrard (River Heights):** Madam Speaker, I ask leave to speak to the minister's statement.

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

**Mr. Gerrard:** Madam Speaker, I will just begin with a comment that the government is most disorganized today, having had to revert back from—to bills, and now having to proceed with this ministerial statement without the required notice. Hopefully, the House leader can get his team better organized for the future because we'd like the Chamber to be working well.

\* (13:40)

That being said, Madam Speaker, I want to pay a compliment to those who are descended from the United Empire Loyalists who came here from Ontario and Quebec and the Maritimes and who contributed so much to Manitoba.

I note that Thomas Greenway, who was the first Liberal premier in Manitoba, brought a group of immigrants to Manitoba from Ontario, and they settled in the area around Crystal City. It was an

example of part of the movement of people from Ontario to Manitoba. I don't know for sure that they included some United Empire Loyalists, but they likely did. That would've been in the 1870s or early 1880s. And then when Thomas Greenway was premier from 1888 to 1900, he had a huge effort to bring people not just from Ontario but from all over Europe, and that, of course, is what we are today: a Manitoba, a diverse society, and out of that diversity is a lot of strength.

So let me conclude by saying thank you for being here representing the United Empire Loyalists, and let us salute their contribution today.

Thank you.

## MEMBERS' STATEMENTS

### Chief Ken Chalmers and Chief Vincent Tacan

**Mr. Doyle Pivniuk (Arthur-Virden):** Madam Speaker, I'm proud to rise today to acknowledge the great work being done in—with—by two chiefs in my constituency, Chief Ken Chalmers of Birdtail Sioux First Nation and Chief Vincent Tacan of Sioux Valley Dakota Nation.

Chief Chalmers has a new business on the horizon in his community. They are converting an old school in Foxwarren into a new business that will not only profit those on the reserve but the surrounding community. The school is located on Highway 16 on 8.8 acres of reserve land. The plan is to convert the—into a gaming centre with bingo, VLTs, a lounge, restaurant, gas bar and office space for businesses.

They have partnered up with the municipality, surrounding churches, chamber of commerce and fire departments. This business is going to help fund many social projects on their reserves such as housing, church services, breakfast and lunch programs, school expansions. They plan to open their project by the end of 2016 with the plans to add a hotel in the future. This will provide jobs for the people on the reserve as well as the people in the surrounding community.

Chief Tacan also has a new project on the go: A Petro-Can is being built on Dakota Nation's land along the Highway No. 1. The construction started in March and has been going very well, hoping to be completed by August, late August. There has been a gas bar as well as a convenience store. This business will provide jobs for 10 people from their community.

Madam Speaker, I have Chief Chalmers in the gallery today. It is the vision of these two great chiefs that are seeing the positive change. Not only does this benefit First Nations people but in the—great for everyone since this opens up doors for the jobs and economic growth.

In the spirits of the recent truth and reconciliation act, it is ideas like this that brings people and communities together in harmony. I applaud these chiefs on their contribution to our constituency, province and economy.

Thank you, Madam Speaker.

### Youth in Care Tuition Waiver Program

**Mr. Wab Kinew (Fort Rouge):** It's estimated that less than 5 per cent of young people who grow up in foster care pursue post-secondary. These young people have vast potential but too often can't realize it.

That's why the University of Winnipeg launched the Youth-In-Care Tuition Waiver program in 2012, and other colleges and universities have since followed suit. This program eliminates tuition fees for youth in care. The provincial government covers all additional living expenses for youth on extensions of care, including housing, textbooks and meal plans, up to age 21 while they are attending the university.

Today, the first of these students will graduate with university degrees.

Laura Wolfe-Garand is graduating today with a bachelor of arts in psychology. She hopes to build a career in social work. Laura will be a role model for kids in care, someone who knows exactly what they're going through and living proof that they can persevere.

Tomorrow, Susan Kroker is graduating with a bachelor's of education. Thanks to the tuition waiver and years of hard work, Susan has built the foundation for a career in teaching, where she will in turn serve as a beacon of hope for the next generation.

One of the students in the tuition waiver program once told me: Four years ago I didn't know what a Ph.D. was, and now I'm on a Ph.D. track. These students have the smarts, they have the work ethic. They just needed some help getting in the door. These students are a true good-news story for Manitoba.

I'd like to thank Lloyd Axworthy, Jennifer Rattray, Kam Holland, Tanis Kolisnyk, Leanne Shumka and Sarra Deane for getting this program off the ground and running it. I hope the provincial government will continue to support their efforts.

And congratulations to Susan and Laura, you are game changers for your families and you are an inspiration to me.

Miigwech.

### **Greg Veosovich**

**Mr. James Teitsma (Radisson):** Madam Speaker, I'm honoured to rise in the House today to pay tribute to a great friend of the Radisson constituency and the Transcona community.

This past weekend, Transcona once again celebrated the Transcona Hi Neighbour Festival. This festival which has been running for more than 50 years is a staple of summer life in Transcona with thousands of people enjoying many vendors, midway shows and rides, and thousands more lining Regent Avenue for the traditional Saturday parade.

Some of you may recall that last year there was some controversy around the festival due to the actions of a board member. So this year, the board has had to spend time rebuilding, renewing and working hard to ensure this annual festival continues. And as part of that renewal they invited Greg Veosovich to join their board as promotion director. Two years ago, most people who knew Greg thought of him as the manager of a local Tim Hortons location at 1495 Regent Avenue west. He was the guy who joked with them in the drive-through, telling them they were all out of double-doubles but he could give them one with two sugars and two creams instead.

But since then Greg has become so much more. In conjunction with the opening of the seventh Tim Horton Children's Foundation camp right here in Manitoba at Sylvia Lake near Pinawa last year, Greg decided to go above and beyond the fundraising done as part of Camp Day by camping on the rooftop of his Tim Hortons location for a full week or until \$5,000 was raised. He called his campaign the Great Transcona Camp Out.

In 2015 he raised far more than the hoped-for \$5,000 and this year he has done it again—and with style—in what I hope has become an annual tradition. He added appearances by local bands, movie characters by the Costume Alliance, local comedian

Matt Falk and more on the Vickar-sponsored stage. His commitment and generosity have inspired many others to also give of their time, talents and treasure.

Greg Veosovich is in the gallery today, and I ask that this House honour his efforts in building a stronger community and a better province.

Thank you.

### **Tourism Manitoba Funding**

**Mr. Shannon Martin (Morris):** Madam Speaker, we on this side of the House know the value of tourism to Manitoba. It is a \$1.5-billion contributor and creator of an estimated 23,500 jobs.

It was unfortunate on Tuesday the NDP chose to vote against increased tourism investment, investment on the road—that on the road to electoral oblivion, they suddenly found themselves interested in. For a straight decade under the NDP, Manitoba's tourism budget remained flat and among the least funded in the country. Of course, while they could never find extra dollars to promote tourism, they never had difficulty finding their annual vote tax. But as I said before, the NDP had their priorities and we have ours.

Madam Speaker, the NDP were well aware of the need for increased investment. To quote the president of the Manitoba Chambers of Commerce last year, quote: The fact that the NDP government outlined this as an action item almost three years ago and have dragged their feet on it is a sobering indication of where tourism sits with this NDP government. End quote.

The chambers and tourism operators called on government to support a sustainable model of a 96-4 split where the Province would receive 96 per cent of tourism tax revenue and the other 4 per cent would go to Travel Manitoba for increased marketing.

After 17 years in office, the NDP created the situation described by Travel Manitoba CEO, quote: Travel Manitoba was the least funded provincial marketing organization in the country. It made it difficult for us to be competitive in terms of the amount of advertising and marketing. We had to encourage people to come to Manitoba. End quote.

Yet, in our first budget, in our first 30 days, we did, Madam Speaker, what the NDP refused to do. We committed to the 96-4 funding model and increased Travel Manitoba funding by \$3.4 million.

And while the member of The Pas may call it a stunt, I will take the word of the Travel Manitoba who says that it a solid investment that will bring significant returns.

Thank you.

### **Filipino Heritage Week**

**Ms. Cindy Lamoureux (Burrows):** Madam Speaker, just as the member from Tyndall Park did, I would also like to pay tribute to Filipino heritage week.

\* (13:50)

This past Saturday, June the 4th, there was an official flag-raising ceremony at the Philippine cultural centre. This event signifies the beginning of a week-long celebration of Filipino heritage. This flag-raising event also symbolizes an important date in history. On June 12th, 1898, some 118 years ago, Filipinos witnessed the public reading of Declaration of Independence. This was located in Cavite.

I have been extremely fortunate in my upbringing, and I have had first-hand opportunities to learn the Filipino culture and heritage. Filipino cultural values promote the importance of families, hard work, strong faith, a kind attitude and so much more, including great food.

I'm hesitant to say this publicly; however, my father is always very quick to remind me that I was actually conceived in the Philippines. I will have to trust his math, but to this day, I always liked to joke around that I am a true-*[interjection]* I wish.

I do remember when I visited the Philippines in the summer of 2014 and what a fantastic experience it was. I had the opportunity to take jeepneys, tricycles and the LRT in all four directions. I witnessed long lineups during rush hour, and I experienced what I would argue is real seafood.

The Philippines is such a beautiful country full of kind, kind people. Canada's heritage continues to evolve, and it is clear how strong and vibrant the growing Filipino community is in helping and shape our economic and social fabric.

Salamat po. Thank you, Madam Speaker.

### **ORAL QUESTIONS**

#### **Budget Savings Fiscal Disclosure**

**Ms. Flor Marcelino (Leader of the Official Opposition):** Following the budget, the Finance

Minister and the Premier said they had found 122 million in-dollars in saving-in budget savings.

For seven days we have asked the Premier to explain what these savings are. Yesterday, we found out that there are actually four versions to this story: the Premier's, his Finance Minister's, his communicator, and then there is the real version.

Can the Premier please make it clear now and tell us the real version? What is he hiding?

**Hon. Brian Pallister (Premier):** Let me see if I can help the member to understand this more fully.

When we began work about a few weeks ago, just a few weeks ago, on our budget which was presented and passed in the House here recently, the proposed expenditures were thirteen million, six hundred and sixty-five-thirteen billion, six hundred-well, a lot, Madam Speaker. In fact, they were a lot more than the year before. And so the idea was to change that trend towards spending more and getting less that Manitobans had endured and paid for for a good long time.

And so with a fine-toothed comb we did our best to try to find some reductions in the projected savings that would make a difference year over year and that would turn the course towards balance. And we achieved that in our budget Estimates to the tune of over \$100 million. This is the first time that members opposite have experienced this, so I understand they're bemused by the concept. But, nonetheless, the reality is that what this does is it moves us in the direction of greater safety, security and, of course, financial confidence for Manitobans and their families.

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

**Ms. Marcelino:** Very confusing answer there. I didn't find any figures.

Anyway, Madam Speaker, the Premier tries to reassure Manitobans that he's open and transparent, that Manitobans have nothing to fear. But then his very first act from his budget is to hide his true intentions. He has been asked dozens of times about the 100 million-\$122-million savings during Estimates this morning. The media has repeatedly asked him as well in the last few days.

Will he do the right thing and table an itemized list of this so-called savings?

**Mr. Pallister:** Well, we've got a lot of savings, Madam Speaker, and the point is, I guess, that it's a new thing. And I think because it's so new, not just to members of the media but to members opposite, it's hard for them to understand that we are trying to reduce the growth in spending. So what we've done with this budget is that we've actually done that.

Under the previous administration, the growth in spending exceeded inflation to the tune of almost two and a half times the rate of inflation and we didn't feel this was sustainable. Neither did credit rating agencies; neither did Manitobans who had to pay higher taxes year after year after year, so that at this point in Manitoba the average Winnipeg family pays annually more than \$4,000 more than if they lived in Regina. That's not a competitive situation. It's not fair to Manitoba working families, and that's the situation that we're addressing by posting a budget that has a spending increase, granted, but a spending increase that we believe is sustainable, given our rate of economic growth of 2.7 per cent.

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

**Ms. Marcelino:** The Premier talks of a lot of savings, but can't definitely state what it is.

Madam Speaker, I think Manitobans are right to believe this Premier has a hidden agenda. One of the very few things the Finance Minister pointed to us, savings was tax hikes on the backs of Manitoba seniors.

I would like to ask the Premier to explain to all Manitobans: In what alternate universe are tax hikes savings?

**Mr. Pallister:** Well, Madam Speaker, when the member speaks about interplanetary travel she's referring to the government's record—that government's record, in terms of projecting on its own spending. It projected just a year ago, just 12 months ago, that it would run a deficit of about \$400 million, and now we find it's two and a half times higher.

In what alternate universe would that be fair or right? That's not even remotely close to a reasonable amount of fairness for Manitoba families who are asked to pay that bill and for their children and grandchildren who'll be asked to absorb that onerous burden as years go by.

So \$10 million more every single working week than they said they'd spend, they spent, Madam

Speaker. And so that when we see improvement in this, I understand it's new to the members to experience it, but I ask for their encouragement and support in addressing a problem they themselves created, a mighty problem that we have the courage on this side of the House to face up to.

### **Budget Savings Fiscal Disclosure**

**Mr. James Allum (Fort Garry-Riverview):** Well, Madam Speaker, you know the government still seems to have a hard time coming clean with the people of Manitoba. So far the Premier, the Finance Minister and the director of communications for the government have all offered different versions of how the government got to \$122 million in savings.

Since the Premier (Mr. Pallister) doesn't seem to know the answer, could I ask the Finance Minister: Who should we believe, the Premier, the Finance Minister or the director of communications?

**Hon. Cameron Friesen (Minister of Finance):** I thank my colleague for the opportunity to comment on this study of contrasts.

When the NDP government went into the room and looked at their budget for '16-17, they didn't like the number because they consistently overran their projections. So they wrote into the figures a \$215-million figure made up out of thin air for expenditure savings. There was no plan; there was no strategy; there was no mechanism. It was completely made up.

Contrast that with our approach to go in to do the work that they never did. We have found real savings. We are proud of what we've done so far, but I assure the members there is much, much more to do.

**Madam Speaker:** The honourable member for Fort Garry-Riverview, on a supplementary question.

**Mr. Allum:** Madam Speaker, if he's found real savings, could he share it with the rest of us? It would be that simple.

One possibility for the savings was put on the table by the director of communications. She wrote the media and said quite clearly that the \$122 million is composed of \$52 million in new revenue and \$70 million in lapsed spending. That's how you get to \$122 million.

Can the Finance Minister simply confirm that that's how they go to \$122 million in savings?

**Mr. Friesen:** I was pleased to be able to, yesterday, again provide even more detail in terms of what we've already articulated in terms of areas in which our government has identified savings. I would direct the member's attention, of course, to the fact that—in respect of the changes made to the Seniors' School Tax Rebate, we were able to additionally save right there over \$40 million.

\* (14:00)

But this gives me the opportunity to say, as well, that the interim Leader of the Opposition went out into the hall only one week ago and said about those changes that her party agrees with preventing wealthy seniors from receiving a property tax rebate brought in by the previous government. She agreed with it.

I'm asking the member to clarify: Why is it that they can't get their messages straight on this?

**Madam Speaker:** The honourable member for Fort Garry-Riverview, on a final supplementary.

**Mr. Allum:** You know, it's kind of funny. The government is supposed to deliver answers and they're still asking questions. That's because they don't know the answers. They won't tell the truth.

Since the Finance Minister just ruled out the director of communication's explanation for how they arrived at \$122 million and just conceded that clawing back \$44 million in—from seniors, raising taxes on seniors was how they achieved at least part of that, could then he tell us how he arrived at the approximately a hundred and sixteen, a hundred and eight—sixty-eight million dollars that he has yet to account for when it comes to this?

Madam Speaker, the people of Manitoba deserve an explanation—

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

**Mr. Friesen:** Madam Speaker, it's an interesting point from which this member proceeds. Their government overspent their planned budget each and every year to a combined amount of almost \$3 billion. So they're taking the approach now to say, because they did not do the heavy lifting of going into government spending to find savings, it therefore can never be done. We do not accept that premise.

Instead, what we have done as a government is we have contained in our budget meaningful and appropriate ways where we have found savings in respect of Cabinet size reduction, in respect of limitations to the increase to certain college and university grads. We've given any number of examples. They didn't do it.

But let us be clear: In Budget 2016, Madam Speaker, this government will get it done.

### **Budget Savings Fiscal Disclosure**

**Mr. Kevin Chief (Point Douglas):** The government says they've identified \$122 million in cuts or savings and the Finance Minister said these would be released on budget day, but they were not. The Premier (Mr. Pallister) said, and I quote: Well, he could, but he wouldn't have time for anything else. Yesterday, the Finance Minister shared a verbal list off the top of his head which does not add up even close to anywhere near \$122 million.

Has the Finance Minister found the time yet to release a detailed list that does add up to \$122 million?

**Hon. Cameron Friesen (Minister of Finance):** I thank the member for the question. Again, it allows me the opportunity to outline the difference in our approaches.

The government on that side who each and every year failed to meet its own budgetary targets, who left Manitobans saddled with a \$1-billion deficit after revising their budget again and again and again.

But this also gives me the opportunity to speak about an area of real savings to Manitobans. Whereas our predecessors set up a system to administer a Seniors' School Tax Rebate out of its own office, licking stamps and affixing labels to it and sending these off—these letters out, we've been able to simply identify that it would be—it would save a million dollars per year just to allow CRA to do it for us, and that's why we took that step.

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

**Mr. Chief:** When the Premier was asked about the \$122 million in cuts, he went on to say, and I quote: There's examples of 3,500 bucks. Is that really what you guys want?

Well, Madam Speaker, let me explain what \$3,500 represents to Manitobans. It's a full-time

summer job to a young person trying to make ends meet to go to university. It's bus passes for an entire year for six seniors. It's a half a year's rent for a low-income family.

Knowing what this means to Manitobans, has the Finance Minister found the time to identify what the 3,500 bucks that the Premier's talking about is?

**Hon. Brian Pallister (Premier):** Well, we actually understand very well what taxes do to Manitoba families, Madam Speaker, and we know from the previous administration's activities that they don't seem to have the empathy for working families or seniors.

They raised taxes year after year at a record level, higher than any other province in the Confederation, Madam Speaker. They did it after promising not to. They raised taxes on basic things like home insurance. They raised taxes on working families' benefits that they pay to protect their families against tragedy, against disability.

They raised taxes and fees in so many categories. They took \$1,600 a year away from each and every Manitoba family in just the tax hikes. They created a situation in their administration where the average Manitoba family pays \$4,000 more than if they lived in Regina or Saskatoon.

I don't need empathy lectures from the member opposite about working families and how much they pay in taxes. We've turned the corner on tax hikes. This budget didn't contain tax hikes. It's going to contain tax savings and better services and a better economy for Manitobans because we care about Manitobans and their families, and our government will demonstrate it in real deeds, not just in words.

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

**Mr. Chief:** Well, Madam Speaker, we've seen first-hand what the—how the Premier cares about hard-working Manitobans. With the stroke of a pen, the Premier gave himself a 39 per cent raise while his Cabinet colleagues gave themselves a 30 per cent—36 per cent raise.

With the 39 per cent raise the Premier gave himself, hard-working Manitobans now know why his favourite sound bite, the only thing better about Manitoba today is Manitoba tomorrow, Madam Speaker.

So I ask: Will he agree—will the 'premiel' agree that giving himself the most improved wage isn't the

best way to make Manitoba the most improved province?

**Mr. Friesen:** Madam Speaker, it's just incoherent that the member on that side would stand up and purport somehow now to stand up for affordability and for wage earners in the population after standing on the neck of Manitoba wage earners for years and years and years. Lacking the ability or the intent to do better on holding down the cost of operations, they simply raised taxes.

Madam Speaker, I remind that member that in respect of the things he just mentioned, our government will have saved \$4 million each and every year from reductions to Cabinet, reductions to technical officers. Those are real savings, ones that Manitobans can count on.

### **Midwifery Program Future Funding Concerns**

**Mr. Matt Wiebe (Concordia):** Several members of this House were recently contacted by a group of midwifery students who are feeling confused, undervalued and betrayed after being told that the funding for their joint UCN-U of Manitoba program was being cut, despite no mention of this in the budget that was tabled last week.

These students were given the bad news on Tuesday that a meeting between the Minister of Education and the administration was to be held this morning and that cuts are on the table. Despite this meeting directly impacting students and their futures, they were not given a seat at the table.

Will the Minister of Education explain to these students why they were denied access to the meeting and if the government plans to continue funding for this important program?

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

We're working both with the University of Manitoba and University College of the North to make sure that this program can be put in a sustainable form. There's been problems with this program, as the members well know, for a number of years, and it's certainly been struggling to produce any graduates. And we don't want the students that are in the program now to come up against any dead ends.

We want everyone's door to remain open. So we're working with both those institutions to make

sure that these students are properly looked after in the future.

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

**Mr. Wiebe:** We had a chance this morning to debate a private member's resolution in this House about protecting health care in this province, and the members had plenty to say about that. And yet here's a program that produces concrete benefits for Manitoba families including strengthening our health-care system and creating good jobs. And now these students are simply waiting and worrying to hear if their program has been slashed.

\*(14:10)

The Minister of Health has refused again and again to explain who he considers a front-line worker and who will be protected from his cuts.

So with the funding of this midwifery program at risk, is this one of the programs that the supposed savings that the Premier (Mr. Pallister) has talked about is coming from, and does—

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

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

I understand that the students are concerned. Their futures are at stake, and we are doing our best to work with the two institutions in question to make sure that there is some certainty in their future, that this program can be put in a sustainable format so that they can actually achieve the recognition of midwives in Manitoba that they wish to do, and find opportunity in the health-care system.

It is clear that we have a need for these students; we simply don't have the proper mechanisms in place, and we are working to try and put that in place.

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

**Mr. Matt Wiebe (Concordia):** The demand for midwifery services in Manitoba continues to grow as more expectant families are turning to midwives in the professional—to get professional maternal health that they deserve.

Madam Speaker, the benefits to families and the health-care system are clear. Midwifery services result in a 38 per cent lower C-section rate and a 57 per cent lower rate of episiotomies. We understand and stand by midwives in this province

on this side of the House, and there was a lot of work done to support midwives in this province.

So, again, I ask the Minister of Health, does he admit and stand with midwives in this province and admit that they're front-line workers and need to—

**Madam Speaker:** The minister's time—the honourable Minister of Education and Training.

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

This program has been ongoing for a number of years, particularly at University College of the North, where they had, total, over eight years of only 14 students enter the course, of which only one managed to graduate, because the program simply was not functioning properly. And, now, the College of Midwives doesn't want to recognize that program any longer, one of the basic problems in this situation.

And so we are working with other institutions to try and correct the problems that this government couldn't deal with.

#### **City of Winnipeg Rail Line Relocation**

**Ms. Nahanni Fontaine (St. Johns):** The rail relocation task force established by the former NDP government would work with rail companies, the City of Winnipeg and communities to pull up the rail lines that prohibit development in the heart of our city and entrenches a socio-economic divide through our community.

Mayor Brian Bowman came out in support of the task force. City Councillor Matt Allard, the City's representative on the task force, said he was eager to participate and urged the Premier to continue with the project.

With so many validators in support of the task force, why won't the Premier agree to get the task force started and immediately working?

**Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade):** I do appreciate the member's question. Certainly, it's an interesting discussion to have. I noticed it was an interesting discussion that was brought up just prior to the last election. I know if the members opposite had 17 years to do something about this and put this on the agenda, why wouldn't they have done it at that point in time?

Obviously, Madam Speaker, we're interested in having a consultation with Manitobans to see if there's an interest in moving this project forward.

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

**Ms. Fontaine:** I'm glad to hear that you are in support of doing consultations; that is what the task force is for. But, when asked by media, the Premier (Mr. Pallister) said his government, and I quote, will have to start saying no to some serious requests for real and important things.

I will remind the Premier that relocating the rail lines allows for important trade development and opens up opportunity for residential and commercial development. More importantly, it would be a removal of a physical barrier that has divided our city for over a hundred years.

Why doesn't the Premier consider these benefits important enough to continue the work of the task force?

**Mr. Cullen:** I do appreciate the question and I do appreciate the Premier's response.

Clearly, the previous administration have left us in a horrible financial mess. Obviously, we have some issues that we want to deal with on our side.

The member raises the issue of trade. We are very interested in trade. In fact, I was in Churchill earlier this week where I met with 20 trade representatives from 20 different countries. And I will—for the member's indulgence, I will table that list of 20 countries that we met with in terms of doing trade with.

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

**Ms. Fontaine:** Miigwech for this list. I'm entirely confused on how this actually is connected to the task force, but by far the most important impact we will see from rail relocation is a step forward in Winnipeg's efforts in reconciliation.

It is so important for this House to recognize the tangible and detrimental separation the rails have created in racially and socially dividing the city and citizens.

The funds supporting the task force are already approved and the support is there on all sides, so I ask again: Will the Premier get on with rail relocation?

**Mr. Cullen:** I do appreciate the question.

You know, we have made a major commitment to infrastructure in the province of Manitoba. We have committed over \$1 billion to invest in infrastructure in Manitoba. This government has got us in such a hole we're paying almost \$900 million in interest. If we would have had that \$900 million to invest, we could have been talking about serious discussion about moving rail lines.

### **Child Apprehensions Support for Families**

**Hon. Jon Gerrard (River Heights):** On Tuesday, in response to a question, the Minister of Health said, and I quote: We know that those who are dealing with one of the most difficult diagnoses an individual can get, cancer, need to be supported. They need care. They don't need a scare. End of quote.

Madam Speaker, as a doctor, I've looked after children with cancer and I know that the Health Minister is correct.

Would the Health Minister agree that parents who lose a child need to be supported whatever the reason for that loss of a child, they need care, they don't need a scare?

**Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living):** Obviously, the loss of a child for any reason is a worst nightmare for any parent. Being a parent of a young son—and I only have one—I can hardly imagine what it would be like to lose a child. I don't think there's any member who wouldn't feel compassion for any parent or any family who's lost a child for any reason.

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

**Mr. Gerrard:** As the minister acknowledges, there is little in this world worse than losing a child, and I've learned as a physician and a politician that it's the same whether the child is lost to cancer or lost when the child is apprehended and taken away by CFS.

Madam Speaker, in New Zealand they have learned that such parents who've had a child taken away by CFS need to be supported, and they require a family group conference before the child is taken away.

Will the Minister of Families consider making sure families in Manitoba are also supported with a

family group conference before a child is taken away from its parents?

**Hon. Scott Fielding (Minister of Families):** I do thank the member for his question.

Protecting the most vulnerable children in our society is something that this side of the House takes extremely seriously. We know that there's way too many children in care. We know that there's all—close to 90 per cent of indigenous children are the ones that are protected, that are taken into care as most—we need to work with everyone to come up with innovative solutions. We need to listen to the people, and that's exactly what we're going to do as a government.

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

\* (14:20)

**Mr. Gerrard:** We're at a time of reconciliation. Reconciliation begins with understanding. Understanding begins with recognizing the grievous harm to a family that occurs when a child is taken away. Understanding begins with the recognition that we need to provide support to families at such a level and at such strength that as soon as possible we will move to a time when dramatically fewer children are taken from their parents.

Will this government maintain the status quo? Or will it make the changes needed to support families and to prevent the heartache, the distress and the trauma when a family loses a child?

**Mr. Fielding:** Madam Speaker, I want to thank the member for not only the question, I want to thank him for the recommendation.

And, you know, as a government, we're interested in finding new and innovative ways to help protect children and keep them with our families. And we're interested in any innovative ideas that are part of it. So we're open to looking at suggestions.

#### **Manitoba's Aerospace Industry Changes to Air Canada Act**

**Ms. Janice Morley-Lecomte (Seine River):** Madam Speaker, it was great to see that, yesterday in this House, all members of this Legislature stood up to support Manitoba jobs in the aerospace industry. It is so important that all members of this House work together as a team to ensure that Manitoba jobs are protected and that our economy grows.

Madam Speaker, could the Deputy Premier please inform the House about how Manitobans are working together to protect Manitoba jobs with regard to the federal government's proposed Bill C-10?

**Hon. Heather Stefanson (Deputy Premier):** Madam Speaker, I want to thank all members of the House for their unanimous support of our motion calling on the federal government not to pass Bill C-10 and such—until such time as we are assured by the federal government that there will be a net economic benefit for Manitoba.

Our aerospace industry is extremely important to our province. And so it's very important that we support that industry. And with the unanimous consent from this House yesterday, we sent a very strong message to Ottawa. We just hope, at this stage, that they will listen.

#### **Hanover School Division LGBTQT\* Curriculum**

**Mr. Wab Kinew (Fort Rouge):** Madam Speaker, the Hanover School Division has again been asked to allow teaching about LGBTQT\* issues before high school. I read in the Steinbach Carillon that, when the matter was up for debate, one trustee said, and I quote: I simply don't agree with that lifestyle, end quote—as though being a member of the LGBTQT\* community is a lifestyle choice. Another tried to link the rise of sex education in Toronto schools to an increased risk of cancer.

Has the Minister of Education now heard enough to intervene with the Hanover School Division on behalf of the LGBTQT\* community?

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

We are a government that believes in inclusion. But we also are a government that believes that there needs to be a resolution locally if it can be done. I know the process has not gone well but that there is still discussions ongoing. And I think that that is probably the best way forward.

Certainly, we are very supportive of inclusion. And, certainly, that is the message that is being passed along.

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

**Mr. Kinew:** Madam Speaker, unfortunately, that's simply not good enough.

When you hear a trustee talking about the LGBTT community as though that is a lifestyle, we ought to remind everyone in this Chamber that gender identity and sexual orientation are protected under the Manitoba Human Rights Code. The trustee's statement implies that we can somehow pick and choose which human rights to enforce. And, perhaps more worryingly, the minister's statement that this is up for local resolution implies that, perhaps, there's local discretion on which human rights to enforce in this province.

Can the minister please assuage this House that that is not actually what he believes?

**Mr. Wishart:** Madam Speaker, I thank the member for the question.

Certainly, I understand that during the heat of an argument people make statements that probably aren't very advisable. And I suspect that that's probably the case here. And I'm sure that that individual who is trying to do a difficult job in a community likely regrets making that comment.

I suspect the member opposite remembers some statements that have been made in his past that he wishes he had not made. I think we are all in that circumstance at one time or the other.

But the member also knows that all options are not exhausted. There is the option of the Manitoba Human Rights Commission, and that has not been pursued.

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

**Mr. Kinew:** Madam Speaker, this isn't about me; this is about young students like Mika Schellenberg, grade 12 student in Steinbach, who has asked the Hanover School Division to teach about LGBTQ issues before high school. So when I hear comments for trustees saying that it's a lifestyle choice, others trying to link sex ed to increased rates of cancer. It seems to me as though there's a lack of awareness there.

So I would like to ask the Minister for Education whether he will make awareness training on LGBTQ\* issues available to the trustees of the Hanover School Division?

**Mr. Wishart:** Certainly, if the local school division wishes additional help from the department, we will

be very happy to offer it, but we will work together with Manitobans to make sure—and all members of the House to make sure that we are an inclusive government and an inclusive province.

So we are certainly working with any and all groups that come forward to make sure that that information is passed forward and that the correct information is placed on the record because, certainly, we want the best results to come out of this, and we will watch the situation very carefully as it develops. It has not yet run its course.

### **New PED Cases Prevention Measures**

**Mr. Mohinder Saran (The Maples):** This week, we have seen two new cases of porcine epidemic diarrhea, PED, in Manitoba's pork population, and while humans are safe, the same cannot be said of Manitoba's swine livestock.

I would like to applaud the actions of Manitoba Pork in their response to this outbreak by highlighting the rapid communication between producers, local veterinarians and the chief veterinarian officer is vital to responding to this outbreak.

Could the minister please explain what measures his government has taken to prevent a full-scale PED outbreak?

**Hon. Ralph Eichler (Minister of Agriculture):** I thank the member for the question.

Indeed, our producers are working very hard to contain it. Biosecurity is the utmost importance. But first and foremost, we want to make sure that Manitobans—this is not a food disease; this is a disease that's within the pig industry. We're proud to work with the Pork Council of Manitoba, who's doing an outstanding job.

And I think all members should get on side and make sure this disease is contained and make sure that CFIA comes on side and supports us, and I ask members on that side of the House to join us in making sure that all biosecurity measures are being held to the highest standard.

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

### **Hog Transportation Regulations Mandatory Washing at Border**

**Mr. Mohinder Saran (The Maples):** After experiencing PED cases in 2014, CFIA employed stricter US-border wash regulations, which stopped

the spread of PED, regulations which this government would refer to as red tape.

Now that CFIA has relaxed the cross-border wash requirements from mandatory to voluntary, we can now see the true impact of those changes.

In the quest to reduce red tape, will this government gamble with the safety of the agriculture sector by going through a trial-and-error process of cutting regulations, only to see their true value when things go wrong?

**Hon. Ralph Eichler (Minister of Agriculture):** Again, I thank the member for the question. This afternoon, my staff is meeting with CFIA, as I speak, actually, and I can assure all members of this House that we cannot take biosecurity serious enough. And that's for all aspects of this great province, whether it be the canola, whether it be wheat and barley, whether it be the hog industry.

We cannot stress enough that we make sure all steps are being taken for biosecurity, and that's the way we're going to contain this and future outbreaks, so I ask all members to join us in making sure that those steps are indeed followed.

\* (14:30)

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

**Mr. Saran:** PED is being transported from the US, and it is the responsibility of our federal government to deal with the regulation at our international borders.

Will the minister please report on his effort to pressure the federal government to reinstate mandatory washing of transports carrying swine so we can stop the spread of PED from these sources?

**Mr. Eichler:** I know that we had a hard time getting the previous government to join the state agricultural leaders' organization and, finally, they did; I give them credit for that. But very seldom do we have them stand up. When country-of-origin labelling came in we didn't hear anything from members opposite.

We on this side of the House made it very clear that we want to make sure our borders stay open, not only for biosecurity, but for country of origin, which Manitoba Pork creates \$5 million a year in export sales to the United States.

Are you going to get on side and support us, yes or no?

**Madam Speaker:** The honourable member for Minto—sorry, Wolseley.

### **Neighbourhoods Alive! Program Funding Commitment Concerns**

**Mr. Rob Altemeyer (Wolseley):** Madam Speaker, you're not the first one to do that. I'm going to have to grow the pony tail back. It's the only way to tell us apart.

Madam Speaker, the—the Throne Speech, the Budget speech, you would be hard-pressed to find the word poverty referred to in either of those documents. The government right now does not seem to have the same comprehensive approach to reducing poverty that we brought forward, which included 21 different indicators that we were tracking.

I'll give the minister of the day, whoever it is that's trying to do poverty work over there—Neighbourhoods Alive! program played a wonderful role in reducing poverty rates at the local level.

Will they continue funding this fantastic program?

**Hon. Brian Pallister (Premier):** Madam Speaker, congratulations on your first month in your new job. You're doing a great job.

I appreciate a question from the member opposite on the issue of poverty. It's an area that concerns all of us in this province. We know we lead the country in too many categories of poverty—children in care and children depending on food banks—and these are issues that have remained unsuccessfully addressed for a long time. And, of course, I think that they are issues uppermost in our minds and issues we want to address.

The previous administration mentioned the word poverty many, many times in various Throne speeches and budgets. Nonetheless, in the frequency of mentioning it they didn't address it effectively.

So perhaps what we would choose to do on this side of the House instead, Madam Speaker, is address the problem rather than talking about it.

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

Petitions? Grievances?

**ORDERS OF THE DAY***(Continued)***GOVERNMENT BUSINESS***(Continued)*

**Hon. Kelvin Goertzen (Government House Leader):** Madam Speaker, we resolve into the Committee of Supply, please.

**Madam Speaker:** The House will now resolve into the Committee of Supply. Mr. Deputy Speaker, please take the Chair.

**COMMITTEE OF SUPPLY****(Concurrent Sections)***(Continued)***EXECUTIVE COUNCIL**

\* (15:00)

**Mr. Chairperson (Dennis Smook):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for Executive Council.

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

The floor is now open for questions.

**Ms. Flor Marcelino (Leader of the Official Opposition):** Just one additional clarification from the Premier. Did he say that the OIC for Mr. Rick Mantey is forthcoming, or is it out?

**Hon. Brian Pallister (Premier):** Yes. Thanks to my colleague for asking that.

I had—was able to get that information, and the question this morning, I think, was the salary for Mr. Mantey and the salary classification is \$157,811. And, for further detail, his title is Deputy Minister of Intergovernmental Affairs and International Relations and within the classification of Deputy Minister 3, so he's about mid-range in that salary classification.

**Ms. Marcelino:** I thank the Premier for the information.

Also, I didn't quite get it clear to—like, the list of the savings out of the 122 million. Is it also forthcoming very soon?

**Mr. Pallister:** No, as I said to the interim leader's colleague this morning, we're working on it. We're getting the details put together because you've asked for details, and I think that's quite fair, and so we're pulling those details together as colleagues would

know because they've been through the Cabinet and Treasury Board process. It's a complex and onerous process to go through every item, but that's essentially what we undertook to do over the last few weeks.

So there are some detail work to iron out, but I'd undertake to have that information in the next day or so, I hope, to the members. We're working on it as we speak.

**Ms. Marcelino:** Thank you to the Premier for the answer.

Also would like to ask the Premier. The Premier mentions minimum wage is symbolic. Can you please—can the Premier please clarify or explain further what symbolic means?

**Mr. Pallister:** Oh I think sometimes—thank you for the question—and I think sometimes people who are talking about fighting poverty mistakenly assume that the only way to do it is to raise the minimum wage. I don't think so and I'm sure the members don't think so either; there are a lot of other initiatives. That's what I meant when I said it's sometimes symbolic. Persons who don't have the experience of my colleagues who've been in government for many years may assume that just because a decision is made to raise minimum wage that somehow poverty is being addressed effectively. Poverty reduction doesn't occur necessarily as a consequence of the minimum wage being raised; there are many other factors involved in addressing poverty.

So this is what I mean when I say it's sometimes taken by people mistakenly as a symbolic gesture.

**Ms. Marcelino:** I thank the Premier for the answer.

Coming from the—knowing or being in a lived experience of low wage for many, many years and knowing so many people who are working on minimum wage, I can personally say that it's important to have increases in minimum wage. It helps a lot. It may not be the only assistance these people would need, but it would help a lot. Based on that information or personal experience, I would plead with the Premier to consider raising the minimum wage.

So I'm asking the Premier, will he raise the minimum wage? It was never mentioned in this budget, but, you know, it could always happen.

**Mr. Pallister:** I thank the member for raising the issue.

As I said, there are many other aspects to address, and I think it's important to note that in our budget we are addressing many of those aspects. And I myself come from modest circumstances, and I understand what the member's sympathies are in respect of low-income earners very well, and I think we share that concern. But, that being said, there are issues of housing, as well, that need to be addressed and that are addressed in this budget in respect of improving the quality of housing and availability of housing for families who struggle.

\*(15:10)

We've, in addition, committed to raising the housing allowance for folks who are forced to live on social assistance, depend on social assistance, so that—to 75 per cent of median market rent. And this is a significant improvement, I think. For them to be able to know that that allowance is there means that there's not going to have to be money taken from the lodging budget—taken from the food budget for the lodging budget, you know, or from clothing for children and that type of thing. So these are positive steps.

And also in—finally, in introducing, as six other provinces have long ago done, indexation of our brackets, our tax brackets, to inflation to allow for people in circumstances, modest circumstances, in particular with the basic personal exemption as an example, to know that as inflation erodes the purchasing power of the money that they earn and receive, as the case may be, that it won't steal away from what they can buy with the money because the indexation will mean that they will not lose additional tax to the government. They can have that money and keep that money.

Members have commented this is a small step. But I don't think that there's any doubt that it's a step in the right direction. And I think that over time it will be a significant benefit, as it has been to people who live in modest circumstances across the country, over time, to them. So that we see ourselves now in Manitoba inheriting a situation where we are beginning to tax people who make less than \$10,000 a year, but in many other provinces people can make considerably more before they're taxed, as you know—I'm sorry, Mr. Speaker—as the member knows.

And so in Saskatchewan, as an example, a low-income family—low-income individual could earn \$16,000 plus and not be taxed yet. Here we begin to tax at a considerably lower level of income.

Each of these issues alone, including minimum wage, won't solve the problems of poverty, but some combination of them focused—in a focused manner, delivered over time, may well do that.

And that is, of course, the goal I think we all share is to make sure, not just that folks who are living in, you know, a situation of poverty and their children who are living in a situation of poverty today can be better off, but that those who, in, perhaps, in later times, are forced to depend on such programs as these as well.

So we want our programs to be sustainable. We want them to last so that we can continue to offer greater security to those who need it most.

**Ms. Marcelino:** Mr. Chair, having been a minimum wage earner for many years, not just for myself, but my spouse and many of my family and friends, we have found out that those extra earnings go back to the economy. We, in a way, stimulate the economy because we spend it right here in Manitoba or in Winnipeg.

And I think that would be a very good argument for the Premier (Mr. Pallister) and his government to reconsider raising the minimum wage.

Would the Premier hear out the many people who live on minimum wage depend on the raise in minimum wage so they can purchase a little bit more for their family which will in turn be going back to the economy?

**Mr. Pallister:** Well, sure, I know that the member and I share some commonalities in our background in respect of challenges we've faced in terms of low incomes. And I know that we know and sympathize with those who face those challenges today very much.

This is why we were so concerned when the previous administration decided to broaden the PST, for example, to include so many additional things that weren't included before, did this five times, to include legal fees so someone of modest means who wanted to prepare a will had to then have the PST on top of the bill, or someone who was working at a—as an employee and wanted to secure some benefits to protect their family, such as extended health or life insurance in case they died prematurely, was now subject to an additional PST bill. I mean, these things as well hurt the net take-home pay of low-income families, as they do others in society.

The reality, of course, of this constant tactic that was used over many years of raising taxes and increasing fees, fees on the ownership of a vehicle, a car tax, fees—additional charges on beer and wine and cigarettes, so-called sin taxes, which rose to such a level that they are, frankly, one of the highest—very highest in Canada. These have the effect of hurting those families who already are hurt by addictions that they shouldn't probably be pursuing, but, that being said, it does put an onerous burden on people.

And so this additional tax burden was the result of years of going to the people with additional taxes, and, you know, this had the effect over time of creating lesser incomes on the part of Manitobans so that they did struggle to make ends meet and do.

I think it's important to understand that that's a—that high tax legacy is one that the government has to defend—the previous government—and we have to address. We see it in the differential taxes that are imposed by other provinces versus our own. We have some of the highest taxes in the country, and, as a consequence, you know, the difference between, say, a person living in Yorkton and a person living across the border in Roblin or Swan River for an average-income family would be in the area of \$4,000 a year. That's a significant difference for the average family. It's not as high a difference, of course, for a low-income family, but still it's quite a difference and in particular because many of these taxes that were imposed disproportionately hurt low-income families.

As the member has said, low-income families have to spend their money. They put their money back into the economy and, in so doing, they generate more tax revenue for the government. The differential impacts are real for low-income families of the tax policies that were followed by the previous administration.

**Ms. Marcelino:** From my conversations with many low-income earners—some are in the minimum wage bracket—they are not affected by the 1 per cent PST as much as what the Premier (Mr. Pallister) or the rest of his team have been saying.

So will the Premier reconsider and raise the minimum wage?

**Mr. Pallister:** Well, on this, as much as I agree with the sentiment of the member's observations made in earlier preambles, I don't agree on this. The PST is having an impact on low-income families and it is disproportionately felt by them. An example might

be in respect of the fact that a low-income family, by the nature of the definition low income, has less disposable income to spend and therefore attacks on an essential item would have a disproportionately larger income percentage on that family. This was the argument that was made by the members—many people across the country, frankly, during the GST debate that we had, as Canadians, some years ago as well, the argument against the GST being introduced, and I remember many of my friends and colleagues, including Bill Blaikie, who I had good conversations with in the past, arguing that the GST hike and introduction of it would disproportionately hurt low-income families.

And now the member seems to be arguing the opposite is the case on the PST, and I find that difficult to believe and I don't think it is supported by the facts.

It isn't just the PST, though. It's all the other fees and the additional broadening of the PST. It's not just the raising it by 1 per cent that's the impact that's felt by low-income families. It's the broadening of it to include many other things. For example, as I mentioned earlier, benefits that people buy through their work benefits program were never included in the past in Manitoba under the roof of the PST, but now they are. So a few hundred dollars going out to pay for benefits now is attached with an additional 8 per cent bill because the PST is applied—never applied before. It isn't a 1 per cent increase, it's an 8 per cent increase on that bill.

\* (15:20)

If a low-income family has a property, a small home, for example, and they are wanting to insure it, they pay an insurance bill to an insurance company. They now pay an additional PST bill on top of that bill. That additional bill is not 1 per cent higher. In fact, it's 8 per cent higher.

So this—these types of things that the previous government introduced after saying they would not, have added considerable additional financial burdens to low-income families too. So, again, I do not disagree with the member on her comments in respect of minimum wage being one way to address low-income—the needs of low-income families, but I think there are also other ways, and I believe that we need to look at all of them in combination and do what is best to achieve the poverty reductions that I think we all here aspire to achieve.

**Ms. Marcelino:** Yes, what I've heard from low-income earners, they're not affected by the PST increase of 1 per cent, and those who are from the high-income earners, and some of them are Conservatives, even told me they don't mind paying the one—extra 1 per cent because they've seen that it was being used—the revenues generated were used for infrastructure projects, flood mitigation. So those Conservatives that I've spoken to have no beef with the extra 1 per cent PST.

My next question: Looks like the Premier and his government won't increase the minimum wage, so I'd like to ask the Premier: Will he increase the number of child-care spaces that are presently in the inventory in Manitoba?

**Mr. Pallister:** Well, if I—oh, I'm sorry, Mr. Chair—

**Mr. Chairperson:** The honourable First Minister.

**Mr. Pallister:** If I could, we're going to try to get more information for the member to answer her question, but if I could, I'd like to, in the interim, address the preamble of the question where you said that you've talked to some Conservatives who don't mind paying higher taxes, and so have I, actually. But I've talked to many NDPers who don't like paying higher taxes too. It's interesting, isn't it?

And I've talked to Conservatives and NDPers and people of no particular political persuasion who also say they just don't like the way it was done. They don't like the fact that the government promised they wouldn't do it, went to their doors, knocked and said, vote for me and I won't raise your taxes for five years, and then came in weeks later and raised their taxes. That's the issue, I think, that really bothered a lot of Manitobans over the last few years and continues to bother them.

So I agree. I think Manitobans are the best people in the country, made better by the Filipino immigrants that have come to this province. I think there's a great personality here in Manitoba of caring and of giving and of sharing. And I think that it's an accurate sentiment, and I've heard it too, that people don't mind paying higher taxes. But what they'd like to do is see better results as a consequence of paying those higher taxes; that's what's been missing. And what they would also like is to be respected in the process of raising those taxes. And that's why we've restored the—we've made a commitment to restore the right of Manitobans to have a say in that so that Manitobans can actually have a vote on whether the taxes go up in the major brackets of business tax,

personal income tax and personal sales tax, something that the members promised they wouldn't do and then did by going to court to fight to take away that right. We are going to restore that right out of the trust and the faith in Manitobans that they are generous of spirit and that if the case can be made that taxes should be going up, Manitobans will most certainly have the opportunity to vote in favour of that.

**Ms. Marcelino:** The 1 per cent PST you were—the Premier was saying were a broken promise, how about privatizing MTS? That, too, was promised not to be privatized, but it was privatized.

Anyway, Mr. Chair, I would like to ask the Premier: In the face of growing unpopular sentiments of many, many people against the sale of MTS to Bell, will the Premier still promote this sale of Bell to—of MTS to Bell?

**An Honourable Member:** I'm waiting for you to give me permission to speak.

**Mr. Chairperson:** The honourable First Minister.

**Mr. Pallister:** Wasn't just sure what to do there.

Well, on the premise of the question, I want to assure the member that the decisions that the people in charge of MTS and Bell make, as much as we all might like to think we had some power and influence here, were not of my doing, nor should they be. These are two very significant business operations that have entered into a dialogue with one another, I expect over some period of time, and decided to negotiate a co-operative deal with one another.

So, as far as change being popular, it was in the recent election, but I gather from the member she doesn't think it's a good idea for Manitobans to have this go ahead. Nonetheless, it's, frankly, a decision that those organizations have made and now there's a process that it has to go through in order to be approved. And that process will, I understand, in part at least, be going through the Competition Bureau process federally and also the CRTC. So we'll see where that goes.

**Ms. Marcelino:** Certainly there's a process for it to be approved. And part of the process is there could be intervention coming from the government of the day or from concerned citizens.

Will the government of the day hear out the protestations of many people who are against the sale, as borne out by two poll results already?

**Mr. Pallister:** Well, the member's asking me if we take action based on a couple of polls that were conducted in the Winnipeg Sun, and, no, that's not how we're going to govern. We'll do our best to make sure that there are better services for Manitobans, lower taxes, a stronger economy. These are the things we applied for the job of doing. These are the things we'll pursue.

But, you know, I understand the position of the member is one that she has taken out of a concern for Manitobans, despite the fact that her administration for many, many years decried Manitoba Telecom Services in our province, said that their rates were the highest in Canada, said that they weren't providing good service to Manitobans on the record as recently as a few weeks ago, saying things like that. And now, jumping to their defence and saying they're the best thing since sliced bread is an interesting position. But not consistent with previously stated positions.

**Mr. James Allum (Fort Garry-Riverview):** I want to return to the dialogue between the Premier (Mr. Pallister) and our interim leader about the minimum wage.

Could he just tell the committee, Mr. Chair, could the Premier tell the committee why he chose not to raise the minimum wage this year?

**Mr. Pallister:** Well, it's interesting, Mr. Chair, I think a quite fair and good question and an interesting topic to discuss.

So we were told a year ago that we inherited a situation where, yes, our debt had doubled in the previous eight years, and yes, we'd had our credit rating downgraded, and yes, our taxes were among the highest in Canada, and yes, our social services were ranked 10th out of 10 in health, access and educational quality, and yes, our poverty was first in the country, but at least we'd inherit a situation where the government had actually wrestled that deficit down by a few million dollars if you ignore the fact that they raided the Fiscal Stabilization Fund to do it.

And then we find out mid-well, just before the election, the government comes up with a, not a budget, but a different projection that shows that it's actually—it was off by a couple of hundred million dollars. And then we get into government, we find out that it's \$1 billion.

\*(15:30)

And now the member asks me, why don't we jump to the pump and raise the minimum wage, and he's—in previous—he and his colleagues naturally have asked about us keeping all their promises they made during the election, which aren't even factored in to this billion-dollar deficit in total. Some of them are, to be fair. Some of them are factored in, but many of them are not.

So during the election campaign there were innumerable promises made and commitments made by the government in the hopes that that would lead to popularity. They went around the province on a commitment tour and promised to increase funding just in a few weeks on: the Keystone Centre; North Interlake Training Centre; the combat gender-based violence program; capital fund build greenhouses program; and increase QuickCare clinics, school capital fund; and so on. And I could go on. And they add up. These additional promises add up to \$600 million. So, basically, what the previous government said is they were willing to do just about anything to get back in. And we've inherited a fiscal mess now because of that that is most unfortunate.

Now, like the member who—the interim leader, I come from a family of modest mean and every year before Christmas we got the Eaton's catalogue, and I marked down a lot of things I wanted in that catalogue. So did my brother and sister. But we didn't really go into Christmas morning thinking we were getting every single thing that we asked for, because we knew if we got it then we wouldn't get anything the year after because we knew there was a limited amount of resources available to do all these things. So the member says, and I put this in the category of all these other things that they're easy spending on, they're committing to spending all kinds of things. And we're committed to trying to get a sustainable fiscal management practice back in a province that's not had it for a long time. That's our commitment.

**Mr. Allum:** There was a lot in that answer, but nothing with respect to the direct question I asked the Premier. I asked him, quite simply, why did he not choose to raise the minimum wage this year. As he knows, there's a very proud tradition in Manitoba of raising the minimum wage year in and year out in the process of trying to find—make sure that all Manitobans have a living wage and are able to enjoy the full benefits of citizenship that we would want not only for ourselves, but for everyone else.

So I put it directly to him: Could he please tell the committee why he chose not to raise the minimum wage with all the—without all the other rhetoric around it?

**Mr. Pallister:** Thank you for the rhetorical question from the member.

The member speaks about proud traditions. Mr. Chair, 2011, he went to the doors along with every candidate for his party of every Manitoba household they could get their knuckles on to, and they knocked and they made a solemn vow that they wouldn't have a proud tradition of jacking up taxes. In fact, they said they wouldn't raise them at all. Then, within a few weeks they jacked them up. That's not a proud tradition. That's the opposite of one, and that eroded the incomes of people who live on minimum wage pretty significantly: the broadening of the PST, the increasing of many, many fees, innumerable fees, the tax grab—record tax grab. And then they went further, a step further, and said, well, let's raise the PST too, and that's an ignoble tradition. So they raised the taxes on the very people they now are claiming they care about really significantly.

So at the same time as they did that, health care was worsening, quality of education was worsening, number of kids in poverty were going up and, of course, there's no particular compassion evident in those realities. Now they talk—he speaks about—he references a proud tradition of raising the minimum wage. We've inherited a fiscal mess. We have to clean it up. In this budget we made major commitments in the areas of health care, a high priority for Manitobans, to address ambulance fees that are the highest in Canada. We made major commitments to work towards an in the co-operative consultation with people who work in the health-care system to look at ways of addressing our wait-time situation and creating a more sustainable health-care system for our province.

These undertakings will take some investments. We've directed—we've chosen to direct our resources to addressing some of the most significant challenges that Manitobans face. I am very cognizant, and I appreciate the comments of the interim leader in respect of her sympathies for low-income families. But I would say those comments and those sympathies weren't well reflected in the decisions made by the previous administration.

Decisions have to be made among a variety of options, and we've chosen to address the issues of

health care, early years reading, housing for people living in social assistance, increasing the Rent Assist, supports for people who depend on social assistance, indexing the tax brackets in our province for the first time to match the policies used by most other provinces so that we don't nefariously take away from low-income people money just because inflation erodes that purchasing power they have.

These are all steps in a positive direction: eliminating bracket creep for people in—all income earners and all families, especially benefiting those who live on fixed incomes and low incomes. These are all positive steps. Most of all we need to move towards, and we are moving towards, a more sustainable approach to money management in the province.

The issues the member raises around—and he's focused, of course, today on minimum wage, and that's one issue. And that's one way that a government, and which the previous government did regularly, that governments may address a situation. But, as I said earlier, there are many ways. And I would mention that every year that the government raised the minimum wage, they didn't index the basic personal exemption. And so for many Manitobans they might have put a quarter in one pocket, but they took 12 cents out of the other with their fee and tax hikes.

And so I'm not convinced that that's the only way to address the issues of helping people who live in low-income circumstances pull themselves out of those circumstances and have a better and more secure financial future.

**Mr. Allum:** I think the Premier (Mr. Pallister) might have been getting close to an answer there. It didn't start off in that direction, but we're moving in that direction for me—and by the way, we have a different definition of a rhetorical question, just so you know.

But what remains unclear to this side of the committee, anyways, is why he chose not to. Now, he could answer: I didn't want to; I didn't care. He could answer that he cut a deal with someone to make sure that it didn't happen this year.

So I'm just putting it to him plainly, and it's a good dialogue to have. We have different points of view where no one's suggesting that raising the minimum pay—wage is the only tool, but it is an important tool. It not only puts dollars into the pockets of Manitobans, but it also helps when the people who earn minimum wage spend those dollars.

And, as my sister, the interim leader, indicated, they spend them right here in Manitoba because they're not taking holidays and vacations elsewhere in the world.

So we're just trying to get a clear and direct answer from the Premier, Mr. Chair, and I'll try once more. Then I'll probably move on and give him a break because he doesn't want to answer the question, fair enough.

But I'd like to ask quite directly: Could he just inform the committee why he chose not to give Manitobans who earn the least a raise this year?

**Mr. Pallister:** Actually, we did choose to help people who live in low-income circumstance by indexing the tax brackets to the rate of inflation, eliminating bracket creep, increasing the Rent Assist housing allowance, investing in improved housing for low-income Manitobans and, overall, frankly, despite the best efforts of the member, taking twenty-seven hundred and twenty-seven—2,770 Manitobans who pay tax at 10.8 per cent right off the tax rolls in the coming year.

In addition, by indexing the tax brackets, another 2,400 Manitobans will be moved from paying tax at 17 per cent down to paying it at twelve seven five and 2,900 who pay tax at twelve seven five will be paying it at the lowest rate of ten eight.

So those are all significant improvements that have been made. But, you know, all we have here, I suppose, frankly, Madam Speaker, in the long term is the hope that we have our integrity at the end of the day. So I'd like the member to clarify what he meant by cutting a deal when he insinuated that in his—was he talking about me somehow? What did he mean by, did he cut a deal? What was that in his preamble?

**Mr. Allum:** Well, we were just thinking about the kinds of ways that the Premier—I'm trying to prompt him a little bit—but the kinds of ways that he might answer a very direct question and which he seems incapable of actually offering a direct answer.

\*(15:40)

I asked why he chose not to increase the minimum wage. Didn't ask about all that other stuff he's getting into where he puts an enormous amount of inaccurate information on the table, and we'll deal with that—those inaccuracies in the days to come because we're going to have plenty of time for dialogue with the Premier on many of these issues. But we were simply trying to get from him a direct

answer to a direct question, and I was simply providing him helpful observations, helpful ways in which he might have wanted to answer the question. But he chose, at the end of the day, not to answer the question directly, and I suppose if he doesn't really want to engage in an authentic and genuine Estimates process, that's his choice, but he fails the people of Manitoba when he chooses to take that tact.

So I want to ask him, then, how it is that he has decided that those who earn the least in Manitoba won't be getting a wage increase this year, yet 12 members of his Cabinet, including himself, are going to get an enormous wage this year. Could he help us to understand that most difficult proposition?

**Mr. Pallister:** Well, I thank the member for his question despite the smarmy tone and the arrogant aspects of it. I would say, though, that he didn't answer my question. He impugned that I had cut a deal. He also said in his preamble that the numbers that I'd put on the record, which were prepared by Finance officials in our government who are public servants, were inaccurate.

So I'd like him to apologize to them and to the members of our civil service who put these numbers together, and given the opportunity to do that I hope he would do that.

**Mr. Allum:** Well, the Premier, of course, does not want to answer any questions, so he engages in ad hominem attacks on members of this House who have a responsibility to ask direct questions to him and have every right to expect a direct answer. I can tell him quite directly that I've had the opportunity to work with both of the people sitting to his left. I have the highest admiration for both of them. I think they're extraordinary public servants and I would—I kind of resent, to be honest with you, him dragging those very highly skilled, highly professional people into this conversation because he refuses to answer a question.

Now, I asked him quite directly if he could put—justify why those earning the least in Manitoba don't deserve a raise this year, but him and his—the chosen 12, within a matter of weeks of forming government feel it's their right to give themselves a raise. Could he just answer that question?

Thank you.

**Mr. Pallister:** Well, I put information on the record in detail to answer the question the member raised earlier concerning the rationale for the decision to

index the tax brackets to inflation, to raise the basic personal exemption.

The question was in respect of people who are of modest means, and I answered the question in great detail using information provided to me by dedicated civil servants. The member called the information inaccurate, said that he would expose it as inaccurate and thereby impugn the integrity of the people who prepared the information.

He also alluded to me cutting a deal with someone—I don't know who—nameless figure of some kind, and refuses to address that. He continues in his preambles to want to distract from his obligation to make sure that he does not leave on the record anything that would impugn the integrity of civil servants who are working with us to give honest information as I just did to the member.

And so I think it is incumbent on him to make sure he clears the record on this. If he wishes to attack me as he has been doing, that's one thing. When he goes overboard in his preamble, in his enthusiasm for verbosity and decides to attack numbers that I'm putting on the record prepared for me by senior Finance officials, that's quite a different thing. And the premier—the former premier sitting there knows that I did not do that of his officials, and I would hope that the member would put on the record right now that he respects the fact that the numbers I did put on the record, and if he'd like I can table them and he can double check them, you know. But don't—don't leave on the—Mr. Chair, I don't it's fair—I don't think it's fair to leave on the record that the numbers which I've obtained from senior Finance officials in respect of the people that have gone off the tax rolls are somehow inaccurate, that the numbers I put on the table in terms of the savings by reducing the tax brackets of people by indexing so that the tax consequences are less for them and they can save money are somehow inaccurate. And that's what the member has put on the record, and I think it would be wise for him, frankly, to withdraw those comments and correct the record because otherwise he is impugning the integrity of people who don't deserve to have their integrity impugned.

**Mr. Allum:** Well, you know, I've said in the House a few times that I know the Premier (Mr. Pallister) likes sports analogies and he's 0 for 2 on the questions I've asked him. If you asked to include this morning's dialogue between him and our side of the committee table, he's 0 for 3, but we're keeping on pitching. We'll see in Hansard exactly who impugned

whom here because I think we know the reality of it and this is atypical of the misdirection that we get from the Premier all the time.

What I asked him, on behalf of our side of the committee table, was to tell us quite directly why he chose not to raise the minimum wage, and he went for a long explanation about taxes and tax cuts and all that kind of thing. Those numbers may well be accurate; I have no doubt that they are. But they're not answering the quite-question that's being put to him, and that's wherein lies the misdirection that he seems to want to engage in when we're simply wanting to have a good dialogue here on public policies taken, public policies choices made and those not made.

So, when he refused to ask-answer the question about minimum wage, then we moved on, as I said I would, to ask him why those earning the least in Manitoba didn't get a raise this year and at the same time he and his Cabinet should give themselves a raise a mere two weeks on the job. And I asked him to help us to understand that most central contradiction at the heart of the budget, and still he refuses to answer that. Instead, he engages in ad hominem attacks and brings professional public servants into the equation in doing so.

So let me try a third question for him. Will he commit to us today—because this is very important to us on this side of the table—that we will never, ever as long as he's Premier see a two-tier minimum wage?

**Mr. Pallister:** I appreciate the member's apology to the civil servants who are here with me, and I thank him for it. Putting on the record that the numbers were accurate is important and the right thing to do, and I thank him for that. I thank him for that; I appreciate that.

In respect of the issue that the member raises as to the salaries, I'll go back to that because I think the member dropped off that too easily. I was quite ready to address that issue, and I will, now that he's apologized.

In 2008, the previous government repealed the balanced budget bill. They repealed the section on positive average summary balance of the most recent four years, that section this member may or may not be familiar with. The new bill retained the requirement that there be a referendum when increases were proposed to income tax, sales tax or business tax. That was the bill which the NDP

government amended, a previously drafted bill, of course. The government amended it. They protected themselves from the consequences of it, and they retained the right of Manitobans within that bill to have a vote when major tax rates were proposed subsequently. This, by the way of course, Mr. Chair, is the same bill which they then went to court and said was invalid in, I believe it was 2013 or '12-'13, I guess. So a bill they drafted, they went to court to say was invalid, so they could take away the right of Manitobans to vote on tax hikes which they said they wouldn't invoke. Okay?

So they said they wouldn't invoke the tax hikes, then they invoked the tax hikes, then they went to court to fight for the right to take the vote away from Manitobans on the tax hikes they said they wouldn't impose, and tell all Manitobans and anybody else that would listen that the bill they wrote in 2008 was invalid.

In 2010, the law was amended and added part 4(1), which supersedes every other provision of the act to eliminate balanced budget requirements during a period of economic recovery. Then they redefined economic recovery as being a period between April 1st—which is kind of ironic in a sense—in 2010, and March 31st of 2014. And that bill said that during an economic recovery period the Minister of Finance is not required to produce a balanced budget. And it also said that the salary penalties to members of Cabinet for producing a negative balance don't apply.

\* (15:50)

So the previous administration took away the penalties that existed in a bill which they themselves had redrafted in 2008 so that they, themselves, wouldn't suffer the consequences of their excessive spending. They then had their own salaries reduced by 20 per cent via regulation which resulted in a salary cut of less than would have been the case had they not amended the bill in the first place. And they extended the economic recovery period in 2013, having failed to achieve any progress on balancing the books at all, as was promised, in spite of the fact that they led the country in jacking up taxes and that services declined mightily in this province versus other provinces, to the level of tenth out of 10 in many categories. And they actually extended the period of economic recovery under the definition in the law for an additional period of time so that it was amended so that the economic recovery period would be the period between April 1st in 2010 and March 31st of 2016, just passed.

Now, what this means is, essentially, that the previous government played silly with the balance budget law, gutted it, made it in every respect irrelevant to their behaviour and conduct. That's what they did. But they left in one thing; they left in the provision in the act, their bill, that a new government, and new Cabinet ministers, wouldn't be penalized as a consequence of their failure to balance the budget. And now they're arguing that the successor Cabinet should take a pay cut which they, themselves, minimized when they were in Cabinet while creating the problem they handed to the new Cabinet. This, this is ironic.

Now, what we have done is reduced the size of Cabinet from 18 to 12 ministers. We have reduced the number of departments and, essentially, what we have done is save Manitoba taxpayers \$4 million.

**Mr. Chairperson:** The honourable First Minister's time is up.

**Mr. Allum:** So, just to review the Premier's (Mr. Pallister) answers on the questions: why didn't he choose to raise the minimum wage? We didn't get an answer. We asked him why he deserved a raise and those making the least in Manitoba don't deserve one this year. We didn't get an answer. Then, I finally was asking him: will he commit that there will never, as long as he's Premier, will there ever be a two-tier minimum wage, and he didn't answer.

I'm also curious about his constant reference to us taking him to court. I've heard him put this on the table many times, recently, so I would ask him, in addition to—about the two-tier minimum wage, will he admit that it was his party that took the government to court, and will he not say any more that someone took him to court, that it was him and his party that took the government to court. Will he just admit that one thing, and I also would like an answer on the two-tier minimum wage. And I would remind him while he's getting all excited in answering this question that he lost that court case miserably to the point where he didn't even have any interest in appealing the decision of the court, so profound was the ruling in that case. And, in fact, Mr. Chair, the Premier was told by the judge, in effect, in that ruling, that he was defending an illegal law. It was unconstitutional.

So, in a roundabout way, I want him, first of all, to put on the record: will he agree that he will never commit to a two-tiered minimum wage and, secondly, will he also admit, just for the benefit of

everybody in the room, that it was his party and him who took the government to court?

**Mr. Pallister:** Well, first of all, the member, in his preamble, cites that—misrepresents, but nonetheless refers to a judge's comment about it being an illegal law. I would mention to the member, for clarity, that it was his government that drew up the law. And so that would be something he needs to reflect on.

Secondly, he says we lost, but I would say to him that when a person stands up and does the right thing, regardless of the consequences, that isn't a loss at all. And I think that standing up for Manitobans in respect of this effort by the government to take away their right to vote was a worthy cause and a noble one, and I would tell the member that I think his claim that he won somehow by doing—by going to court and fighting for something he and his colleagues promised they would never do, was not only disrespectful but a, just a tragic error of judgment.

So an illegal law—it's kind of like blaming someone for going to court to defend themselves when they've been assaulted, in a way, you know. The integrity of the government was impugned by its own actions. But the people of Manitoba felt very strongly that it wasn't the right thing to do. They came here in record numbers to the committee room. I think it was on the other side of the building, Mr. Chair, but you may remember that there were hundreds of people who came here, even people who claimed they'd supported the previous government politically for many, many years, who were deeply, deeply concerned that it was not done properly and respectfully.

We listened to them. We heard the testimony and felt the emotion of people who were here, and we believed very strongly that what the government was doing was wrong. And so I think it's, you know, it's good for the member to raise the issue. I appreciate him raising the issue because it gives me the opportunity to say that I don't think we lost at all. I think he did.

**Mr. Wab Kinew (Fort Rouge):** Just—my only preamble is I just want to acknowledge that we're gathered on Treaty 1 land and in the heart of the Metis Nation, and thank you for the opportunity to speak.

I'd like to return to some comments that were made, I believe, this morning, by the First Minister, in which he cited a 12 per cent, year-over-year

deficit-reduction target. So I just want to as, first of all, whether I've got that right, that it is a 12 per cent deficit-reduction target year over year.

**Mr. Pallister:** That's correct.

**Mr. Kinew:** And how far forward are—into the future does that target carry?

**Mr. Pallister:** I'm sorry—

**Mr. Chairperson:** The honourable member for Fort Rouge, to restate his question.

**Mr. Kinew:** How many years forward are—is—does that projection carry? How many years, year over year, are you carrying that out?

**Mr. Pallister:** Yes, and I'm—I apologize to the member for not hearing the question. I was still trying to get an answer to the member for Fort Garry-Riverview's (Mr. Allum) earlier question on minimum wage—[interjection]. Well, I'll do my best.

The projection is for the first year, and it represents—and, again, we'll know better, as is always the case, when the Public Accounts come out. We'll know where we're at exactly at year-end. When the year-end is fully calculated, we'll know exactly where we're at in terms of year over year where the last fiscal year numbers were. And that, I think, and actually the member for St. Boniface (Mr. Selinger) would know better than I. I would anticipate, and I can ask him this, if that's all right, Mr. Chair, but I think in September normally would be when we would expect to get those numbers.

**Mr. Kinew:** And is there a target for reducing the deficit going further into the future?

**Mr. Pallister:** There isn't a specific target at this time, though I think that's an excellent suggestion, and I think that the—it would be wise to establish that, I think, on a number of fronts. I think it would give greater confidence to Manitobans to know the general direction that we're pursuing, and I think it is a worthy objective.

In the time frame that we've had, we felt it would be inopportune, given the uncertainty of the numbers, and we'll know better numbers as they come out in the Public Accounts in September, I expect, so that we can do that, and I think that that is a worthwhile suggestion, and I think it's one that we should act on so it gives, as has been the case in previous budget years, that there is—there have been projections. Under the previous administration, those projections were—let's say the plus-minus was fairly

significant on those. Nonetheless, there were projections in the budget documents in previous years, and there need to be.

\* (16:00)

The difference in our approach will be that we will endeavour with all our conviction and dedication to meet our targets, and so we would hope that we can establish a better confidence in Manitobans that when we set a target it would be achieved.

**Mr. Kinew:** Well, the First Minister begins to raise the issue that I wanted to get to which is, where are the multi-year projections and why weren't there multi-year projections included in this budget?

**Mr. Pallister:** A very fair question, and I appreciate the question.

And I think it's a natural thing, if you want your numbers to mean something, to want to make sure that they're reasonably accurate based on fact.

Unfortunately, since the election as we've been doing the work with Treasury Board officials and Finance officials of peeling the onion—if you would like to use that analogy—it has revealed greater uncertainty on many days than it actually helped shed clarity. There were a number of things that were surprises to us in respect of nondisclosed expenditures by the previous administration. There were a number of things that were estimates, which we are finding were, let's just say on expense side, understated, and there were revenue projections that were overstated as well.

So the combination of all these things made it a guessing game more than I would like, to try to then take a number which may well be fictional and have a very large variation from the reality and use that as a starting point for projections.

That being said, I agree with the member's assertion that long-term projections are useful, but they're only useful if there's a commitment to actually adhere to those and keep them in mind as real targets, and that is what we intend to do.

**Mr. Kinew:** So, if there was a guessing game involved in the preparation of this budget, how much confidence should we have in the numbers that are contained in these documents?

**Mr. Pallister:** That's, again, a very fair question, and I would say as much confidence as you would place in the actual performance of the previous year's expenditures and revenues to match projection.

**Mr. Kinew:** Yes, would the—Mr. Chair, would the First Minister be able to share some of the surprises and, you know, layers of the onion, if you will, that he had alluded to, some examples?

**Mr. Pallister:** Sure, there are a number of them. I think some are quite defensible, and I would say this is not meant to be in any way disrespectful to my predecessor premier. There were some assumptions made, for example, on compensation to be received from the federal government as a consequence of disaster claims that were made some years ago. There was an assumption that revenue would be here; it isn't here. This—the premier and I have already spoken about on other occasions is an ongoing problem for provincial governments and one that we need to address nationally. I know he has raised it; I have raised it as well.

The government projected—I don't have the exact numbers, but I can get them. But there was a projection there would be a considerable amount of money coming in this year and I can share it with the member. So there was some of that, but there was also a significant amount of money booked as savings that the government said it would save—and this is a practice of previous years as well in previous budget speeches by various finance ministers—commitments to reduce spending by certain amounts which were never achieved in reality, so-called savings. Those numbers were projected to be very significant and haven't—there's no evidence at this point in time that those numbers were actually realistic or achieved.

So what that does is, of course, it boosts up the amount of the deficit considerably because of the lack of action, success and accounting notes. I'm not trying to imply to the member that this is an easy thing. I have never said it was an easy thing and I think it is a very challenging thing, and I respect every effort that everyone in government across the country and elsewhere has put forward in trying to get a handle on costs.

But I do know that because of the lack of success in this area the deficit amount is considerably higher than was projected one year ago.

**Mr. Kinew:** You had me before I even put my hand up, Mr. Chair, so I thank you for your attention.

You know, returning to the idea of making projections going forward into the future, I have a question about some of the macroeconomic trends

that go into the forecasts that are taken into account in this year's budget.

Would the First Minister agree that when he was handed the keys to the provincial government, that the Manitoba economy was in good shape?

**Mr. Pallister:** No, not at all, and I think what we've done here is—in our province is, I think, more a reflection of in spite of them, because of effective government partnerships.

**Mr. Kinew:** Would—how would the honourable First Minister characterize a nominal increase in gross domestic product this year of 3.8 per cent. It seems to me that, with respect to other provinces, that that's good. And similarly, an increase in real GDP of 2.2 per cent, again, relative to the other provinces in the country. That seems to me a good rate of economic growth, but I'd like to hear the minister's—First Minister's characterization of those figures.

**Mr. Pallister:** Well, largely a reflection of crude oil price declines which have adversely affected other provinces, nothing that has anything to do with the policy initiatives of the previous administration, nothing that any provincial government should take credit for. I suppose it could be argued that in provinces that are less diverse than ours, that are more dependent on specific commodity prices, they should do preparatory work to make sure they engage in being able to do damage control when things like the crude oil price decline of an unprecedented amount occurs.

But, because we have a more diverse economy less dependent on the price of crude oil as an example, we're more resilient. A ranking that puts us above other provinces who have beaten us for the last nine years in a row is not really a very good indication of long-term economic management strategy that's successful.

**Mr. Kinew:** Again, you know, the growth numbers are above the rate of inflation. Even when you look at the real figure for GDP growth in the country, it's 2.2 per cent, which, in the context of our provincial economy, even when not ranked relative to other jurisdictions, I would argue is a positive growth, is a respectable growth rate. And I would point out to the First Minister that these figures I'm referring to are on page A11 of the Budget and Budget Papers document that his government has presented, and so, again, I'd ask—they seem like good growth figures to me. Why are these not figures that the First Minister agrees are strengths of the Manitoba economy?

**Mr. Pallister:** Well, because I think we can do a lot better with a better government and that's what we've formed. So, I would say using one-year stats compared to other provinces is dangerous, and I like to look at the longer-term performance of my investments, and my comparatives in respect of provincial management tell me that over the last eight years, we've ranked near the bottom among provinces in terms of GDP growth, economic growth, job creation and near the bottom in terms of job creation. We've ranked first in terms of out-migration and we've ranked first in terms of growth in poverty.

So there are many other indicators besides a one-year performance number. A one-year performance number and drawing a conclusion that there's good management based on that would be a dangerous conclusion to draw and it would be very simplistic, in fact.

**Mr. Kinew:** I would point out that the same table I'm referring to also carries out projections a few years into the future to fiscal year 2017. Again, there, the real GDP growth figure is 2.4 per cent and the nominal figure is 4.4 per cent. Again, the difference there being that the consumer price index projected to rise by 2.2 per cent. So, again, the macroeconomic trend over the next few years seems to be positive, and, again, I would wonder why, other than for to score political points, the First Minister would want to characterize these projected growth numbers for the provincial economy as being something other than good.

\*(16:10)

**Mr. Pallister:** Well, again, what the member is doing, I think, mistakenly, is he's neglecting to take a look at the picture in our province right now. We have debt-to-GDP that has grown significantly here. We have a Fiscal Stabilization Fund that is at a record low level. So we are not prepared for adverse circumstances, a flood, fire, for example, less prepared than we've been for a long, long time. These are vulnerabilities.

The member is citing projections. I'm a farm boy; I like what's in the bin more than I like the look of the field. So these are projections. I hope he's right. I hope these numbers are really good and the members can claim that they achieved them. But he should know, and I think knows, that Manitobans deserve the credit for any positive achievements in terms of economic growth. When it comes to progress on social issues like available health care

and better quality education, reducing poverty, I would say that's more a responsibility of governments.

This previous administration was at the tail end of achieving success in those files and now wants credit for what Manitobans deserve credit for, not them. Economic growth numbers that are exceeding other provinces who are experiencing severe downturns due to depressed crude oil prices is hardly an example of an achievement for a government, and rather more an example of an achievement for the private sector and the non-profit people who work hard to find economic growth in a real way in our province.

**Mr. Kinew:** Yes, I respect, you know, the First Minister sharing the insight about counting what's in the bin. But, again, we have to remember the words of Wayne Gretzky and go to where the puck is headed, not to where the puck is going to be right now. And so that's where the wisdom of examining projections and making decisions based on those things comes into play.

And so, again, returning to my first point about wondering where the multi-year projections for government spending are, government revenues are, is dovetailing with the conversation now.

But there was another point that I wanted to pick on based—pick up on rather, based on the First Minister's previous remarks when he characterized the job growth numbers. I would just like to ask for greater clarity, does he believe that the current employment figures in the province are not satisfactory?

**Mr. Pallister:** Yes, I'd like to see more jobs in this province for sure. In particular because I think there are a number of Indigenous people in our province that are looking for work right now and can't find it, and the unemployment rates in the North, and the member knows this as well, are unacceptable.

We have, I think all of us been a little misguided by the unemployment rate stats that Stats Canada post because they ignore many factors that are not exclusively Manitoban in nature, but they are, in large part, misleading on Manitoba's demographic reality because they do not include indigenous people living in First Nations communities. And so when we see an unemployment number and it's frequently quoted by the government and has been quoted in the past as a sign they're managing well,

that it leaves out indigenous people. I don't think that's an accurate reflection.

So I think job creation as a target, as a goal is particularly important for not exclusively our northern communities, not at all, but certainly there, and so, no, I don't think that the job numbers are satisfactory.

**Mr. Kinew:** Well the methodological critique of employment data collection in the country is long withstanding, but, again, especially when we're making, you know, comparisons with other jurisdictions and projections into the future we have to understand that those same methodologies apply across all jurisdictions.

And, again, the challenge in particular, and, you know, it seems that we share a similar position on the matter with respect to counting employment figures on First Nations and in the North. But I'd, you know, remind the First Minister that I believe the real challenge there is rather more with the participation rate rather than with the unemployment rate because the unemployment rate only counts those who are actively seeking work, whereas a lot of the slack in the labour market in some of the communities that we've been speaking about has more to do with people who've been completely disengaged with the labour market.

So methodology aside, I'd like to return to the line of questioning. Again, the line here that I'm looking at, page A5, again, the budget and budget papers document reads, Manitoba has the most stable—and I quote, Manitoba has the most stable labour market in Canada with modest changes in annual growth. Manitoba's unemployment rate is generally one of the three lowest among the provinces.

To me, that seems like we have a good job market here in Manitoba. Does the First Minister—why doesn't the First Minister agree?

**Mr. Pallister:** Well, the member says the methodology is the same in all the provinces but the demographic reality, of course, isn't the same in all the provinces. So we have the highest percentage of indigenous people, and we have the highest amount of poverty in our northern communities, in particular on First Nations reserves. He's quite right in his observation in respect to participation rate and I think that's an issue if we could—I'd enjoy having a discussion with him on, actually.

So I—you know, I don't think citing a percentage number and saying it's higher than PEI makes Manitoba's job situation that much better. And I don't think that's what the member's trying to do, but I do think it's important to understand that we can work effectively, I think, in better partnership with private sector than has been the case in the past to see better job creation in our province.

As an example, in terms of attracting greenfield capital or venture capital to our province, we're 10th out of 10. Last. The best definition of a job I've ever heard is just three words: capital at risk. And if we are not exciting other people to invest here in terms of venture capital, then we're not creating jobs. I think we can do better in that front, and that would be just one example where I think there's a real opportunity for us to improve.

In terms of concerns of the small business sector, SMEs being, you know, 99 per cent plus of our employers in the province, it's important to listen to their concerns. And they have said they're very concerned about the regulatory climate and the costs of red tape burden on their businesses, in particular, the amount of time that they have to spend in dealing with paper processing as opposed to assisting a client or a customer in their small businesses.

I think there are ways that we can do a better job to assist in saving small- and medium-sized enterprises' time—valuable time for them and their family—and so I'm very excited to explore that in co-operation with those folks in those endeavours.

I do believe that there are best practices that have been adopted successfully in a number of jurisdictions, not exclusively in Canada, but in elsewhere that we can employ here in Manitoba to assist us in working to see the goal of better employment opportunities, better paying jobs here in our province, and I know this is a goal all members share. And I know that it's a goal worth pursuing.

**Mr. Kinew:** Again, the First Minister made some reference to looking at past figures, so I'd just point to, you know, another passage in the same page of the budget documents, and it says over the past seven years the labour market was balanced with new jobs created at about the same rate as new workers entering the market.

And so, again, you know, if there has been, you know, an increase of younger people entering the workforce, an increase of indigenous people entering the workforce, as, you know, the research of

organizations like TD Bank tells us, and job creation in the province is keeping up with that, to me that seems like a good sign.

I'd like to know why the First Minister does not want to say that the job situation is good.

**Mr. Pallister:** Well, thanks to the member for the observation. I—it's not that I don't want to say it. I'd love to say it if it was true, but it isn't true and so I won't say it.

What I will say is that the Manitoba Prosperity Report that was released just a few weeks ago, called *Are we there yet?*, did an analysis every province west of Quebec and found that Manitoba, of all the 25 indicators, only led in one, that it was last or second-last in 18 of 25 indicators.

Now, that's actually pretty dismal when you consider a government that's been in power for 17 years has that record. And what they said in this report was that underperformance of Manitoba's economy through the last decade was visible in many variables, including lowest population growth among the provinces, smallest per capita expenditures on research and development, lowest average weekly earnings by employed residents, lowest percentage of labour force with a university degree, second lowest per capita spending on private capital investment, second lowest median family employment income, fewest employer businesses per thousand population. We know that this report is not stellar. We recognize there's more to do. I'm not decrying the effort of the previous administration in respect of these things, but I am observing that the results were not forthcoming.

\* (16:20)

We now face the following realities: the highest provincial sales tax rate, the highest general corporate tax rate, the highest payroll tax rate, the smallest basic personal exemption, the lowest small-business corporate tax exemption. We have a high-tax climate we've inherited that, the member, I hope, would understand, means that we're suppressing job creation, because there's less money in the hands of small- and medium-sized businesses and the people who own them to reinvest in expansion, research and development, or, in fact, in hiring more people.

These are serious challenges. The tax climate matters. It matters in terms of us attracting new opportunities from other jurisdictions too. And so, you know, we face a situation where, I think,

Manitobans deserve a medal for how well they've done in spite of the circumstances they've had to face.

**Mr. Kinew:** The corporate income tax rate for small businesses is zero. Does the First Minister agree that that is a high-tax environment?

**Mr. Pallister:** Sorry for the delay. I'm trying to get the information. We'll pull it together here, and we can go on, and then I'll go back to it, if that's all right with the member—if there was another question.

**Mr. Kinew:** Yes, so we're going to return to whether zero per cent tax rate is high. Okay, we can return to that later.

So the other comment that I wanted to return to was the, you know, to the question of whether the job market is good. The First Minister had just said that that isn't true. Those are his words: It isn't true.

The budget that his government just recently tabled says that Manitoba has the most stable labour market in Canada. It says that the unemployment rate here is generally one of the three lowest among the provinces. When I count the number of provinces in Confederation, I know that that puts us above average in terms of how we're performing.

A short while ago, the First Minister made a big deal about the impugning of the people who put—the reputations of the people who put these documents together, but, when his words contradict the words here, does he believe that he is also impugning the reputation of the civil servants who put the budget documents together?

**Mr. Pallister:** I encourage the member not to resort to the low-ball politics of the member for Fort Garry-Riverview (Mr. Allum). It's not necessary, and I encourage him not to do that.

He addressed the corporate income tax rate, and I just want to be clear if that's what he was referring to earlier.

**Mr. Kinew:** For small businesses who fall below the threshold, which has changed in recent years.

**Mr. Pallister:** Yes, he's correct in the small-business tax rate for small businesses, corporate, he's correct. On the corporate income tax rate, he isn't, so.

**Mr. Kinew:** Yes, okay, so I misspoke earlier. The small-business tax rate is zero. Yes, and so the First Minister feels as though zero is a high tax rate. Is that what we're left to believe after his earlier comments?

**Mr. Pallister:** Yes, so there—I thank the member for the observation and for not resorting to those tactics.

The member—*[interjection]*—I hope not. The member raised a good point; the exemption is the lowest of any provinces at \$400,000. The rate is lowest at zero. Nonetheless, what happens in all the other tax categories also matters because businesses don't get to pick and choose, right? So they have to pay all those other taxes, and this is the concern the Employers Council had and outlined in their report.

So we're among the highest in all these other categories and, in fact, after the exemption, we're 12 per cent, tied with Saskatchewan, higher than B.C., Ontario, and Quebec. So these were the survey areas that the Employers Council looked at. So we do have a higher rate on the CIT rate for manufacturing, the general CIT rate, as well. We are, in terms of payroll tax, the highest west of Quebec; Quebec has a higher payroll tax. We have, also, a capital tax on banks. We have the highest sales tax on business inputs in Canada. We have significant taxes in other categories that, for example, small business, medium-size businesses have to pay, such as the taxes on benefits for employees—at eight per cent because the PST is on those taxes. We also have the highest taxes west of Quebec on property. So, if the business owns a small plant or works out of a store, they have to insure it and, in doing so, they have to pay an additional 8 per cent levy on the insurance on that property.

There are innumerable taxes. This, I think, is important to understand. The member cites one where we have a low rate, ignores many, many others where we have among the highest.

**Mr. Kinew:** Yes, the reason I look at that is because, you know, the greatest number of businesses falls into the small business category. And so that is the tax rate paid by the greatest number of businesses, is it not?

**Mr. Pallister:** Well, if we can get a breakdown of how many businesses incorporated versus not, I think we could probably—I don't know, we'll get that this afternoon, but I could get that to the member, is that all right? Can we undertake—we can get a breakdown on that.

My point is, though, that you're taxed on a net income. If your net income is lowered by all the other taxes that you have to pay to governments, which are among the highest in the country here in Manitoba, then you really are talking about a lesser

advantage, because you have a lower net income to tax. It's fine to say that the corporate rate is lower, but if your net profit is less, then there's less money in your hands, less money to reinvest, less money to employ people. So that's why I make the point that there are other taxes, taxes not being a tax-deductible expense, you have to pay them first. It's only after you pay all these additional taxes imposed by the previous administration that you get to a net income.

So the higher costs of doing business here because of higher taxes are very real and, again, this is what the Employers Council and others I've spoken with across the province, around the country are saying about Manitoba, that we have challenges here because of the high tax environment that's been created here over a long period of time.

**Mr. Kinew:** I'd point out that the small business tax rate being zero happened under the previous NDP government. So I think that—I'd ask whether the First Minister wants to moderate his comments about a high tax rate being created here when, in fact, one tax rate was reduced to zero and this was, you know, the praises of which were sung by the Canadian Federation for Independent Businesses, which is not necessarily—not always an organization that sings the praises of NDP policy.

So I'd just ask whether the First Minister would want to moderate those comments.

**Mr. Pallister:** Well, the member's asking the Manitoba Employers Council to moderate their comments, because I'm actually quoting their report here.

They are saying we have the highest provincial sales tax rate, tied with Ontario; the highest general corporate tax rates; the highest payroll tax rates; the smallest basic personal exemption for personal income taxes; the lowest small business corporate tax exemption. All of these things happened in the previous administration too. So, if you want to get credit for one beneficial decision, take responsibility for the others that were damaging. The overall effect of this is that we have a less-than-competitive tax environment in this province.

\* (16:30)

I don't mention, as well, that this is a government which clung to the right to not index tax brackets and therefore deprive Manitobans in a nefarious way of a lot of their income over the years, something we've addressed in this budget.

I also didn't reference the fact that in spite of all these tax hikes, the performance of social programs such as education and health suffered to the point where we're ranked 10th.

**Mr. Kinew:** So, again, just returning to the bit of line of questioning that the First Minister warned me about a few minutes ago, I just want to pick up on the point, like, it seemed to me as though my colleague from Fort Garry-Riverview had asked some questions that caused him to be challenged by the First Minister, but it seems to me that the same sort of verbal gymnastics and acrobatics of trying to refuse to acknowledge that the jobs numbers and GDP growth numbers in this province are good, which appear in the budget documents, by the First Minister, seem to be the same sort of, you know, characterization of figures put on the record by civil servants.

So I want to ask the First Minister whether he agrees with that characterization, and whether perhaps he'd like another go at his remarks to my colleague from Fort Garry-Riverview and, again, to moderate those?

**Mr. Pallister:** No, I don't think I need a rewind on that.

I'm citing the actual numbers that were provided to me by the same people who I respect and have never impugned. So I'm citing numbers from them. I'm citing research done by leading employers across Manitoba that makes the case very clearly that we have a challenge here to—and an opportunity at the same time, to improve our tax environment. And I think that's a reality that we need to accept and embrace and not polish up with one-year stats and projections.

Because, as I said at the outset, I'm a farm boy and I've seen lots of nice projections over the years, but I always prefer to see a crop in the bin. And when I see that crop, then I'll be impressed by the results.

I have said also that those results will, I think, be a tribute to the Manitoba people and to small- and medium-sized enterprises across our province who are bold in their investment, willingness, who have undertaken to create jobs here and who deserve the credit for doing so.

And I am very proud of the people of Manitoba for enduring a number of the attacks that they have had to endure on their pocketbooks over the last number of years. And we've endeavoured to make

sure that we will make progress in respect of the tax burden that they endure, and the red tape burden as well, because we think it's important to encourage and act in partnership with them, as they do their very best to try to create jobs and wealth here.

In respect of the numbers, I know the member may not like to hear the numbers, but they are real. And projections being projections, that's one thing. I'm actually talking about actual numbers, not projections.

And so we have some significant challenges here, real challenges. We're ready to face them. If the economy performs as is projected, all of us will be happy. I think that isn't to say we'd be complacent. We'd hope that the economy could perform even better.

But the member should note that the projections have already been—for Manitoba's performance, have already been downgraded, and so putting too much stock in projections is a bit of a dangerous game. And I would encourage him not to do that. Results will speak better than projections in any case.

The projections, for example, of this government on its getting spending under control haven't been met year after year. In fact, they've spent more than they projected to the tune of \$3 billion in the last 15 or 17 years. So they're way out of line on their projections. So I don't know why they're relying on projections. They predicted to Manitobans they wouldn't raise their PST and then they did.

**Mr. Kinew:** So the First Minister doesn't want to rely on projections, so I would turn his attention to page A4 in the budget documents, which shows that Manitoba—there's a table, or a graph, rather, on page A4 in the budget, in budget papers document which shows Manitoba real GDP growth over the period 2008 to 2017.

Taking his point that, yes, the numbers for 2016-2017 are projections, the numbers other than the year 2009 are all—appear to be at or above 2 per cent in real GDP growth. So those are actual numbers that have been recorded by economists, and whatever seasonal adjustments or revisions going backwards have already been made there. Two thousand and nine, as everyone around the table is aware, was, you know, when a lot of the impact of the global financial crisis was greatly felt. And so the numbers there being of—showing signs of recession, I think, should be no surprise.

But, again, when the First Minister tries to evade the question about is the economy doing well by saying, well, it's not projections; you've got to look at what's actually happened, and then we turn to look and we see that there actually has been real GDP growth at or above 2 per cent over the past number of years, past six years, does he not want to revisit his comments and admit that the Manitoba economy is growing steadily and in good shape?

**Mr. Pallister:** Relative to what, I guess, would be my response to the member—cross-provincial comparisons, not particularly good performance here. So 2 per cent GDP growth that he cites in isolation from all other factors is not really a good indication according to the—or an accurate indication of economic performance overall. If the member would like to get a copy, I could make a copy of the Employers Council report. But it does outline a number of comparatives and it does shed a lot of light on a lot of issues of importance in terms of the relative performance according to the Manitoba Employers Council which is—I should explain what it is, I guess, for the record.

Established in 1980, the Employers Council is the largest confederation of employer associations in Manitoba. It represents more than 24,000 individual employers and employer associations. It includes but is not limited to the aforementioned—the member cited the Canadian Federation of Independent Business, Canadian Manufacturers & Exporters, Manitoba Chambers of Commerce, Manitoba Home Builders' Association, Manitoba Hotel Association, Manitoba Trucking Association, Manitoba Mining Association. So it's not an insignificant group of competent and capable people. And they say in their introduction, and I believe it to be true, that employers, like all Manitoba residents, want to create a prosperous province where all individuals can reach their potential. Manitoba must compete with many other jurisdictions for the people and investment needed to fulfill this vision. Manitoba can only attract and retain these resources if we create a competent, a competitive provincial environment that provides the necessary conditions and tools for families and businesses to survive, thrive and prosper.

And it goes on to say that it—they've done analysis or a comparison of the indicators that they've identified with all provinces from Ontario to the west coast. And their executive summary contains references to some of the things I've cited. But I would say that one of them that I think is

particularly of concern is the rate of out-migration where we lead all jurisdictions, a net loss of over-almost 5,000 people last year; '13-14 is the last year that data is available. That's a 13 per cent increase that have left for other provinces, and the No. 1 age group leaving is people between 20 and 24 years of age.

Now, this report, if the member's not concerned about it, I'm—I would be surprised. I, certainly, in reading it was concerned about a number of the things it brought to light. And I think it's important to listen to employers and to learn from them when they make suggestions and recommendations. They say that over the decade from 2005 to 2014, Manitoba remained the least prosperous province west of Quebec. Of the 25 comparative economic government and taxation indicators included in this report, Manitoba ranked fifth in 14 indicators and fourth in another eight, so last or second last in 22 of the 25. One he cited was the one we led in, and good. But the other 24 we don't lead in, and in 22 of them we're last or second last. So I would suggest to the member that polishing up one tax stat or a one-year number on job creation doesn't change the reality that we face as a province, and as people here we should take that seriously, and I do.

\* (16:40)

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

I'm looking at a piece written by Fletcher Baragar, an economist at the University of Manitoba here, in which he criticizes the Manitoba Employers Council report that was just made mention to. And in Dr. Baragar's words, he says, fortunately for the Province, the—so Dr. Baragar's words are, quote: Fortunately, for the Province, it is the report, not the economy, that deserves the failing grade.

He goes on to outline his critique as being grounded in the fact that there's a certain cherry-picking of the comparables and also cherry-picking and outweighed influence given to some of the other indicators that are compared.

We know that the headline indicators that are typically used when evaluating economies are GDP growth, you know, employment figures. Particularly when you're looking at a government, I guess you'd be talking about debt to GDP, deficit to GDP, indicators like that. So, again, I think they're—well, I do always welcome and, you know, try to look at the evidence regardless of whether it comes from a

special interest group or whether it comes from, you know, government officials or academics. We ought to be wary of the fact that this report has been critiqued very, you know, thoroughly by well respected economists here in the province.

So I make that point and, again, ask the First Minister: A while ago, he didn't want to use comparisons between Manitoba and other jurisdictions, and yet when we look at the real GDP figures, he doesn't want to look at those in absolute values, he wants us to consider them relative to the other jurisdictions in the province. So I'd like to know which one is it? What is your preferred—or what—sorry—what is the First Minister's preferred approach? Is it to look at these economic indicators absolutely, in terms of absolute values in isolation from other jurisdictions, or should we consider them vis-à-vis the other provinces in Confederation?

**Mr. Pallister:** Well, it's interesting. The member cites comments from a professor at University of Manitoba who disagrees with the evaluative format and the criteria and dismisses the Manitoba Employers Council as a special interest group when it represents 24,000 individual employers. I'm curious at the logic of that. Why, when he says about bias, why not look for bias in the comments of the professor at the same time as you're looking at the group of 24,000 employers for bias. I mean, there may well be some different views, and I accept different views, but the comparative numbers are a cause for concern. This was the premise, I thought, of the member's initial comments when he asked me if I was happy with the employment growth in our province and the unemployment that exists here. It seems to me his thesis is that we should all be pleased with the great work that was done by the previous administration in spite of the facts. And I'm—I've said very clearly that I don't discount the effort that was put forward by the previous government in respect of trying to improve things. What I have to question is the actual results, the effectiveness of the results.

And so we're committed to achieving better results for Manitobans, but not through further increases in tax, which, of course, the report and many others have noted across the province, apart from the Employers Council, taxes have risen at a record pace under the administration without adding to that overall tax burden on Manitobans because I already feel, and I've said many times, Manitobans, I think, are taxed to the max. By looking at ways to reduce the burden of red tape on Manitobans, and not

exclusively Manitobans that are in businesses, whether small or medium. I think there's a burden of red tape also on the people who process the red tape. I found—had the chance to work on some of this in partnership with people in the civil service and in the private sector a number of years ago, and what struck all of us was how frustrating it was for people to deal with the red tape. Whether it was at your small business office or whether it was in your office in the Legislature or in a government building, no one wants to spend their time processing unnecessary forms when they could rather be enjoying their day in a meaningful way helping somebody else to get a product or a service or to get a better social circumstance.

These are things that we're all after, and so none of that work has been undertaken in great earnestness or great efficacy by the previous administration, and it's work we're very excited to be engaging in as the new government of Manitoba.

You know, I think there's a danger here. I do not want the member to misconstrue that I'm not pleased with the work that has been done by Manitoba's private sector in terms of creating employment. I am pleased. I am honoured, in fact, that Manitobans invest so much in making our province a better place. I think it's incredible. The job opportunities that our small businesses create for fellow citizens, people like my—our children and the children of our MLAs but children all over the province is important to appreciate. And I do appreciate it very much, but I do think anything we can do to assist those people in doing that is a good thing.

And so when I see a report such as this which indicates clearly that we are not competitive in Manitoba in many, many indicators—and the member and I could discuss, I'd welcome that as well, a discussion about what indicators they've missed out on here. But I think when I see that, it's disquieting, for sure, because I think there's an opportunity here that has been missed over a long period of time that we need to get at, of working beside Manitobans to uplift their possibilities, to uplift their potential. And if we can do that effectively, I think it's the best—one of the best investments we can make in our economic future.

So I'm very excited to see us pursue this effort on the regulatory side, not exclusively with the small businesses in mind. I'd also like to see us do a better job in working with our partners in indigenous leadership, in—at the municipal government level, to

see if we can't also develop better processes where we can work together to reduce the amount of time we spend sending paper back and forth to each other and increase the amount of time we spend lowering taxes and providing better services to Manitobans.

**Mr. Chairperson:** First Minister's time has expired.

**Mr. Kinew:** Well, congratulate the First Minister on his well-timed statement there, perfectly to the five-minute limit.

In his remarks he noted that he didn't want to say that the economic situation in Manitoba was good in spite of the facts. His words were: in spite of the facts.

So I would ask the First Minister whether he believes that the statement on page A5 of his budget and budget papers document, that Manitoba has the most stable labour market in Canada is a fact.

**Mr. Pallister:** I'd really encourage the member not to take my words out of context. He's had that happen to him and it's not fun when people do that.

So I said, and I repeat, that I'm not going to say the economy is performing well if it's isn't. And when I read this report, it tells me the economy could be performing far better. So the member can cite stats on one-year numbers—he's done that—that show us doing well compared to other provinces on a one-year basis. And, you know, that's really a sort of a narrow way to try to create an impression of success. I had a buddy I used to play ball with for years, and one year he told—I heard him at the end of the season bragging to some guys in the beer tent—because we had been eliminated from this particular tournament earlier than we would have liked—that—he said that he and I had hit 23 home runs that year. Now, he had actually got one and I had 22.

The—you know, you citing one year of stats and ignoring the other years is not particularly illustrative of a real good empirical comparison. What these folks have done with the Employers Council, their report is they've dug a lot deeper than that and they've looked at trends over a long period of time, and they've done comparatives with other provinces, other provincial jurisdictions, and they show a real cause for concern that we could be doing better.

Now, the other danger with citing a one-year stat versus, say, Alberta or Saskatchewan that's got a crude oil crisis on their hands, is it makes us look good by comparison, but that would be like my buddy saying he was a good home-run hitter when he

really wasn't. The fact of the matter is they're having a tough time in those jurisdictions, Newfoundland as well, because the crude oil price declined. And so, really, I don't think it's particularly useful for us to say we're doing really well when actually it's just these other guys are set back. I don't think that that's a real demonstration of progress on our part.

\*(16:50)

So, you know—and I think the danger in doing that is to say—is that some may say, well, look how good we're doing compared to these guys this year, but then if the crude oil price comes up significantly, say, in the next 24 months, well, we aren't doing as good. Now, I expect if that happens, the member will say they were doing really well, but, when the crude oil price was down—but they won't mention the crude oil price. They'll just mention we were doing really—a lot better than Saskatchewan and Alberta when they left, and we're doing worse now that the crude oil price has come up. But they're not going to mention the crude oil price; they're just going to mention that one-year stat.

And that's dangerous, because that creates a false impression that the government somehow did something they didn't have anything to do with. See, the government—previous government or this government doesn't control the price of crude oil, right? That's not something we control. We also don't control the setting, by the Bank of Canada, of interest rates. That's something that we don't control. We endure and we absorb the consequences of these things when they happen outside of our control.

So, since they're not in our control, it wouldn't be wise for the member to try to take credit for those things when they work for our advantage here in Manitoba, such as, for example, currency. Our currency declined considerably versus the US currency, right, a few months ago. And so we have a situation, because we're real great exporters here, that we're doing better than other jurisdictions that don't export as much as we do to US markets. The currency, we didn't have anything to do with that. I don't think that the members opposite want to claim that they caused the Canadian dollar to go down.

Yes, it did benefit the Manitoba economy and so it makes the one-year number look better. That's great. I'm glad that the one-year number looks better, but I wouldn't want anyone to mislead Manitobans and claim that it was somehow to the credit of the previous administration, because they didn't have anything to do with crude oil prices, interest rate

setting or, for that matter, the decline in the Canadian dollar. Those are beyond their control, and Manitobans dealt with those things and we did okay, but I'm saying, with a new government, a new approach, we could do a lot better.

**Mr. Kinev:** So, again, in his most recent comments, the First Minister said that he didn't want to state that the economy was performing well when it isn't, and he's previously made mention of the facts. So I'd like to return and look at the table, page A4 of the budget and budget papers document. And, again, we're not to look at projections here, only to look at the past years where there is actually evidence on record.

Is it a fact that over the past six years that real GDP growth in this province is at or around 2 per cent? Is that a fact?

**Mr. Pallister:** Yes, you've got to look at the causative factors, though, if you're going to do a GDP analysis. The GDP went up, but our population didn't grow, not significantly, not versus others around us. In fact, we lost people; we exported people. That's why it's dangerous for the member to also—to cite unemployment numbers. If you cite unemployment numbers and GDP in isolation, I know it's a little complicated, but the fact of the matter is, if you cite GDP numbers and unemployment numbers in isolation and you ignore the fact that we exported more people from the province than any other province in Canada, you're missing the major reason that those numbers look good. And, if you want to rely on that, keep exporting people. That's what this government was real good at. We lost a lot of people; they went away.

I met with a group of Filipino moms back about a year ago, and I asked them: What's your No.1 concern? And they said, too many of our families are leaving. Too many of our people are leaving Manitoba. Now, the Filipino population is the most significant, as the member knows, of our new immigrants, new Manitobans. It's a major thing and a wonderful thing for our province, and it concerns me that it concerns folks in that community when they see their children and grandchildren actually moving away. This is a number that matters.

The numbers the member cites may look good in isolation, but it's not in isolation that they should be looked at. They should be looked at in combination with other very real factors. So, when we export a lot of people, and that's what's been happening under the previous administration, more than any other province, the worst record and worsening, that makes

the numbers he cites look good short term, but long term that's not the way to build a province. And I don't think that that is anything to be proud of, so, yes, your GDP number, the member's quite right in his assertion; the GDP number, in isolation, looks good. But, it's still the lowest GDP growth of all the provinces sampled in the employers' survey. In terms of overall GDP per person, it's the lowest number.

**Mr. Kinew:** I'd like to take up the First Minister on his invitation to examine some of the other factors, including population, and draw his attention to page A6 in the budget and budget papers document. First line on this page, contrary to what he's just asserted, reads: over the past six years Manitoba's population has increased by over 1.1 per cent a year. Would he agree that that is a fact?

**Mr. Pallister:** What I'm citing for the member, and I know it may take a little bit of deeper thinking, is net outmigration. So it's net, right? It's not gross, it's net. There's a high rate of immigration to our province and that's wonderful. There's also a high rate of interprovincial outmigration and that's not. So that's what I've been referencing to the member is the net interprovincial outmigration number. That's a number to be concerned about, I hope you would agree.

In respect of the interprovincial comparison overall flows, from 2006-15 Manitoba's net interprovincial migration loss has averaged 4,831 persons. That is 4,831 persons. The last three years have seen elevated losses. So, for example, in 2013—and the number—I'll go back. The number I cited at first was between 2006 and 2015, and that was an average 4,831 persons net interprovincial migration loss. Okay? Now, in 2013 that number was 6,146, considerably higher. In 2014 it went up to 7,336 people: net outmigration loss. In 2015, 6,971 people, okay, so there's a net interprovincial loss, thousands of people per year. For 2015 we—okay, here we go. The highest net losses, interprovincial by age group, a rate—on a rate per thousand population, are for those people age 25 to 34, followed by 15 to 24, and then 35 to 44, those three groups. These are young people leaving the province. It concerns me and I think concerns the member too. I hope it does, because what happens is as these young people leave it puts a lot of stress on seniors, as well, some of whom actually leave as well to follow their children and grandchildren outside of Manitoba.

So, you know, these are serious concern to us. The last three years, generally, had higher levels for various age groups than did the previous seven years. This is a worsening problem at the very time the member is celebrating the accomplishments of his government. This is not something to celebrate.

**Mr. Kinew:** I know the First Minister is aware of the fact that I was only recently elected and was not part of the previous government, and so I'm not trying to claim any sort any sort of credit or any sort of props for that.

Again, he cites—well, first of all, I point, out on the record, that the reason that I cited the overall population growth figure was because in his previous answer he had cited population, not net outmigration specifically. And so I was bringing up the point around population. He states in his answer, which just concluded, that outmigration is a, quote, worsening problem, end quote. Page A6 of the budget and budget papers document, towards the bottom: net interprovincial migration improved, making reference to the last year. So the 6,971 figure that he gave was an improvement over the previous year when it was 7,336. So why does he claim that it is a worsening problem?

**Mr. Pallister:** Well, because the number of people who have left in the last three years has exceeded the average over the last seven years every single year. It's a worsening problem over that time period. It's getting worse. It's above average over the last three years, therefore it's a worsening problem.

So it's a—you know, we can argue about the numbers or have a discussion on the numbers because I think this is a very civil exchange and I've enjoyed it, but I do want to say I would hope the conclusion that would be drawn is that we agree that this is an issue of concern and that it needs to be addressed, and I would hope the member would know that I am very sincere in wanting our government to address it because I just hate the fact that Manitobans—families are getting broken up as a consequence of opportunities I think we could work together to solve.

**Mr. Chairperson:** The time being 5 p.m., I'm interrupting the proceedings.

The Committee of Supply will resume sitting tomorrow morning at 10 a.m.

## JUSTICE

\* (15:00)

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

This section of the Committee of Supply will now resume consideration of the Estimates of the Department of Justice.

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

**Mr. Andrew Swan (Minto):** I believe we were in the middle, we were mid-answer when we adjourned at noon and I believe that the minister was going to provide an answer on whether there was any construction under way in any of Manitoba's correctional centres.

**Hon. Heather Stefanson (Minister of Justice and Attorney General):** I thank my honourable critic for the question and reminding me of what the question was again, appreciate that.

As it stands right now, there's the regular, normal maintenance and repairs going on throughout the institutions, so that's where we're at right now. There's no new construction under way at this stage.

**Mr. Swan:** And this morning the minister had undertaken to provide details on the current rate of capacity and the counts, which I presume may be coming our way very quickly.

**Mrs. Stefanson:** I do have that information and I'm prepared to table it.

And I just wanted to say that in addition to what you—what the member has specifically asked for, we have included some other information in there that we thought might be relevant to him in his questioning.

**Mr. Swan:** Okay. I'll have questions once I see those numbers. Can the minister explain the status of the planned new jail in the city of Dauphin?

**Mrs. Stefanson:** I want to thank the member for the question. As he may be aware, in May 2014, Dewberry [*phonetic*] was selected to complete the functional space program, the FSP, for the new facility. Representatives from this firm worked with Manitoba Corrections, MIT and community stakeholders. The FSP was completed in January 2015. This FSP anticipates the construction of a 166,000-square foot, 100-year facility with a

180-bed capacity. The DHC represents a net gain of 119 beds after the existing facility is decommissioned.

The Accommodation Services Division, or ASD, has tendered and hired a commissioning agent, or CA. The CA will work with both ASD and Corrections to define the specific requirements of spaces and equipment. The role of the CA is to represent the interests of both ASD and Corrections during design and construction. The schematic design, once complete, will lead to details on staffing, JUS schedules and capital costs including a class C estimate. The DHC will provide Manitoba Corrections with a regional program-based facility for remanded and sentenced offenders, emphasizing programming, education and job training to support community reintegration, and this will include medium, maximum security units that include general population, youth, female and segregation housing, multiple living units, support spaces for administration, staff and inmate services and program education delivery and video services for courts, lawyers and health.

As the member will be aware that we have announced that we will be doing an overall review of capital projects across all government departments, and so that will be taking place as well, and once that review is complete we will know from there in terms of what some of the move forward is from here.

But, as it stands right now, the work is continuing as has been done in the past with the previous government and we look forward to moving forward.

**Mr. Swan:** Well, just to be clear, this is one of the projects that is contained in the projects the Premier (Mr. Pallister) says is now under review.

**Mrs. Stefanson:** Yes. All capital projects are under review across government departments and this would be included in that.

**Mr. Swan:** And when the minister says review, is that a review of the value-for-money audit or is that a different kind of review?

**Mrs. Stefanson:** Yes. There's a review of all capital, like, new capital projects, the pending capital projects across all government departments, and so that will be part of the capital review.

**Mr. Swan:** Okay, my point, though, is that there'll be a value-for-money audit that is now being—is going

to be tendered and there will be external individuals who will be providing advice.

Who's going to be reviewing whether or not the Dauphin jail gets built?

**Mrs. Stefanson:** I thank the member for the question. Just for clarification, the value-for-money audit is different from the capital audit, and so the capital audit will be under Accommodation Services, which, I believe, is now under the Department of Finance.

**Mr. Swan:** Just to clarify that, then. There's the value-for-money audit that will not include the jail. Is the member saying there is a separate capital audit and is that an external audit?

**Mrs. Stefanson:** I thank the member for the question, and the capital projects review is being done under Accommodation Services, so these questions would be more appropriately asked of the Department of Finance. There's been a consolidation there under the Department of Finance, so it's a little bit different now than it has been in the past. So it would be more appropriate to go and ask those questions of the Department of Finance.

**Mr. Swan:** But surely the minister can at least tell me who, then, is going to make the decision on whether a new jail is going to be built to replace the 100-year-old facility in Dauphin?

**Mrs. Stefanson:** Yes. And, again, this review will take place under Accommodation Services.

And, you know, we know that there's been a significant—we know that we're dealing with significant fiscal issues right now with respect to the situation that we've been left with by the previous government. We are in billion dollars in deficit right now with respect to the finances of the province. And so we're in the process of reviewing all future capital expenditures.

And the government will ultimately make the decision on all capital projects. But that will be done through the Accommodation Services, which is under the Department of Finance.

**Mr. Swan:** So I'm clear on this, then, Accommodation Services, I presume, will give their opinion.

Is it the Minister of Finance (Mr. Friesen), is it Treasury Board, is it this minister or is it the Premier (Mr. Pallister) that's going to make a decision on whether a new jail gets built in the city of Dauphin?

**Mrs. Stefanson:** I believe the process is such that the—that all of the capital projects will be reviewed by Treasury Board. And so I think it's premature to—or it would be inappropriate for me to comment on that at this stage. And again, that will be done under Accommodation Services. And we may—you may want to ask the Minister of Finance these questions.

**Mr. Swan:** Well, let me ask the minister, though: Does she support the construction of a new correctional facility in Dauphin?

**Mrs. Stefanson:** Well, we're going through the process right now. Again, I'm reviewing everything to do with our department. And I'm working with various stakeholders in all the communities. I'm working with our staff. The department staff has been working really hard and diligently to put together the budget Estimates.

And so, again, we are in a situation in this province right now where we're in a very—we're in dire straits financially. We have \$1-billion deficit from last year. And we know that we've tried to—for the budget for next year, we have a target set to try and turn the—turn into a new direction for our province. And that's very important.

I think Manitobans elected us on that very basis. And so that's the direction that we're going to go in. So I think it's very important to understand the background to that, that some difficult decisions are going to have to be made.

But, with respect to this, this will be a decision that was made and will be made by Treasury Board. And it's more appropriately answered by the Minister of Finance.

**Mr. Swan:** I've had a look at the institutional rate of capacity and concentration that was provided to me this afternoon, and I do thank the minister and her staff for this.

The in-house population of adults in Manitoba right now is 2,373. And there are rated beds in the system of 2,010, which means that we're at 118 per cent of capacity.

I've had a look at the Estimates from just over two years ago, April 29, 2014. The population is actually quite stable. Two years ago the total adult population was 2,369, virtually the same, but, at the same time, still 18 per cent over capacity.

We know that there has been a challenge with more people being housed in our jails than we have the rate of capacity for. We know that when capacity

is stretched, it prevents the people in Corrections from being able to do a lot of the good things they do, trying to work with offenders, trying to prepare them for life on the outside, retraining them, dealing with their mental health and addictions issues. And sometimes, as I'm sure the minister will see when she tours around this summer, sometimes it means there's a shortage even of space to have meetings or to get work done.

The intention of proceeding with a new jail in Dauphin was to relieve some of these pressures, and with the evidence now that we continue to have about an 18 per cent surplus of adult inmates in our correctional centres over the rate of capacity, I'll ask again if the minister believes we need more correctional capacity in the province of Manitoba.

**Mrs. Stefanson:** Well, I thank the member for the question and it is an important one, and we know that this is not a situation that happened overnight. It's happened over many, many years in our province and—but it is an important one and it needs to be addressed. And I know that there are—there has—is a review of our criminal justice system taking place as we speak, and especially when it has to do with our correctional facilities.

Some of the steps that are being taken when we look at the intensive case assessment process or ICAP, we're using that to help reduce the number of people coming into the correctional facilities. There's also the use of restorative justice to help reduce as well. And so we will continue as a government to look at ways to find more efficient and effective ways to reduce the number of people coming into our facilities so that we can bring those numbers back into line.

I will say, though, that I think the member opposite will understand that this is not something that after this many years, after 17 years, the situation that we're in that's it's going to happen overnight. It's going to take time. But I think some of the steps and the processes that have been put in place are very good and I think the government—or the staff in the department have done an excellent job to try and create ways to find efficiencies to help alleviate the situation.

**Mr. Swan:** I don't dispute that the staff are doing a very good job, and, frankly, the staff at the Dauphin Correctional Centre are quite incredible. I don't expect that the member has had the chance yet to visit the Dauphin Correctional Centre, I hope you'll have the opportunity this summer. I expect the

member for Dauphin (Mr. Michaleski) has had a chance to visit the Dauphin Correctional Centre. I have; it is a facility which any way you look at it is well past its useful life, which was why plans were made to replace an outdated facility which has been kept safe, I believe, only because of the excellent work of the people at that facility.

So I understand what the minister is saying, that she's not prepared to commit to supporting the construction of a new jail for Dauphin. We understand there'll be a process from Accommodation Services and ultimately Treasury Board will make a decision on this. I believe that once the member has a chance to see with her own eyes the situation in Dauphin, I'm very hopeful that she'll become a supporter of getting this important project done.

The Minister of Finance (Mr. Friesen) has talked about different reviews being based on the rate of return and social benefit. That may be a bit of paraphrase, but I believe that was what was contained in the budget document. How does the minister believe that the rate of return and social benefit plays out in the review of whether or not to build a new jail in Dauphin?

**Mrs. Stefanson:** Well, again, I thank the member for the question.

\* (15:10)

And, I mean, I look forward to, I have not had the opportunity to visit the Dauphin facility yet, but I will in due course. And I'm just on the process of going around the province and visiting various facilities around the province. That is a very important thing. The people who are doing great work in Dauphin, I know they are doing great work. I've been assured by our staff that they are. And we will continue to work with those individuals in Dauphin and other communities to ensure that we can find efficiencies within the system so to find better supports for those services within those facilities. So we will continue to work diligently with various stakeholders in the community to ensure that these issues be addressed in a timely fashion.

You know, the only problem is that this is an issue that has come about for—it's been there for a very long time. There is a process in place with respect to the Dauphin facility. That is continuing now. So I'm by no means saying that that is not going to take place. It is continuing now. But we will continue to work with stakeholders as we know that

review will be taking place. But, again, that will be taking place within Treasury Board and is more appropriately, probably, asked of the Minister of Finance (Mr. Friesen).

**Mr. Swan:** If approval was to be given by Treasury Board, then how long a process now is it until a new Dauphin Correctional Centre could open?

**Mrs. Stefanson:** I just want to reassure the member—and, again, this is a good question and important for those in the Dauphin community—just to ensure that the work will continue throughout the process of the review. So it's not like any time will be lost, that we're going to stop the work that is being done within the department right now. While the—so the review will be taking place at a—simultaneously. So just to reassure the member that it won't stop the process from moving forward.

**Mr. Swan:** Thank the member for that. Then when would, assuming everything goes as planned and approval is given, when is it currently estimated that the new Dauphin Correctional Centre would open?

**Mrs. Stefanson:** Well, it is—I believe that the work would be completed by 2021 assuming all goes according to plan, but, again, that review will take place with respect to Treasury Board and the Accommodation Services of the Department of Finance.

**Mr. Swan:** When does the minister believe that that work with Accommodation Services and Treasury Board will be completed?

**Mrs. Stefanson:** You know, I think—and I appreciate the question. I don't have the answer to that. So I think that would be more appropriately asked within the Estimates process of the Department of Finance where the Accommodation Services resides.

**Mr. Swan:** All right. I expect we'll be asking that question. I don't know if the minister has yet had a chance to visit the Headingley Correctional Centre. If she does visit, I think she'll agree that that is a correctional centre that's been expanded, renovated over the years. There were parts of that facility which I admitted in Estimates several years ago are really not appropriate for housing humans anymore.

Does the minister have any plan to upgrade or to replace any part of Headingley Correctional Centre?

**Mrs. Stefanson:** I think the member will recall the Auditor General's report that stated that there should be a review of all correctional facilities. So I believe, at the time, that review—who was going to 'conduct'—

conduct that review went to Treasury Board. I believe that there was a tender issued on that, which is good to hear, and that was under the previous government. *[interjection]* Yes, and that phase was to deal with the scoping exercise. And then, once that comes back, that will then go to Treasury Board once again for further review. But this all came out as a result of the Auditor General's 'refort'—report.

And I know it goes into—it includes—I know the member's question was specific to the Headingley Correctional Centre, but this was a review of all correctional facilities in the province, which I think was a very important one, and I think was agreed to as a result of it coming from the Auditor General.

**Mr. Swan:** I'll jump ahead—I wasn't going to get there in my questions just yet, but I'm happy to talk to the minister about the report of the Auditor General.

There were a number of recommendations that were made. How many recommendations does the minister believe are still outstanding as of today?

\* (15:20)

**Mrs. Stefanson:** Yes, I mean, I think that that will come about in the Public Accounts Committee. I know that there has been another updated review, as the Auditor General always does. And I believe that the update will be given at the—whenever the Public Accounts Committee, I guess, is scheduled for next. And I'm not sure, I mean, who, you know, who will be called before that committee. I know that the review is done by a number of government departments, so I'm not sure if they will be calling the Justice Department to that specific committee but, certainly, when it is, we will make that available at that committee, as it's more appropriately made available at that committee.

**Mr. Swan:** With respect, I mean these are the Justice Estimates, and I'm entitled to ask questions about initiatives in the Department of Justice, where money is being spent, so I'd ask the minister to provide me—not today, obviously, but in due course, with a list of those recommendations from the report that the department believes are still incomplete and being worked on so that we can—we can pursue where money is going to be spent by Justice in the upcoming year.

**Mrs. Stefanson:** I think, just for—and I appreciate the question from the member, and I think if I could just, at this point, give a broad view of some of the things—or that the numbers of recommendations that

have been identified as complete and those that are still pending but are still being worked on.

For right now a total of 10 recommendations were identified as complete and 19 recommendations were identified as still in progress, but I know that the department is working diligently, working along with the Office of the Auditor General to ensure that that process moves forward.

I'm just hesitant to get into all of the details because it is really the area of the Public Accounts Committee to properly get into all the details of that but, certainly, I have no problem sharing, you know, the general answers with the member.

**Mr. Swan:** Well, I would like to know with respect to the items which the department believes are still not complete, I would like to know what work is yet to be done. I look at page 63 of the Supplementary Information, there is no increase in the number of FTEs within the Department of Justice Custody Corrections. There is no change in any expenditure for administration or for any correctional centre, which would lead one to believe that there is nothing built into these Estimates to comply with any of the recommendations of the Auditor General.

So I ask the minister again if she will provide what I'm looking for, so we can, hopefully, carry the conversation forward.

**Mrs. Stefanson:** And I thank the member for the question. It's a good one, and what we're looking to do, and I think across all government departments we're taking a new approach to things now. We have not only downsized the number of—of government departments from 18 to 12, but—and finding savings within that of about \$4 million, but we're also finding ways to create efficiencies within the system itself.

So part of that overall across-the-board initiative is also being done within the Department of Justice. The department has been working diligently through various initiatives like restorative justice, like the ICAP, other initiatives to find efficiencies within the system to pay for some of the initiatives that the Auditor General has wanted us to move in.

So I will leave it at that for right now, but if the member has further questions I'm happy to take them.

**Mr. Swan:** Well, I've asked for information, and it sounds like the minister is refusing to provide it.

Is the minister refusing to give me details on the items in the Auditor General's report on all the

corrections that the department believes are incomplete together with their plan to meet those items?

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

I was just—you know, I was a little hesitant because I've sat on Public Accounts Committee before and I know there's normally a process when it comes to Public Accounts, where the Auditor General comes and there's a report, that the Auditor General does a general report for an overview of all government departments and outstanding issues and concerns within those departments.

And I know that in the past, the deputy ministers have come and given a presentation and update at that committee. So I'm not sure—I mean, I'm sort of new to this side of the House—whether or not it's appropriate to divulge information that is more appropriately divulged at another committee.

But, you know, I don't really have a problem giving some of this information at this stage, I think, in the—in this—in the sense of openness and transparency. I don't have all of the details right here today but I will endeavour to get that information to the member. I just—again, I was just hesitant because I'm unsure of the process and how that works but I'm happy to get that information to the member.

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

What are the department's current projections for the growth or maintenance or, hopefully, reduction of the adult prison population in the future?

**Mrs. Stefanson:** Of course, the populations within the prisons, very important. We know that there have been challenges in the past with respect to crowding and so on. But we—I think the member has already mentioned earlier—and just to go back—I mean, we are, again, taking steps to reduce where we can the—those that are entering into the facilities through various programs of—and various government initiatives. But I think at this stage—I know the member has already mentioned that the adult population in prisons has been relatively stable over the last number of years, and we don't expect that that will change. We expect it to remain relatively stable.

\* (15:30)

**Mr. Swan:** Does the department have any current projections for the youth population going forward?

**Mrs. Stefanson:** Yes, the general—I—and again I thank the member for the question—the general trend has been in youth—youth custody counts have been decreasing over the last number of years. We don't anticipate that that will change. In fact, because of various programs and initiatives in place, we expect that those numbers could be even better. So that's the trend that we're looking at going in.

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

And seeing the latest in numbers for the capacity and the number of youth housed there, I see that the Agassiz Youth Centre out in Portage is rated for 128, and happily, frankly, it's under right now; it's only about 109.

Does the minister have any proposed ideas on changes in the use or the size of that facility?

**Mrs. Stefanson:** Yes, and I thank the member for that question.

And I just want to go back to the previous question that was asked and just point out the actual numbers of the decline. Back in 2012-13, there were 283—[interjection] Sorry? [interjection] Yes, the average count was 283, and 2015-16 was down to 219, and each year in between there was a decline. So, again, we don't—today's—yes, today's count is two—oh, is 216 today, as of today, so there we go.

So with respect to—with the 'agathy'—Agassiz—sorry—Youth Centre, we don't anticipate that there'll be any changes there.

**Mr. Swan:** I know in the past it was actually possible in the last few years to close a unit at Agassiz and were able to transfer those employees in to provide some additional supports at Manitoba Youth Centre. The Manitoba Youth Centre itself, again rated at 150 beds, happily there's only 100 youth being housed there.

In light of all that, does the minister expect it'll be possible to close permanently or temporarily some portions of that facility?

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

And I guess the short answer is no, we don't, and the reason for that is just the complexion—the complexity of the population within the facility. We know that there are a number of women and men within the facilities, and we find that in terms of how the population does, they tend to do better when there's more space, I guess. So—and so it really has to

do with the complexity of the population within the institution.

**Mr. Swan:** All right, of course, not every Manitoban is aware that the Manitoba Youth Centre is in the minister's own riding of Tuxedo.

Does the minister have any longer term plans to make any changes to the use of the size of the Manitoba Youth Centre?

**Mrs. Stefanson:** The answer is no.

**Mr. Swan:** All right, thank you.

As I'm sure the member has—the minister has already been made aware, the retention—attraction and retaining correctional employees can be a challenge. Does the minister plan any changes to the way in which correctional officers are recruited and trained?

\* (15:40)

**Mrs. Stefanson:** I thank the member for the question and, you know, there's some very significant initiatives that are taking place, in particular—and I think we find this in various communities around our province, the challenges of recruiting and retaining, whether it's health-care workers or what have you in various communities is a challenge, and it certainly is with correctional officers as well.

And so some of the initiatives that are taking place is—the member will know that many of the training initiatives for correctional officers used to take place in the city of Winnipeg, but initiatives have now been taken to go out into communities like The Pas and Dauphin and other communities and also reach out—there is a First Nation recruitment and retention person—or organization as well to recruit correctional officers within First Nations communities as well.

So we hope that this will help some of those communities in the way of attracting new people as correctional officers within those communities and retaining them within those communities, and I think it's a very important initiative. As people—you know, if you just concentrate on Winnipeg, that's not going to necessarily help the people out in various areas of rural and northern Manitoba. So I think it's important to have those training initiatives in other areas outside of Winnipeg.

**Mr. Swan:** Well, I thank the minister for putting on the record things that have already been happening. The question is whether the minister plans any

changes, in future, to the way in which correctional officers are recruited and trained.

**Mrs. Stefanson:** Well, I think that there has been some good initiative; I have no problem saying that. I think the department has worked diligently to ensure that we move forward with respect to recruitment and attention—and retention of correctional officers. You know, we expect that we will look at ways to enhance existing programs and work with various members of people in the various communities to ensure that those programs continue to work towards recruiting and retaining those correctional officers in the various communities.

**Mr. Swan:** In the past, I have heard some calls for prospective correctional officers to be paid for their 11 weeks of training. It's been pointed out to me, in the past, that having someone give up 11 weeks of work to be trained by Manitoba Justice can become a barrier.

Is giving some kind of stipend or payment for those weeks of training to prospective correctional officers something the minister would consider?

**Mrs. Stefanson:** I thank the member for the question. As it stands right now, I think the important thing is to ensure that at the end of a training program, that there's a job there for those that have completed a training program, and, in this case, those members that are successful at moving for the—through the training program will be successful and being placed into communities.

Various steps and initiatives have been—have taken place to ensure that, and that's why some of the initiatives in Dauphin and The Pas and local training is taking place, to alleviate some of the financial burdens on those individuals who are seeking to be correctional officers in those communities. It's best to keep them in those communities living in their homes rather than seeking a financial burden, an unnecessary financial burden by coming in to Winnipeg and having to endure those costs.

So we believe that the way that this is—we do know, as well, I mean, and members opposite know that there's many people who complete various degrees and find it difficult to find a job and—but they go through and they pay for their training and they pay for their education in the hopes of getting a job in the end. And I think the important factor here is that those who are successful at completing this training program will be given a job in the end, and I think that that's a very important aspect of this.

**Mr. Swan:** Thank the minister for that.

And, of course, corrections is an area that has a fairly high turnover, and as the minister will discover—at least I expect the minister will discover—one of the challenges has been losing correctional officers to other employers, whether it's federal corrections which tends to have a higher pay scale; many others choose a career in law enforcement, and I think everybody around the table would support that, but it does mean a challenge in retaining Justice employees.

Does the minister plan any change, not to tell me what the current practice is, but does the minister plan any change to current practices to try to retain correctional officers?

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

You know, it's—I think there's no problem working on initiatives that are effective and successful, and I think we will continue to do that. And I will continue to work with the department, and I know the department does great work on this to try and find efficiencies within the system to try and work at ways to increase the retention of correctional officers.

So we're very open to any ideas that the members opposite have or that members in the community have on how do we—how to properly retain and find programs and ways to improve the retention of correctional officers.

So we will take that approach. It's a collaborative approach, and I know that other government departments are doing that as well and we will continue along those lines.

**Mr. Swan:** Well, I thank the minister for that.

And I am just looking at page 63 of the Estimates, which is the summary of corrections. It is one of the larger units in all of government. You'll see that there are 1,666.1 full-time equivalents in Justice. Could the minister find out for me what percentage of those employees in corrections are Aboriginal people?

**Mrs. Stefanson:** I thank the member for that question, and I think it's a very important one, and to see the diversity within the correction facilities, the officers and so on. So we will endeavour to get that information for the member.

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

Now, I see in Salaries and Employee Benefits, of course, there's the different categories of employees. There's an item underneath called Indirect Salary Costs, which is budgeted \$31 million for 2016-17, same as the year before.

Is that the euphemism for overtime?

\* (15:50)

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

It is not just overtime. It also includes other things such as pay for statutory holidays, muster pay and there's a whole host of other things in there as well. *[interjection]* Oh, required by the collective agreement.

**Mr. Swan:** Could the minister tell me how much was spent on overtime alone for the last fiscal year 2015-2016, and how much of that, then, is budgeted for 2016-2017?

**Mrs. Stefanson:** I thank the member for the question. I don't have the numbers in front of me right now. Certainly, we can get the specifics when it comes to the portion of that that is overtime pay. So we'll endeavour to get that to you at another time. But I think it's important to point out that overtime is driven by a whole host of factors that are examined regularly. The overtime costs in correctional facilities are monitored by the division on a frequent basis. And the division also monitors the utilization of part-time staff in comparison to overtime hours earned in order to ensure that part-time employees are utilized in the most cost-effective manner. And I think it's important, too, that we do know that there is a trending—that there is a decline in the total hours, so to speak, but I just don't have the specific numbers. But we can endeavour to get that to you.

**Mr. Swan:** I appreciate that. I do ask the question, because it's acknowledged that overtime has been a challenge. It was certainly the case when the prison population was increasing and it was necessary to staff up and take on more people. Certainly, that created some challenges. So I would expect the overtime number to go down now. I'd be interested to know if the member has any new ideas or any new direction on how to reduce overtime as much as possible.

**Mrs. Stefanson:** You know, I appreciate the question. And, you know, we're always working towards finding efficiencies within the departments wherever we can. And, you know, it's an important

one. But we will endeavour to get the numbers to the member. And we will work with all stakeholders and—to ensure that we find the—to make sure that we deliver the services needed in the most efficient and effective way possible.

**Mr. Swan:** I thank the minister. And, again, it is a large—a very large pool of employees, again, about 1,666 full-time employees. I'd like to ask the minister to provide a breakdown of the current number of staff vacancies for administration and for each correctional centre in the province of Manitoba as of today.

**Mrs. Stefanson:** I appreciate the question. We don't have the answers here, but we can endeavour to get the minister the answer to that.

**Mr. Swan:** I thank the minister. Now, again, we have 1,666 employees who perform much different duties. Some of them, of course, are the traditional correctional officers walking on the range at Headingley or at other correctional facilities. Some may be working teaching students, some may be providing long-term planning for those leaving the facility.

Does the minister consider all of these people to be front-line employees?

\* (16:00)

**Mrs. Stefanson:** I thank the member for the question and, of course, we do want to focus that front-line services is those that are closest to the people that deliver the service, and we do consider the correctional officers to be front-line staff.

**Mr. Swan:** Okay, I thank the member for that.

I'm going to dig into that just a little bit more, that correctional officers—so am I to assume that the member means, then, everybody working in our correctional centres to provide, hopefully, a safe and appropriate place for inmates to be housed, are considered front-line workers by this government?

**Mrs. Stefanson:** Yes, and I thank the member for the question. It's an important one.

And we do consider that anyone who is providing services within the facilities to be considered front line. If you're in direct contact with the population, and working with the population, that you're considered to be front-line services.

**Mr. Swan:** I thank the member.

I appreciate it's not easy for the department because that's not a term that—front line is not a term that I believe that the department uses, so I appreciate their efforts to assist you.

So am I then—taking the other side of that, if somebody isn't in direct contact with inmates in the correctional system, they're not considered a front-line worker by this government?

**Mrs. Stefanson:** I think that we have some incredible people that work in our facilities, and each and every one of them have—perform a specific function that helps the correctional facilities and to help each other do their jobs within there. So I think it's very important that what we want to do, I think, as a government, is to ensure that we have better results than we necessarily have seen in the past. And I think our government has been one that focuses on better results for Manitobans, and so that's why we—but without, you know, we do know that we're faced with a significant deficit, \$1 billion left to us, a legacy from the previous government. And it's a significant problem that we face.

And that's why it's very important that—but we have said that we will do that without affecting front-line services. Front-line services are those that deliver a service to Manitobans and, in this case, that help to manage the system within the correctional facilities. So I think I've already answered the question of the member and I'll leave it at that.

**Mr. Swan:** I thank the minister.

I do agree with her that there are tremendous people working in the corrections system. It is not an easy place to work. Oftentimes, it's not an easy population to manage.

What I've heard the minister say is that those individuals who are working in direct contact with inmates are considered front-line workers, under this government's definition, not the department's definition, and those that aren't working in direct contact with inmate populations are not considered front-line workers by this government.

So, if I have misstated that, I'd like the minister to say that now, because I think it would give a lot of clarity to those people working in the system.

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

And I think, you know, certainly, the way we would see it is that those are in direct contact with people, you know, within the facilities would be

considered front-line services, but I don't think we can be just exclusive to that. I mean, there could be others who are considered to be front-line services but are not necessarily a part of those that have individual contact with the individual inmates. But I know that there's health-care professionals and others—*[interjection]*—yes, so I'm just not sure. If the member has specific examples of people within the facilities, that maybe he could let me know.

**Mr. Swan:** I'm sure the minister knows why I ask the question. I mean, we've had a number of comments by the Premier (Mr. Pallister) and various ministers, that front-line workers are going to be protected.

\* (16:10)

What has been left out is that those aren't front line are not protected. And front-line workers is not a definition that comes from the staff in Justice or Education or Health or any other department, that's a term that's being used by this government. And if the member wants, I can get a list of different classifications within corrections and we can go through and we can—I can get the minister's input on which are and which are not front-line workers, if that's what we can do.

The minister, I think, has given qualified answers saying that if you're in direct contact, you're a front-line worker. Some other people may be considered front-line services as well. So we can leave it at that. I think as the minister tours the facilities, she will appreciate how important the people doing this kind of work do and how important they are to trying to get better outcomes in our justice system.

**Mrs. Stefanson:** Yes, I think it's just important for these purposes to say that, you know, it's not like we have taken—you know, there—with—under the expenditure of Estimates from last year, there's 666.1 full-time employees, and under the Estimates of expenditure for next year, there's 1,661.1 full-time employees.

So, you know what, it's not like there's a plan for any change here in the number of full-time employees, and I think it's important to point that out to the member. And I've already, I believe, answered the question that those that are in direct contact with those within the facilities would be considered front-line workers.

**Mr. Swan:** I thank the minister for that clarification, and the minister is right. It shows the same number

of full-time employees from the previous year to the current year; that's accepted.

The increase under Salaries and Employee Benefits, I presume, are because of the increase in the collective agreement as well as individuals moving up the ladder in terms of their pay. The Other Expenditures are broken out by each correctional facility as well as administration, and every single one of them remains exactly the same as the year before.

We know that the challenges in many government departments have been both price and volume. I'm hearing the ministers say that they anticipate that the number of inmates in the facilities will remain roughly the same. I appreciate it's only a projection.

Does the minister believe there will not be any increases in the other costs other than salaries and employee benefits that Justice takes on with the corrections population?

**Mrs. Stefanson:** Yes, I appreciate the question from the member.

I think it's important to look at this in the context of what we're facing as a government. We have inherited a fiscal mess from the previous government and we're trying to find ways to work within our means, and that is to challenge each and every one of us to ensure that we find the most efficient and effective way to deliver services. And that's exactly what we're going to do across the board here.

I believe very strongly that there are ways that we can create, that we can deliver services in a more efficient and effective way. I think we've already found many of those just in our very short period of time in government to date, but I'm very confident. We've got an excellent department.

I know as the member knows, he's worked with many of them before, and I have every confidence that they along with our government will work towards finding those efficiencies within the system. So that's exactly what this is all about. These are targets, and we know in the past that members opposite, when it's come to their budgets that they have tabled in the House, they have never once met their target that they have budgeted for in the last 10 years and beyond.

And so what we are going to do is ensure that we do meet those targets. And this is all a part of that, but I'm very confident that we will be able to find

those efficiencies within there, within the departments, to be able to live within our means in these respective areas.

**Mr. Swan:** Well, I suppose I thank the minister for those comments.

We have—we certainly have a situation where there's been challenges in corrections, primarily when there's been an increase in population. We now hopefully—we've not had that situation for two years, and certainly we hope the number of inmates will not be going up.

But I would like to ask the minister, when it comes to finding efficiencies, is—are Corrections included in the value-for-money audit that the government plans to buy?

**Mrs. Stefanson:** I think that, you know, that it's very important to look across the board in what we need to do, and we need to create efficiencies within all government departments. We will continue to do so; it's right across the board, and I will work with my—with our department to try and find ways of creating those efficiencies within the system to free up money in some places to be able to put towards programs in other places, programs that are working well, and we've mentioned some of them already today.

But I think it's not just—you can't just sort of look at a line and say, well, this is the same. What it is is that we're trying to—we're—what we as a government have committed to Manitobans, and this is why we were elected in the last election. They elected us because they are ready for a government that will be fiscally responsible, and that is exactly what we're going to do, and that's going to be the approach in our department. And I look forward to working with all of the ADMs and our deputy minister towards finding those areas.

They're already working towards finding those efficiencies within the system, and I look forward to doing that. It's going to be a challenge; there's no question about that. We know after 17 years of fiscal mismanagement, it's—there—we're dealt what we're dealt with. But I think, you know, I'm ready for that challenge, and I'm ready to work with various stakeholders in the community to be able to find those efficiencies within the system, and, again, free up money maybe where it's not working in one area but to free it up for programs and services that are working in other areas. And that's what a value-for-money audit is. So we will be doing that

right across the board in government, as I understand.

**Mr. Swan:** So the minister, then, is confirming it's not just her department staff who are going to be providing further ideas on how to find efficiencies. It's going to be an external value-for-money audit that is going to come back with recommendations on how we feed offenders; how we clothe offenders; the level of medical, dental, psychological and psychiatric services; and other programming in our correctional facilities. Is that what the minister is saying?

**Mrs. Stefanson:** No, what I'm saying is that, you know, I was hired to do a job here and that is to help manage a department and to work with our staff to ensure that we can find ways to better manage the way things have happened.

So that will be an internal thing. I will be working with the department on this, and we will try and find those efficiencies to make sure that we deliver the services in the most efficient and effective way possible.

**Mr. Swan:** But, just a minute ago, the minister said that she would be using the value-for-money audit to try and find efficiencies in the department.

I'm going to ask the minister again: Is the value-for-money audit going to include Corrections or not?

**Mrs. Stefanson:** The answer is yes.

**Mr. Swan:** All right. I thank the minister for that.

And, of course, any member of this Legislature has the right to tour any correctional facility, and I presume the minister has no problem with any member of this Legislature doing so provided they give reasonable notice and provided that it doesn't create any unfair interference with the operations of the correctional centre.

I just—I would like the minister to just confirm that.

**Mrs. Stefanson:** Yes, absolutely.

**Mr. Swan:** Maybe we'll ride out together during the summer.

**An Honourable Member:** I would like that.

**Mr. Swan:** Is the minister familiar with the Winding River Therapeutic Community that's now operating at Headingly Correctional Centre?

\*(16:20)

**Mrs. Stefanson:** I want to thank the member for the question. I actually have, just being very new to this, I, frankly, I was not aware of it. But I look forward to, you know, visiting the facility and seeing this and seeing how, as I understand this, is for drug and addiction treatment, and it's a therapeutic model that is being used and, as I understand, it's been very effective to date. And again, I mean, I want to look at—I want to take an approach where if there are programs that are working, let's continue them, let's find efficient and effective ways to maybe run them.

But you know, I—but I will look forward to getting to know a little bit more about this. Maybe the member opposite will inform me a little bit more, too, but I look forward to learning more about this therapeutic program.

**Mr. Swan:** I thank the minister for that, and I agree that I think it is an idea that can result in better outcomes in our justice system.

Does the department have any figures that show recidivism or other outcomes for people who have graduated from the therapeutic community?

**Mrs. Stefanson:** Yes, and I thank the member for that question. Of course, we would want to find out where we're at with respect to, you know, if there are recidivism rates as a result of this program that could help indicate how the program is improving things. I think that's a very important part. We don't—I don't know if we have that right now, and so I will endeavour to find that out for the member. I believe it's something that I'd like to know as well, and so, if the program's been out there for a couple of years, then maybe we could—we can ensure that that information is provided.

**Mr. Swan:** With that in mind, my next question I—may be unfair to the minister. Are there any plans to expand the community either within the Headingly Correction Centre to serve more people, or to export it to other correctional facilities across Manitoba?

**Mrs. Stefanson:** Yes, again, I think we need to—I think the previous question, I think it might be a little bit unfair, the question, because the previous question was to provide some information as to whether or not the program is working. I have not at that stage had a chance to, in—if it's working with respect to recidivism. But I don't have those—that information, so it's difficult for me to make a statement on that at this time.

**Mr. Swan:** While we're still on the question of Headingley, I note from the figures today that it continues to be one of the most challenging facilities in terms of numbers. Right now there are 801 inmates housed at Headingley Correctional Centre and there's 549 rated beds, which is about 146 per cent of capacity.

Are there any new initiatives that the minister wants to tell me about to try to reduce the population within Headingley, whether that's by working with other facilities or other ideas that she has to try and reduce that number?

**Mrs. Stefanson:** I thank the member for the question. It's a good one, and the approach is really a collaborative approach that we work with facilities. We don't just look at one facility in isolation. We look at the facilities across the board and see how we can better manage the populations within those facilities.

And so that is a work—that's work that's done on, as I'm sure the member knows, on a daily basis, and we're always looking to make sure that populations are safe within the facilities, and we're looking at reviewing the populations within those facilities to better manage and better balance the populations between the facilities. So there is a—it's not just done in isolation. It's done in a collaborative approach with all the facilities.

**Mr. Swan:** I thank the minister.

Could she find out from the department and let me know in due course, of the 801 inmates currently at Headingley, how many of those are single-bunked, how many of those are double-bunked, and how many of those are triple or more inmates in the same cell?

**Mrs. Stefanson:** Yes. We can get that information. I—you know, I think it's important also to know that, you know, there's—there are certain populations within correctional facilities when you're dealing with different gang members and so on. And I know the member will know this, but there are reasons why we need to keep people separated and away from various populations. There are reasons that we can't, you know, or that we may put some people together who may get along, and that's a constant management of the process as well, and that is ongoing to ensure the safety of, you know, not just the inmates, but as well as the correctional officers and all of those people that work within the facilities.

**Mr. Swan:** I thank the minister for that and I obviously accept what she's saying. It is a difficult population to manage and often there are some complexities at segregating certain people from others.

Moving across the Trans-Canada to the Women's Correctional Centre, I see that the main Women's Correctional Centre is at capacity right now. I take it there continues to be an agreement with the federal government to house some federal inmates at that facility. Is that correct?

\* (16:30)

**Mrs. Stefanson:** Yes, the agreement currently remains in place.

**Mr. Swan:** And does the federal government pay a block amount, or is it per diem depending on how many women may be in the facility at any given time?

**Mrs. Stefanson:** It's done on a per diem basis.

**Mr. Swan:** And I see, right now, it's down, it's about 14 out of the 25 rated beds.

Is there ever any use of the federal beds to house provincial inmates if the counts within the main building are high?

**Mrs. Stefanson:** As I understand, we don't have a practice right now of mixing populations between those in the federal jurisdiction and those in the provincial area. But, as I do understand, that this agreement is only in place until August of this year, at which point in time we will be reclaiming those beds.

**Mr. Swan:** I know that the agreement had been in place for a couple of years.

Is it being terminated at the request of the federal government, or is it Justice saying that they need those beds for the female population?

**Mrs. Stefanson:** It was actually at the request of the province, I believe, because those beds are needed provincially.

**Mr. Swan:** And is the intention to keep the capacity the same at 25? Or is it the expectation that the capacity, then, will go up by more than 25 for provincial inmates at the Women's Correctional Centre?

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

And it's not our intention to go be on the capacity of 25, as it stands right now. So I, actually, am looking forward to going out and visiting some of these facilities and getting a better, perhaps, understanding and appreciation for those that work in the facilities and for those—you know, just to get a feel for the capacity as well. And I know the member opposite has probably been to most, if not all, of these community—or these facilities, and so I think, you know, I look forward to going and visiting and getting a better sort of feel for the capacity.

**Mr. Swan:** I thank the minister for her response, and it, certainly, is useful to be able to tour the facilities.

I asked the question, in part, because these federal—the cottages used for federal offenders took on a life of its own in previous Estimates, and I know that your associate deputy minister and I spent a long time trying to explain the use. So I'm—although I'm sad to hear there won't be revenue coming from the federal government, I do believe there's an option with those cottages, which are very different from anything else that you will see in your tour across the province, to perhaps provide culturally appropriate programming, to perhaps provide some advanced services to help women as they prepare to re-enter the community.

So I, frankly, wish the minister and her department the best of luck in using those cottages, which, again, do not look like anything else in the correctional system, because they were built to federal standards.

Are there any separate recidivism statistics kept for women?

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

As it stands right now, we do not have the recidivism split out by gender. So we do have the other information but just not split out in that way.

**Mr. Swan:** I thank the minister for that response, which was not a big surprise.

Several years ago, Manitoba Justice started making regular and public reporting on the website of recidivism numbers for both adult and youth corrections for different categories of offenders. For example, the figures for January to March 2016 are already online.

Does the minister plan to continue making these figures available in the same way, in a timely way?

**Mrs. Stefanson:** Yes.

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

In the past, again, we spent a lot of time at Estimates and a lot of time in the House criticizing how the recidivism calculations are done.

Does the minister have any plans to change the way in which recidivism is calculated in Manitoba?

**Mrs. Stefanson:** Yes, I think, you know, we're always looking at ways to improve things. But, as it stands right now, I—this is—it's not on the radar to be making any changes right now.

\* (16:40)

**Mr. Swan:** How many accidental releases occurred in the past fiscal year, so from April 1st of 2015 to March 31st, 2016?

**Mrs. Stefanson:** I thank the member for the question. And, in fact, in the time frame—I've just been reviewing my books. There was, in fact, one during that time frame.

**Mr. Swan:** Does the minister know, was that reported to the general public or was it Corrections and police doing the work to get the person back into custody without the need for reporting?

**Mrs. Stefanson:** So I gather the communication is with the police at this stage, but we do annual reporting on the numbers.

**Mr. Swan:** Can the minister tell me if there's been any accidental releases in this current fiscal year, since April the 1st?

**Mrs. Stefanson:** There has been two.

**Mr. Swan:** And, again, do we know—have those been broadcast to the general public or, again, has it been the police deciding to use their own means to get the person back into custody?

**Mrs. Stefanson:** It was the police that brought them back into custody.

**Mr. Swan:** I take it from the minister's answer that both of those releases, the people have been taken back into custody.

**Mrs. Stefanson:** Yes. And it happened fairly quickly.

**Mr. Swan:** Does the minister have plans for any additional or different measures or procedures to try and stop accidental releases from occurring other

than what is already being done by Corrections and courts?

**Mrs. Stefanson:** I want to thank the member for the question. And the answer to that is that we will continue to improve upon, you know, existing things that have taken place with respect to this. We will continue to enhance training to improve the process. But we will always look at different ways to improve how this is done. And, certainly, I'm very open to any ideas that the member may have or other members may have, other jurisdictions may have, where we can make sure that we enhance this process.

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

Does the minister plan any changes in the way that accidental releases are reported or otherwise handled by the department?

**Mrs. Stefanson:** I think the only way it would change is that if there was a significant issue with public safety. We would ensure that we take the various necessary action to ensure that the public is aware and made safe, but, for the most part, this will be left in the hands of the police who assess that, whether or not it is a significant public safety issue.

**Mr. Swan:** I thank the minister for that. I believe that is the standard that's being used right now.

This next question, I think, fits into Corrections, but if it doesn't, we'll keep Courts around. Under The Fatality Inquiries Act, there's a requirement for an inquest to take place whenever an inmate dies in custody, whatever the cause of death may be. Can the minister tell me whether there's any outstanding work to be done within any correctional facility as a result of any completed inquest?

**Mrs. Stefanson:** Thank the member for the question. I just want to clarify the process here, because I think there is something different that the minister said in the way that the process is.

First of all, if there's a death in custody, the police and the Chief Medical Examiner are notified, and the Chief Medical Examiner conducts a review, so that's the mandatory part of it, is that they conduct a review. But the chief medical examiner is the one that decides whether or not an inquest is required. It's not Justice that does that, so I just wanted to clarify that.

\* (16:50)

**Mr. Swan:** Okay, let me change the question a bit, then.

Is there any outstanding work to be done within any correctional facility from any inquest into a death in custody that has been called by the Chief Medical Examiner?

**Mrs. Stefanson:** I will endeavour to get back to the member on that. I don't have that information right here, right now.

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

What is now the average current time that an adult offender spends in Manitoba correctional facilities serving sentences?

**Mrs. Stefanson:** I—we thought that we might have that information for you right now, but we don't. So we will endeavour to get that information back to you in due course.

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

While we have both Corrections and Courts nearby, there's a couple of questions maybe I can deal with now.

There have been comments by judges, in the past, with some frustrations from transfers from correctional centres, especially Milner Ridge Correctional Centre, about getting inmates from the correctional centre into the court in time. I know that some work has been done.

Can the minister tell me: Are there any further initiatives under way to try to resolve the issues of getting inmates into Winnipeg in a timely basis?

**Mrs. Stefanson:** Yes, the department created, actually, a headquarters at Milner Ridge, and ever—and at Headingley as well, so there wasn't that transportation issue, and they were there. So there hasn't been, to my knowledge, any issues with respect to delays in getting the inmates to court.

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

And, again, where courts meet corrections, can the minister tell us at present: Are all correctional facilities in Manitoba now able to provide video conferencing with all of the Manitoba judicial court centres?

**Mrs. Stefanson:** And, again, I thank the member for the question.

As I understand, the cameras have been installed in Headingley and in Women's and in Milner Ridge.

There may be others as well; I'm just—I'm not sure at this stage. But as it stands, I know that this was a four-year plan and we are still two years left, but we know that we're looking at the end point in the court facilities for those cameras. And so, again, there's still two years left within that program to deliver on that.

**Mr. Swan:** And is the minister committed to completing this program within the next two years?

**Mrs. Stefanson:** Just to the member, we're anticipating and hoping to move forward more quickly than that.

I just wanted to answer one of the questions that the member had asked for earlier which was the average length of stay in remand custody for—I'll start with the adults, it's 53 days was the average. The average length of stay in remand custody on the youth side is 29 days. And the average length of stay in sentenced custody for adults is 57 days. And the average length of stay in sentenced custody for youth is 223.

**Mr. Swan:** I thank the minister for that additional information. I thank her staff for pulling it together.

Getting back to the video conferencing, one of the challenges that came up when I was minister was that in a facility like Milner Ridge, although correctional officers could take the inmate to the door of the video conferencing area, a sheriff's officer would then have to escort the inmate the last few feet and be the one to stand outside the video conferencing room.

Has there been any progress made on trying to change that to get more effectiveness from correctional officers being able to be the ones to take the inmates right into the video conferencing room and wait outside?

**Madam Chairperson:** The time being 5 p.m., I am interrupting the proceedings.

The Committee of Supply will resume sitting tomorrow morning at 10 a.m.

## GROWTH, ENTERPRISE AND TRADE

\*(14:50)

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

This section of the Committee of Supply will now resume consideration of the Estimates of the

Department of Growth, Enterprise and Trade. At this time, we invite 'misterial' and opposition staff to enter the Chamber.

As previously agreed, questioning for the—for this department will proceed in the global manner.

The floor is now open for questions.

**Mr. Kevin Chief (Point Douglas):** Just a couple of things I just kind of follow up really quick from our discussion this morning.

I did ask if I could get a list, a detailed list of the different advisory committees or boards or other ways in which the member is going to seek advice, if there's—whether they're formal, informal, I'm just wanting to know if I can get a list of that.

**Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade):** Just for the member's insight, we will certainly ascertain to undertake that. There could be some formal boards that are already engaged; we will have a look at those. There is some other informal—I wouldn't say I'd call them boards, I would call them more groups that I will be having consultations with, so those will be more of an informal nature on a more of an informal course as we move forward. But I will endeavour to get that for the member.

**Mr. Chief:** I thank the minister, that information will be really great to have.

I—just kind of staying a bit on that topic of making sure that—again, that we know the best advice comes from people directly living in a particular neighbourhood or a community. We also know some of the communities are quite diverse, some of them have urban areas in them, some of them have First Nation communities in them, so they're pretty unique.

So one of the things that—where we have heard some concerns already from people is the government's plan on Yes! North: (1) it wasn't mentioned in the budget, (2) it wasn't mentioned in the Throne Speech. But it consistently gets mentioned in things like question period; it got mentioned in the campaign trail. And so there has been issues, questions raised about the process in which the minister and their government developed Yes! North.

Could he explain to me or name a couple of people or a couple of different groups that they talked to before developing a Yes! North strategy?

**Mr. Cullen:** There's a couple of questions in there and obviously probably a longer answer than the question.

First of all, to your point about the uniqueness and diversity of Manitoba, that's something that is not lost on our government. As I mentioned earlier, we've been engaged in a consultative process with all Manitobans over the course of the last three years, and I think we've certainly gained a lot of insight there. It is our expectation that we will continue with the dialogue with all Manitobans. We want to ensure that all Manitobans, given all their diversity, are at the table. We don't want to miss any opportunities. Recognizing that we have challenges out there, I believe that Manitobans will come to the table with lots of innovative solutions to our issues, lots of innovative ways to grow our economy.

And we want to make sure that we signal to Manitobans that we are a government that is open and transparent and ready to listen to their ideas. We don't come to the table with the preconceived notion that we have all of the answers. That's why, as we're moving forward in structuring our department, we want to make sure that there's a framework there to engage in Manitobans and making it easy for Manitobans to engage with us. We believe that Manitobans are really our customers or our clients. And we have to design our portfolio so that it is accessible to Manitobans. And that's the approach we are going to be taking.

We—in terms of Yes! North, we—I guess it was part of our consultation process over the last three years, you know, recognizing that northern Manitoba is full of opportunities. And, specifically, we had a northern lights communication strategy where we, over the last two years, specifically engaged and consulted with northern Manitobans. And we consulted with a lot of people throughout Manitoba and northern Manitoba in preparing that document. And I, certainly, could endeavour to provide the member of a list of all the people we met with, but it's—let me tell you, it's a very, very expansive list of individuals and communities and various stakeholders that we consulted with. It's a far range, everything from municipal councils, town councils, to chambers of commerce, friendship centres, Metis federations. You name it; we consulted with them. And, also, obviously, we consulted with the business community as well. So there, certainly, was a wide range of thing—of people that we talked to in terms of developing the northern lights, and a lot of what we heard through northern lights was a desire to look at

the—it's kind of the Yes! North framework, which is mirrored off of Yes! Winnipeg framework. So I'd certainly—another subsequent question, I could get into that a little more—in more—in depth.

**Mr. Chief:** Yes, I want to thank the minister for the answer. I know he talks about the consultations with all Manitobans, and that's fair, and I understand that. When we're talking about the North, of course, northerners want to make sure that it's northern opportunities with a northern plan done by northern people. And I know the minister references the northern lights. There has been some concerns that we've heard. We haven't—whether it's in northern lights or their new Yes! North initiative, have they consulted directly with UCN?

**Mr. Cullen:** I appreciate the member's question. Yes, we've had a discussion with UCN, and I think on a number of occasions, on a number of different levels. Certainly, we've been there to tour the new facility in Thompson on a couple of occasions and, actually, looking forward to getting back there. Next weekend, we're going to be there as well, to have further dialogue with UCN in conjunction with the Vale celebrations that are going to be going on in Thompson. And, additionally, we're going to be spending an extra day there to consult with a lot of the community leaders in Thompson as well. So we are looking forward to continuing that dialogue.

\* (15:00)

In terms of the Yes! North and why we were looking at a Yes! North strategy, is we saw the good work that was being done in the—over at the city of Winnipeg with the Yes! Winnipeg initiative. So our—the—conceptually, we're going to follow what was happening at Yes! North. So looking specifically at the economic development opportunities there that present themselves.

We, obviously, are working internally to lay out that framework in terms of what Yes! North is going to look like. As a result of the consultations we've had, so we—we're looking forward, in the very near future, to rolling out the Yes! North. And I'm sure northern Manitobans are looking forward to that roll out of Yes! North as well. And, you know, based on the discussion we've had, we think it will tie in quite nicely with their input.

You know, I can say—and every time I go to northern Manitoba, it doesn't matter who we talk with—there's certainly an interest in economic development. You know, whether that be from the

business community, the First Nations, Metis communities, there's a real interest in engaging with government and how we move the yard sticks down the field in terms of developing economic activities, job growth for northern Manitobans.

You know, there has been some really good things happening, certainly I look at Vale and some of the work they've done over the last few years in terms of getting the Aboriginal community engaged in the workforce there, and it has been a very successful program. So there is, certainly, successes that we can reflect upon in northern Manitoba. We will, certainly, incorporate the successes.

We do know there's some challenges in terms of UCN. We know there's opportunities for improvement, and we look forward to working with UCN and the communities there to see how we can improve the delivery of education there, and making sure that we're focused on students and students' outcome. At the end of the day, it's about preparing students there for the jobs and the job opportunities that are—hopefully will be available in Manitoba. And that's really our job, is to work in conjunction with the education department to make sure that we are fulfilling the needs of students and making sure that the business community is telling us what we should be preparing students for in terms of what jobs are going to be coming to light in the not-too-distant future. So we view it as a collaborative approach, and that's what has to happen under the umbrella of Yes! North as well. There has to be that communication within departments, as well as communication within the communities of northern Manitoba.

So that will be the main driver, the main impetus behind Yes! North and that initiative going forward.

**Mr. Chief:** We know that, in Manitoba, that we have one of the fastest and youngest growing demographics, in particular because of the young indigenous community. We know that is most prevalent and most fastest growing in northern Manitoba, there's no question about that. A big part of that success, a big part of Manitoba's economic success is going to be the success of northern Manitoba, that's what the history of Manitoba tells us. A big part of northern success is going to be the engagement of those young indigenous people. A big part of that is making sure that they get the opportunity around training, particularly around things like apprentices.

We know that the minister has said, and his government has said, that they've done robust consultations when it comes to Yes! North, so I don't think it would come to a surprise by how important it is to northerners and northern Manitoba that they see the trades training facility built in Thompson.

Will the minister commit to that project?

**Mr. Cullen:** I thank the member for that question.

And I believe the member is right in terms of engagement. I think that's something that we have to look forward to—the to who's in charge of the various communities in northern Manitoba to make sure that the youth are going to be engaged in education and training. I think, you know, we—and the other side of it is, we as a government, especially on the training side, make sure that we are providing the right training for the youth.

And not necessarily the youth. I say youth, but it's not necessarily the youth. We want to make sure that there's as much employment in northern Manitoba as possible. Obviously, we think that's critical to the economy, and the success, quite frankly, of northern Manitoba.

We, I guess, within our department, we have some analysis done on the job market, just to see what is out there, what the potential is to be out there in terms of the job market in the future. We think the next step is to take that information and to make sure that we are telling our educators that we are in-line with what the jobs are going to be and what we're—what education we're providing. So there's certainly an important role there in terms of aligning the jobs—the education with the jobs in the future.

And I think you're right in terms of the apprenticeship program. The apprenticeship program has been very successful around Manitoba, and maybe there has to be a better focus in northern Manitoba in terms of the apprenticeship program. We certainly want to get buy-in from the people there that may be applying for the apprenticeship program and I think that's pretty important.

The other thing, when I was in Churchill last—earlier in the week and listening to the ambassadors and the high commissioners from 20 countries who had just finished their tour of northern Canada, it was interesting to hear their discussion. And, you know, they obviously recognized that there was a lot of challenges in northern communities in northern Canada and, obviously, expressed those challenges.

But at the same time, they were optimistic there was opportunities for the youth and for the future.

And the question is, how do we ensure that there's economic development in the communities? You know, there has to be jobs available for the youth or the unemployed of the community as well. So it's not an easy—pardon me—it's not an easy thing to say as long as we supply the apprenticeship programs, there's going to be jobs there. I think we have to look at the big picture and make sure that the business community is onside as well, and that we have dialogue with the labour side and the business community to make sure that we're matching those up.

You know, as a government, we're looking at strategic investments in infrastructure. Obviously, you know, we have not—in fact, we've increased funding to Education and, I believe, Education infrastructure. We have to make sure that we are doing that in a strategic way and we get the best value for our money. So we are certainly having a look at all of the infrastructure options that are on the table. We know there's a lot of wants out there in terms of infrastructure, and we are—as we move forward, we'll be having a hard look at all of those infrastructure wants and having to decide which one of those projects we will be funding.

**Mr. Chief:** Yes, so I ask again: So is that—is the minister committing, then, that they are building the trades training facility in Thompson? Yes.

**Mr. Cullen:** What I am committing to is that we will be reviewing the infrastructure investment on all Education infrastructure wants that are out there. As the member, I'm sure, knows from his previous history, there's a lot of infrastructure requests across the province, and there's a huge amount of requests for infrastructure in Education.

We, obviously have—even though a billion dollars sounds like a lot, it's actually a limited amount in terms of infrastructure investment. So, we certainly are looking forward to evaluating which projects are out there, and we have committed to doing that valuation and see what we can get for our best bang for our dollars.

Clearly, when we look at that, in terms of getting value for our dollars, we want to make sure that we get as many people engaged in jobs as we can, and that's the basic premise that we would look at.

\*(15:10)

**Mr. Chief:** I want to just ask a question about, again, the way the minister plans on seeking advice from members of the North, because there is—there are some concerns about the highlight, the Yes! North plan, but there's very little known about it, and I think the minister and their government gave themselves a 100-day deadline to come up with some details of that.

Could he provide some information on the role of the northern Manitoba sector council as it relates to Yes! North or north yes?

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

Obviously, the—I want to just say hats off to the Northern Sector Council for the good work they've been doing over the last number of years. And I think that's a really good model of collaboration. You know, we have the—you know, the business sector there at the table, we have the education folks at the table as well, and we have somebody making sure there's communication between the business sector and also, certainly, the education sector and always the training component of it.

So, certainly, we've had a lot of discussions with Northern Sector Council and the great work that they are doing there. They have certainly shared some ideas in terms of how they see Manitoba moving forward, and we're certainly taking advice from them on this process going forward.

I will say to the member that, you know, we're quite excited about the Yes! North concept. We think it's going to be a great concept to engage Manitobans. It's not something—it's an evolution, the Yes! North concept. It's not something that we as a government will just roll out and say, you know, here it is. It's got to work. There has to be consultation, and the whole process will evolve. I'm sure we'll learn lessons; I hope we learn lessons along the way that are positive. I'm sure we'll probably make some mistakes as we go through the initiative as well.

But it's our goal to roll out the Yes! North initiative in the very near future, and I know it sounds like Manitobans, northern Manitobans, are eager to hear what we have to say. We're also eager to have Manitobans and northern Manitobans get involved in it. This is a—this is their initiative, and we think it's going to be a really good platform to engage northern Manitobans. And, you know, people like the good work that's going on in the Northern Sector Council. I think that's a real positive model, and I think the Yes! North model could tie in quite

nicely with the good work that's going on in the Northern Sector Council.

**Mr. Tom Lindsey (Flin Flon):** I guess I've got a couple of questions, some of them carrying on with kind of the same theme of that which we've talking about, some of them more specific to labour. But I also at some point, if I remember, want to go back and clarify some things that we talked about this morning.

You talked about education infrastructure, and last week I was up in Frontier in Cranberry Portage, and I know that they've got several things on their strategic plan for going forward that they were interested in getting some commitments around.

Just for a little background, Frontier collegiate itself services 30-some communities in the North with students coming in, and really it's such a major contributor to young people in the North being able to get jobs and be able to participate. When you go and talk to the superintendent at Frontier and some of the instructors, they have really clear vision of where they want that to go and they really want the government to help them get there. I'm not sure whether the minister is aware of all of the requests for funding that they've put in going forward and whether he's aware of all their strategic plan. So perhaps, I guess, maybe that's as good a place as any to start. Is the minister aware of their strategic plan going forward?

**Mr. Cullen:** I appreciate the member's comments.

Obviously, yes, the Frontier School Division is very important, obviously, for northern Manitoba. We certainly intend, and I know my colleague the Minister of Education fully intends to work with the school division there to make sure the issues can be addressed. I'm not aware of the details of their strategic plan but I'm certainly willing to have a look at those. And I'm pretty sure that our Minister of Education has the lists on his desk from all the school divisions across the province. So, that being said, there's going to have to be decisions made in the future, and we'll have a look at all the issues that are on the table, and we will have to deal with those as we move forward. As the member can appreciate, we're five months into this new government, so it's a matter of having a look at all the issues that are on the table and see what we can do in terms of moving those initiatives forward.

We also have to be strategic in terms of how we move issues forward, and I'm glad the member raised

this issue, and it's something we can't forget. It's making sure that we're providing the basic education for students. We have to make sure that when the students graduate grade 12 that they have the basic understanding they can get, at least at the table, for the next level of job.

And the other thing that we know that's a challenge, certainly in northern Manitoba, is keeping kids in school and moving them through the process to make sure that they do graduate. And that's something that I think we will have to continue to have that ongoing dialogue in terms of how we keep kids in school, move them through the process and make sure that at the end of the day they've got the basics, that they can get into the job and the workforce. I think that's pretty key. You know, we've heard that, too, the other side of the coin is that when some of these students graduate high school that they don't have enough of the basic understanding and capabilities to enter into basic workforce. So there could be some challenges there.

I know in the past, at least it appears from our side, that in the past the government has viewed graduation rates as a key factor to success. To me that's only one element of success. But what you sometimes do when you focus on graduation rates, you quite often lower the bar and lower the standards. And that's something that I think we have to be wary of, because we're getting the feedback back that these students, when they graduate, aren't really at a grade 12 level. And that's something that I think we have to address in the school system, and I'm sure our Minister of Education will be having a look at that. I know certainly in northern Manitoba there's issues with federal funding as well. I'm sure the minister will be knocking on the federal government's door to make sure funding is available from their perspective.

But the member is absolutely right. We have to make sure that we get the fundamentals right. We can't have issues within the school division there holding back education of students, so we have to make sure we understand what those issues are and deal with them. And I'm sure I will have the conversation with the Minister of Education about that and we can drill down into some of the details and I look forward to the member opposite being part of that discussion. You know, if he has heard of specific situations that are impeding with education of students, we have to make sure that we know what those priorities are. So we look forward to working with the members that represent northern Manitoba

on that basis, and we look forward to hearing from you and we look forward to working with you to make sure that we can get rid of those stumbling blocks along the way.

\* (15:20)

**Mr. Lindsey:** I thank the minister for that answer, I guess. Certainly, just sticking with Frontier Collegiate in the North, there are certainly issues with education separate from this discussion that need to be had. That's one of the benefits I guess, for Frontier Collegiate graduates is it doesn't necessarily follow the traditional educational model.

Certainly, when people graduate, they have the basic high school skills, reading, math, those kind of things that a traditional school would prepare them for. But in a lot of cases recognizing where some of these students come from in the North that they need a different type of schooling, and that's what Frontier really shines: it's supplying for them. When they graduate, they have not just the basic reading, writing and arithmetic skills; they've got very specific trade, work-ready skills. A lot of them when they're graduate they're basically at a level 1 apprenticeship level, that they're ready to go to work, that they've got all the skills they need to go to work as opposed to a more traditional high school, I guess, where you may not have the skills required to go to work. And that's really some of the really good work that Frontier does.

It also takes more senior students I guess, for lack of a better term, and starts getting them skills that although they've passed the graduation age that we would normally look at, because, again, recognizing the challenges for northern Manitoba and a lot of those communities, it starts giving more adult-orientated training and skills so that more people are ready to enter the job market.

Specifically, with Frontier and Cranberry, some of the infrastructure that they're dealing with is World War II vintage. I mean, it was a good place to start from, provided the basic seed to get things going, but looking at their cafeteria for example, it was the officers' mess club back in World War II. It's not sufficient anymore for the number of students that they project going forward. So that's just one of the issues on their wish-list, that there was things like a specific welding shop that is really going to, again, prepare students to enter the job market and be ready to go to work, not just have a grade 12 certificate.

So, again, I'd ask the minister: Is there any commitment to providing the funding to upgrade the facilities that are required at Frontier Collegiate, specifically looking at their long-term plan?

**Mr. Cullen:** I appreciate the member's questions on this. I'm certain that my colleague the Minister of Education will be having a, probably an in-depth discussion with Superintendent Klassen for Frontier on those issues. I'm assured that the Education Department is having a look at all of those issues and that the minister is aware of the requests from Frontier. So I'm sure there will be ongoing dialogue on that. I can't make the commitment today in terms of that particular infrastructure requirement or request but I can assure the member that we are looking at all of those requests.

And I also want to speak about some of the issues the member raised as well. In terms of the apprenticeship in the high school program I think that's been a very successful undertaking by the government. You know, clearly some students will lose some focus in terms of the academics, but they're more driven to the workforce at an earlier age, and it seems to work fairly well. I know it's been successful in southern Manitoba as well in a lot of the schools there. And I know there's been an investment in the apprenticeship programs in terms of infrastructure around the province, and I'm assuming those sort of initiatives will continue to be undertaken.

And it really is about being innovative in the way we prepare students for the workforce. And I think, you know, in working with collaboration with educators, with the business community, we can continue to be innovative in how we engage the education community and how we engage youth and how we engage members of the community that aren't as young, and how we get them involved in the education system. And I think there's tremendous opportunity there, and I really look forward to having that dialogue, and I know our Minister of Education is really excited about having that dialogue as well.

There's some really good things happening in, you know, Assiniboine Community College, Red River community college. We believe there's some good things can happen at UCN as well. I think there's tremendous opportunity for improvement there and we're looking forward to that. We've got some nice facilities there, certainly a lot of facilities throughout northern Manitoba.

But, in terms of outcomes, I think there's more we can do in terms of outcomes, and at the end of the day that's about what it is. It's about investing for outcomes, and I think we have to make sure that we're all on the same page, that we're getting youth and adults ready for the job market and making sure, on the other side of it, that we've actually got jobs for them there. And that's the last thing that I want to see happen is we have our youth and our young adults educated and then having to ship them out of northern Manitoba for jobs elsewhere.

So I think that's the key component of what we're trying to deliver and Yes! North is making sure that there's economic opportunity for northern Manitobans in northern Manitoba. So it's about connecting all the dots as we move forward.

**Mr. Lindsey:** I thank the minister for that. I guess it's a good segue to switch gears. He talks about the Yes! North plan and jobs in northern Manitoba. I guess I'm excited, interested to hear more about this plan because, really, it got very short coverage in the Throne Speech and I did go on the Yes! North website and there wasn't a whole lot of information there, either.

So, it seems like a pretty sketchy plan at this point in time. I would hope that the minister and the government has a better plan than what we've seen so far for the North.

When it comes to jobs it's something that—it's near and dear to my heart. I come from a mining town. It's been mining there for basically 100 years, but the last mine in Flin Flon is scheduled to shut down approximately 2020, if not sooner, so I'm wondering what—and I don't know whether it's part of the Yes! North plan or something completely different, or just where the present government plans to go, but what kind of plans are in place to encourage sustainable resource development for the North, particularly when it comes to mining in the Flin Flon area?

\* (15:30)

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

That certainly opens up a whole new topic. I wonder if the member is—wants to get into a lengthy discussion about the mining sector today?

**Mr. Lindsey:** I guess at some point in time we need to get into a lengthy discussion about the mining sector. Whether it takes place today or tomorrow or

whenever, I'd certainly be more than happy to sit down with the minister and see what the plan is.

I guess, for today's purposes, if he could just give us a kind of an outline, I guess, of what the plan is, that would be helpful.

**Mr. Cullen:** Maybe what I will do, then, in case we do get into the mining sector in a little more depth today, I'll maybe ask our assistant deputy minister of Mineral Resources to come down to the table and he might have some more insight that he might want to share.

If I could do that, Mr. Chair?

**Mr. Chairperson:** Granted.

Would the minister please introduce the staff in attendance?

**Mr. Cullen:** Yes, I welcome to the table Tim Friesen, who is our assistant deputy minister of the Mineral Resources Division. So, certainly, Tim has, although new to the department, relatively new as of this spring, he has quite a background in the mineral resources sector. So we welcome Tim on board to serve the people of Manitoba and particularly the people of northern Manitoba.

I do want to make a comment, and relative to the Yes! North initiative, and there may be a preconceived notion of what Yes! North is going to look like. In my view, Yes! North is a concept. It's an idea. And the idea is going to parallel what has happened in Winnipeg, in terms of the 'yeth'—Yes! North strategy.

So the concept is to move economic development framework ahead. And that's what we're trying to accomplish. So the concept is there. What we're in the process of doing internally is putting the rubber on the road, if you will, to make that happen. So, as the days go by, you will see that unfold.

So the—we'll put some meat on the bones, if you will, in terms of what the concept is going to look like. And we're quite excited about that.

The member's right. We have had ongoing consultations with the mining sector in Manitoba and, in particular, I know the issues around Flin Flon. And, clearly, there is going to be challenges there. And I think it's important that we as government, those in the community, those in labour and those at the helm in the business sector understand the challenges. And it's not one group

that can resolve those outstanding issues. I think we all have to work in collaboration to try to find solutions to those challenges. I maintain that there's—my optimism that there is some positive things that could happen, certainly in the area of Flin Flon. We know there's a couple of mines close to Flin Flon that we hope will continue to operate—hopefully, continue to operate in the long term.

Obviously—well, I can see we're going to be out of time on this one but maybe if the member could indulge me a little, I do have some more things to say on that—on this sector.

**Mr. Lindsey:** I certainly look forward to hearing the rest of the answer.

**Mr. Cullen:** I thank the member for that.

There is a lot of challenges in the mining sector, as the member knows, and notwithstanding the low commodity prices, for sure, had an impact, in terms of investment in the mining sector.

My view has always been an investment goes where investment is wanted. And the problem that I feel we've had in Manitoba is that we haven't sent the—we haven't set the terms in Manitoba that we're open for business. We haven't sent the message to the marketplace that we're open for business. You know, when I look at the exploration dollars that have been coming into Manitoba as of late, we're at an all-time record low, compared to the exploration dollars that have been going into other jurisdictions in Canada.

So, clearly, the marketplace is not wanting to come to Manitoba. And we have to change the dial on that. And we have to change that dial as soon as we can. And I believe the investment comes as a result of certainty in the industry. If we as a government put together a framework of certainty for investors, a framework of certainty for the business community, a framework of certainty for indigenous people, when we get all those people that understand what the rules are, I think we can have a very positive investment in the mining sector here in Manitoba. The problem is we've got a lot of room to make up and it's certainly a challenge.

But I'm optimistic, with a new government, hopefully, a new face, we're going to tell the business community, and all the communities involved, all the stakeholders, that we want to see some change and we want to see some change for the better.

Now, clearly, there's some taxation issues I think we have to deal with. The companies have been telling us that; there's—we have to level the playing field. We have to allow them to be competitive with other jurisdictions as well. And taxation is certainly a component of that. The other thing that has been raised by, well, by all stakeholders—and this is the business community, investors, Aboriginal communities—is that we have to have a certainty around land use. We can't be prepared to make an investment unless we know exactly what land is going to be available for us to do some exploration on and/or potential mining. So we as a government have to set that certainty around land use requirements. So I think that is a key component of what we have to deal with here in the near future as well.

And that's not an easy thing. Obviously, there's going to—there has to be a lot of dialogue because there is a lot of people—have a stake in terms of how our land is used here in Manitoba. I know there's certainly a movement in a lot of areas for increased parks, which, of course, would, in essence, shut off exploration and potential mining to a lot of areas within Manitoba. So I think it's important that we have that discussion, that we all understand what the rules are and what the rules of engagement are.

\* (15:40)

The other thing I think is key is the concept of the consultation package. We haven't had a framework for consultation here in Manitoba; that really does not exist. We have one-offs here in Manitoba, and I think we have to make sure that we develop a framework so that all of the stakeholders who are coming to the table have a clear understanding of what the rules are and what the time frame around those rules are. I think that's going to be very key for us moving forward, and I think that's an important discussion that we will continue to have. And I think, for us, that duty-to-consult component is very important, so we can provide that certainty for all the stakeholders that want to be engaged in mining here in Manitoba.

Now, I think, if we have that dialogue so that everyone knows and understands what the rules are, it happens in other jurisdictions, and, unfortunately, those jurisdictions, because they have that framework, they have that certainty around that framework, they're able to attract and investment that we, quite frankly, haven't been, that we're lacking.

So I think we understand what the issues are. The challenge now is to make sure that we work and get the results that we need so that everybody can benefit in mining.

**Mr. Lindsey:** I guess I'd make a couple of comments on that, and the minister's probably right; it's a whole lot more in-depth conversation probably than what we're going to have today.

But some of the things that you've said in your response concern me a little bit, I guess. I understand that we have to be competitive. Certainly, if we're not, you won't be in business. But I caution this with an attempt to be competitive with Third World countries; that's the race to the bottom that we've been engaged in for far too long now in my opinion.

So, when it comes to things like taxation and workers' rights and consultation, those are all big issues that need to be addressed. To just get back to the mining issues in the North, certainly, it's not just Flin Flon that needs investment, whether it's in mining or some other economic activity that hasn't been thought out yet or hasn't been discovered yet. Lynn Lake, for example, I'm told that there's a mine—a potential mine there that, with the right encouragement, investment, may create jobs, which, once upon a time, as I'm sure the minister's aware, the town of Lynn Lake had 6,000 residents; it's now less than 600—infrastructure going to waste.

Are there any plans in the government's future for investment in Lynn Lake or anything that encourages private investment into potential mines at Lynn Lake?

**Mr. Cullen:** Thank you for the question, I do appreciate the question in respect to Lynn Lake.

We do—as a province, we have the—we have to be competitive, I talked about that before. We have to be competitive with our neighbours because quite often these companies will look to invest. They will look for the best opportunity. Case in point, we have the highest tax on mining companies of any jurisdiction in Canada. We also are one of the few provinces that actually charge provincial sales tax to mining companies, and I know two out of the other three I believe actually provide a rebate on the provincial sales tax.

So, obviously, our companies are under a little extra stress when it comes down to the final outcome and, you know, at the end of the day companies have to be profitable to operate, and if they can't show a

profit they're not going to stay in—here and do business, and that's the reality, you know.

I—and I'd like to see as many people working in Manitoba as possible. I certainly appreciate where the member is coming from and, you know, our goal at the end of the day is to have as many people here working in mining operations across Canada—across Manitoba as possible, and, obviously, we can't give away anything in terms of safety either, and that's obviously part of my portfolio, and obviously safety is of paramount concern. So we can't be cutting any corners there.

I'm quite happy the safety records that I've seen as of late in the mining industry. It, certainly, in my view, has improved from where it's been, so—but having said that, there's always work to do on the safety side and certainly on work with labour relations for sure. And we look forward to continuing that to that dialogue as well.

In terms of Lynn Lake itself, I recognize there is a—project Alamos is under way there, has been for a little bit—some time. I can tell the member that our department staff were up there just in the last two weeks to have a discussion with the operators there. Certainly there is continued exploration going on. From our perspective we have to make sure as a province, as a regulator, that we are making sure the permitting is in place, the licensing is in place; we have to make sure that that's done. We are making sure that there's the dialogue between the proponent there and also Sustainable Development who are issuing licences.

So there's certainly an important role that we play as a government. Our role as government is not necessarily to invest in capital there. Our role I think as government should be to make sure we facilitate development and whatever we can do to facilitate that development is what we should be focusing on. So I think—I'm optimistic. Our staff has got the message that we want to make sure we're working with the companies and the communities and the employees to make sure that we move the yardsticks down the road, that we're doing the right things to help, that people who want to invest here at the end of the day to get an operating mine, and that's really what it's about.

If we don't have an operating mine, we don't have too much as far as income. So that's what we're trying to accomplish, we, as a government, are trying to make sure that we facilitate that. We don't want to be seen as an impediment to development, and I

think that's really the important role that we should be taking as a government.

\* (15:50)

Having said that, the other side of it is attracting investment so that these people can actually further develop that particular mine. And I believe that's the role of government as well as in terms of—and that goes back to the certainty that I talked about previously. We have to make sure that we are developing a framework that is certainty, that provides investor's certainty around that, and if we can provide that as a government, I think we'll get the investment that we need, the investment to do the exploration, the capital investment to build the mine and then, from there then, we've got, hopefully, the people that are educated, qualified and ready to work in the mine. And that's really what it's about.

There's a lot of moving parts within that scope, but I think we as government have an important role to take the initiative and make sure all of those moving parts are moving in the right direction.

**Mr. Lindsey:** I guess we'll stick with this theme a little longer. Some of the things, again, that the minister said about exploration, in particular, certainly, you can't have a mine if you haven't done the exploration to find that mine. Exploration costs money, and, certainly, the land use agreements need to be in place for the exploration to take place as well, and, hopefully, the government is working on that piece of it.

One of the things that we talked about during the election campaign was the mineral exploration fund that are available for junior mining companies, or junior exploration companies, as opposed to major. Is there any increase in funding included in this budget for the mineral exploration fund that's provided to the junior mining companies?

**Mr. Cullen:** Thanks for the question, I do appreciate the question.

Obviously, we have some programs in place, I think, actually, some of the most generous incentive programs in Canada. We do have some very good programs in place, and the funding out of that comes out of the Community Reserve Fund. So, certainly, as far as funds, there is a lot of funds available.

The challenge has been, then, that not too many exploration companies are tapping into those funds. We have very few new companies coming to Manitoba, looking to explore. So a lot of the money

is just going to existing companies that are here now doing some exploration.

The member will be happy to know that we are focusing on the Flin Flon belt as far as the exploration is concerned, so anyone that's interested in the Flin Flon, we're certainly having a serious look with them, recognizing the potential impacts that we're going to face over the next few years.

So there is money there; we're just—have a problem with exploration companies here in Manitoba. And the fact of the matter is that the exploration companies have been leaving Manitoba instead of coming to Manitoba. And I think that's all reflective on the issues that, you know, that you raised and that I've talked about earlier.

It's issues about land use. Are we going to establish a park in northern Manitoba and cut out exploration potential mining? Is that where the government's going to go? So it's that uncertainty about land use that hangs over us. There's obviously the issue about the duty to consult, and the process and the framework going forward, because even explorers coming out have to get involved in a consultation process.

The other thing we have to play an important role to is in terms of the permitting and making sure that we're not standing in the way of permitting. And, you know, we've ran into some permitting issues in the past; it's very unfortunate. I know we've got a couple of lawsuits on the books now because we weren't able to address some permitting issues, and I think that is because we haven't had a—haven't developed our framework around land use and the duty to consult package.

So, if we can get our framework and get our own ducks in a row, if you will—if we can do that, and establish a positive framework, I think a lot of these issues will look after themselves, and we will see the exploration companies coming back to Manitoba, taking part in our what I think are very generous incentive programs for exploration. And, as you know, if we don't have exploration, we don't have any new mines.

And the unfortunate part that I see is we've missed quite a few years of the exploration value. And, as a result, because it's such a lag time between exploration and mine development, we are going to face significant challenges, as you know. And Flin Flon, we're looking a few years away, substantial changes in Vale coming in the next few years; I'm

afraid of that void—is going to be pretty substantial unless we can get these other projects operational in the very near future.

So challenges, but at the same time we have to make sure that we're doing what we can as a government to make sure we seize any opportunities that are out there in northern Manitoba.

**Mr. Lindsey:** I guess some of the issues around exploration is that some of the major mining companies have a lot of the land locked up that they haven't really done a whole lot of work on in the last few years. I look at a project that's kind of—that sounds promising, if you will, in the Flin Flon area, the Pine Bay, I believe it's called. They're doing a lot of exciting things.

Now some of that—recognizing that mining promoters have a long history of promoting things that never become mines—but looking at some of their drill results that they've released that with my limited knowledge of geology, it sounds promising. But, when you look at a map, that project is completely surrounded by land that's held on to by some of the major mining companies that—if that land could somehow get freed up, or encourage somebody to do the exploration, that could potentially expand that—what appears at this point in time to be a relatively small project into potentially the next big project.

\* (16:00)

I'm not sure what kind of plans that the government might have in place to encourage the majors to free up the land for the juniors to do the exploration that everybody agrees we need to have that done. So is there any part in your plans going forward to do any of that?

**Mr. Cullen:** I thank the member for that question. And I have heard this particular issue raised in the past and certainly aware of that situation. And we do have it in a number of areas of the province, as the member well knows. I can say from the outset that my view is I don't want to leave any stones unturned. Maybe that's a bad pun, but I think that's what we should be looking at. Obviously, these are historic leases that these companies have had, and I appreciate that. And I want to respect the good work that HudBay and Vale have, you know, have committed to the province. Certainly, they've been, I think, for the most part, pretty good stewards and they've been pretty good, obviously, economic drivers for northern Manitoba and Manitoba. So I

certainly want to acknowledge their commitment to Manitoba. And I'm obviously hopeful that their commitment will continue here in Manitoba. And looking forward to going to Vale for their 60th anniversary next weekend coming up, so we're looking forward to having that visit with the community.

I will advise the member that we've had very good discussions with both HudBay and Vale, and we will continue to have discussions with them. I would suggest that given the current climate that both those companies are in in Manitoba, I would suggest there's probably a move to have a look at those particular leases and their current status, and I look forward to having those discussions with both Vale and HudBay as well, and I think there's an appetite, certainly, for continued discussion on this front and, hopefully, that can bear some fruit for us in the future.

**Mr. Lindsey:** Thank the minister for that answer, and I just want to go back and switch gears to some things that we talked about this morning when somebody else was asking questions. You had suggested that as part of the Premier's (Mr. Pallister) enterprise team that you had consulted with some labour people about the potential of being part of that group, and I just wanted to know if you could clarify just which labour groups or which labour persons you had talked to about that.

**Mr. Cullen:** I thank the member for that. I can't recall exactly the nature of our conversations. But we did talk about a lot of different issues, certainly, with our discussion with the Manitoba Federation of Labour. We had some discussions around a number of issues in the province. And I'll have to reflect back and check on my notes on that. I'm not sure where we left that exactly. But I will find out find out for sure for the member.

We've also had some pretty—a couple of positive discussions with the MGEU, as well, about a number of different topics and I will—I'll have to circle back with—for the member on details of that. I don't think we've any names at this point in time from them. So I'll have to circle back with the member and possibly with them just to clarify the understanding of that.

**Mr. Lindsey:** I can help, I guess, clarify for the minister at least some people that he—or the government hasn't had any conversations particularly about the Premier's enterprise team, and that's what we're talking about here. They may have talked to the Manitoba Federation of Labour about some other

issues, but I spoke to the president of the federation and some other folks there. I also spoke to the building trades unions. There's been no suggestion, no request, no anything about them supplying a name or participating in the Premier's (Mr. Pallister) enterprise team. Certainly, they were quite excited when I phoned them and asked who their people were going to be, because they certainly want to be involved in discussions about moving things forward in this province.

So, I guess, it would appear that, certainly, from the MFL and the building trades that there hasn't been those specific discussion yet. So I would ask the minister: Is there a plan to include members of labour, particularly the MFL on that Premier's enterprise team?

**Mr. Cullen:** I appreciate the member's question.

You know, it's our—it's under my mandate to supply names to the Premier's office for the enterprise team, and I will seek some names from, I guess, under some of your guidance here, through the Manitoba Federation of Labour. And, if there's another—other organizations you think that would be interested in supplying names to me that I could forward on to the Premier's office, I'm open to suggestions.

**Mr. Lindsey:** I thank the minister for that.

Certainly, the Manitoba Federation of Labour would be the best place to start to get those names. Kevin Rebeck, the president, I'm sure that he'd be more than happy to either participate or supply you with the names of those that would participate. So, certainly, we can make sure that those names get forwarded, or, in your conversations with them, you can make sure that you're asking for their participation and I'm sure they'll forward those names to you.

Let's just switch gears again, then. My history of the last few years is, of course, coming from the mining industry but from the union safety end of things. And I did hear the minister say earlier that he didn't want to cut anything to do with safety and, certainly, when I first got involved with the mining industry, we were looking at a fatality every 12 to 15 months on average. I certainly wouldn't want to see us ever go back to doing that. Having said that, there's a lot more work that needs to be done around safety.

But one of the things that has gone a long way towards reducing an actual injury and death, not just

statistics that are perhaps not exactly the true story when it comes to injury is the development of strong regulations around health and safety and then the enforcement of those regulations.

\* (16:10)

The previous government had in place a minister's advisory committee for health and safety and then from that there was a subcommittee, which I was proud to sit on, that looked specifically at the operation of mine regulations.

Is it this government's intention to carry on with that minister's advisory committee to start with, and more specifically, to continue with the specific subcommittee that looked at the ongoing operation of mines regulation. And that wasn't just a committee that met once every five years. It was ongoing review so that as things became topical, they were happening now changes in equipment, changes in regulations elsewhere that might affect workers' safety and health, that those things were dealt with in a really timely fashion and those—that specific group operated by consensus, which we didn't always get everything that I wanted and we also didn't always get everything that somebody else wanted, but through a lot of hard work and a lot of really meaningful discussions and making sure that we fully understood what the ramifications were for industry as well as the ramifications for workers and for government, because they were at the table as well. Is it this government's intention to carry on with those two very vital advisory committees?

**Mr. Cullen:** I thank the member for the question. A couple of points. First of all, I'm going to invite our ADM for Labour to come down to the table as well and participate in the discussion.

I do want to say to the member that I'm also going to—we talked about the Premier's enterprise team. I also—I'm going to have my own, I'll call them advisory groups, if you will, for lack of a better term. My view—and this is where we came in in discussions with some of the labour folks and some of the business community—my view was to have some groups advising me, so my intent is to have some of the business community and also some of the labour community at the table so I can have a regular dialogue with both sides to make sure that I'm not missing something, so that I've got my ear to the ground. So I'm looking forward to getting some members, some folks from the labour side and the business side at the table, and we, hopefully, will

have some good honest discussions as we move forward.

As the member knows, if we're going to grow the province, we need both labour and management at the table, and I think we've—what I've seen, we've got a very positive relationship between labour and management, and I'm quite impressed with the labour-management group and how well they've been working. I've heard nothing but good things about it. Certainly from the Labour Board perspective, I've heard nothing but good things from the Labour Board and the good work that they're doing.

So I think we've got, you know, a great bunch of people at the table that have the best interests of—their individual interests at the table, but they also have the collective interests of everyone at the table, and it appears to me that it's working very well. So my view has always been if it's not broke, don't try to fix it. So that's the premise we're working on. We're obviously focused on results and I see the union between labour and management working very well in Manitoba, and from what I hear, it's one of the best working relationships across the country. So I find that very positive. And some of the limited work that I've had with the organization, it seems to work very well. We've had a very open and frank dialogue at the table, and I look forward to working with them. And I think it's a marvellous thing when we can come together. You're correct. We're not always going to have consensus, but we'll agree on the things we agree on, we'll differ on the things we differ on, and we'll move on. As long as we've got the complex views at the table, everybody's views at the table, I think it's a win-win.

So I don't see anything changing in terms of the advisory committee that the member talked about. Certainly, I think it's important to have the subcommittee that the member talked about as well. That sounds like a logical approach to it. If we're monitoring things on an ongoing basis, it seems like a logical thing to do. I haven't had any issues with it not working, so that's a good sign. And to hear your comments being favourable, I would think we will continue with that and look forward to any comments you hear in regard to that as well. If you have any suggestions for changes, I'm certainly open to hear that as well.

**Mr. Chairperson:** We ask the minister please introduce your staff member that attended the meeting right now. Thank you.

**Mr. Cullen:** Yes, thank you. Sorry about that.

Dave Dyson is our assistant deputy minister in the labour files.

**Mr. Chairperson:** Thank you.

**Mr. Lindsey:** I encouraged to hear that if something isn't broke, you don't want to fix it. I look forward to that. And then I'm left to wonder why your government is trying to fix something that isn't broke. Talking about the labour relations, your government has decided to try and change the way a union gets certified when there hasn't been an issue. So I'm not sure if that's your department or whether I'm just making a comment that you can pass on to someone else. But it ties in nicely with the project labour agreements as well, that, again, seemed to me that perhaps your government had a solution looking for a problem that wasn't there, hasn't been there and, potentially, isn't going to be there. So I'm not sure why you want to change those particular pieces of legislation while talking about how well labour, management and government has been working. Perhaps you could answer that question specifically to those two pieces of legislation.

**Mr. Cullen:** Just to go back to our previous discussion on the advisory council: The advisory council will be dealing with The Workplace Safety and Health Act review as well in the future, which we think needs some tweaking and some cleaning up. So we're looking forward to getting our hands dirty on that one and try to—trying to clean that one up.

As far as the project labour agreements, I think that's been specific around Crown corporations. It might be an issue that the member might want to bring up with our minister of Crown corporations when he comes up in Estimates; might be a better place to do that.

In terms of the potential changes to the right to vote as far as certification, that was an election promise that we made. I've asked the Labour Management Review Committee to have a look at it and see what their suggestion was. So we're waiting. I think that response will be coming back in the very near future, so I'm looking forward to see what recommendations come from that request, and I think we'll have that in fairly short order.

\* (16:20)

**Mr. Lindsey:** Again, I guess, it's good that you're going to get the Labour Management Review

Committee to look at that. I would encourage you to—don't be afraid to change your mind on that. If the only reason you want to bring in the vote on certification is for ideological reasons, when there's no historical reason to really do that, I would strongly encourage you and your government to rethink their position on that.

Why antagonize a system that seems to be working? And working not just for the certification part of things, but labour and management in this province has done a lot of good things working together.

So, to just to pick up, you said that you had some changes planned for The Workplace Safety and Health Act. I guess that leaves me some concerns. If they're positive changes that are going to enhance worker protection, if it's part of your overall—not necessarily yours personally—but your government's overall plan to just cut red tape, I would become very, very, very concerned that reducing protections for workers should never be viewed as red tape. Pretty much every one of those regulations and the act has been written in somebody's blood over the years.

And so I guess I'd just ask you to clarify at this point in time what the purpose of those changes or those suggested changes are. If it's just a ongoing review that will be done the same way that the operation of mines regulation was reviewed, where consensus was achieved between all the parties for changes, for positive changes, changes that really enhanced working people's lives in this province, then I certainly would look favourably on that. If it's a plan to just cut regulation for the sake of cutting regulation, I'd be very much against that.

So I guess I'd be interested to hear the minister's response and plan for what that review of the workplace health and safety act, really, what the intention of it is.

**Mr. Cullen:** Thank you for that question.

The review of The Workplace Safety and Health Act is actually a legislated review that has to be done every five years. So I think this is probably the right approach to take. You know, we've got your labour and management at the table, and a really good opportunity for them to review it.

Obviously, the process will be relatively open and transparent. So there'll be input from—I think, anyone that wants input into the process could have that. So there'll be some input into what changes

may, people may like to have at that time moving forward.

I think when we first got into this discussion just a couple weeks ago was, as a result of some of the enforcement issues out on the field. And what we were finding was that the enforcement people out in the field were interpreting the rules in different ways than another officer might be interpreting. So what I was looking for when I asked the ADM about this was clarity around the rules.

So I'm hoping through this process we will have a look at, in broad terms, what rules may need to be changed but also look more closely at what rules need clarification so that we are enforcing the rules around the province on a level playing field. So I think that's pretty important so we don't avoid confusion either with the business community or with the labour community. We don't want any questions out there. I think we have to make sure that we understand what the rules are, they're written in a plain format and they take out any question so that it's not a grey area. It should be as black and as white as possible.

So that was my comments and, then, obviously this has to be done by regulation anyway. So we will review that and hopefully, at the end of the day, we can come up with some rules that are more clear. And, certainly, the intent is not to impact safety in any way, shape or form; that's not the intent. We have a separate red tape reduction strategy that we're looking at through all of government in terms of reducing red tape. And that's a different issue all together. So that's a process we're undertaking throughout government as well in terms of red tape reduction.

So that we think, hopefully, at the end of the day, we can do business easier here in Manitoba. But, obviously, we don't want to have an impact on safety of anyone here in the province. So just so you're reassured of that, that's what we're looking at; that's the approach we're taking.

**Mr. Lindsey:** I'm not entirely sure that I'm reassured with that answer. I guess there's a difference particularly in things we've heard—difference in the interpretation of words. When you talk about consultation on changes to the act, that's a different connotation than arriving at changes by consensus.

I've been consulted many times and ignored. It's—so I would ask the minister if the plan is to work collaboratively with labour and management and the

government to arrive at consensus for changes to the act as opposed to just consulting and changing.

**Mr. Cullen:** Thank you for the question.

Maybe just a chance for me to clarify. You know, this is a process that we've been working through in the past. I think it's worked very well to have labour and management at the table. Obviously, they will work through the process. They—there will be working towards consensus, and they will have input from stakeholders from all over the place. But, at the end of the day, they will look at those recommendations that come forward with a view to come to consensus. They may not always have consensus and, as a result, you'll get a recommendation from one party or the other. And then, at the end of the day, that, I guess, that'll be up to the government to decide how they want to take it from there.

Obviously, I think it's a great approach to take. We've got everybody at the table. We'll see what the issues are. I, quite frankly, don't foresee too many major issues arising out of this. I'm sure there's going to be views—extreme views on—maybe on both sides. But it's certainly not my undertaking to make any significant changes to the workplace health and safety act at this point in time. I'm hoping that going through the process we can clean up a lot of things, and maybe there's some glaring errors that are in there that we should be addressing.

So I think it's part of an ongoing process. I look forward to that ongoing process. You know, I think we're a government of trying to build consensus as well, and we will listen to what all the stakeholders have to say, and we'll see what the report comes back. I don't want to prejudge what's going to be in there. We will have a look at the results at the end of the day, and then we, as a government, will make a decision from there.

\* (16:30)

**Ms. Amanda Lathlin (The Pas):** Thank you, Chair, for this honour to participate in this process. As a northerner, somebody who lives and works in northern Manitoba, in particular, my hometown, The Pas, and Opaskwayak Cree Nation, when the Northern Lights strategy was announced and rolled out in June of 2014, I had a read at it, and the—I noticed the priorities that were listed. The themes and priorities that were identified were as such: jobs, training and the economy, mining and mineral resources, healthy living, infrastructure and tourism.

So, with that, out of pure curiosity, how—can you please explain to me in particular, as a northerner, how did this Northern Lights strategy evolve from these many themes to now what the current two priorities are are sustainable development of natural resources, including forestry and mining, and tourism opportunities including beluga whale watching, polar bear and northern lights tours, fishing and hunting.

Can you please tell me how did that evolve from that many priorities to what we see now that is here in the Yes! North strategy?

**Mr. Cullen:** I appreciate that question.

*Mr. James Teitsma, Acting Chairperson, in the Chair*

The Northern Lights, I will call it a consultation process, is really what Northern Lights was. Northern Lights wasn't really intended to be a strategy. Northern Lights, and this goes back two, three years, we've been engaged in a consultation process with all Manitobans. What we felt was there was a real need to engage northern Manitobans in terms of what opportunities are going to be available for northern Manitobans. Recognizing the challenges that a lot of the communities face, a lot of the people in northern Manitobans face, we thought it was important to make sure we opened up a dialogue in terms of how we can move forward and provide some opportunities in the future.

So the Northern Lights concept, if you will, is more of a discussion document. When we first approached it, we kind of threw a lot of things out there and—trying to get some feedback and engagement with northern Manitobans. We really didn't have any preconceived ideas in terms of what the response was going to be. We weren't sure where we were going to take it from there. But we thought it was a really important dialogue to have. And that was really the framework behind it. And, you know, in terms of northern lights, you know, it's a nice, catchy phrase, and actually, talking to the tourist folks in Churchill this past week, they're really excited about promoting the northern lights side of it. You know, we've done pretty well on the beluga whales and the polar bears; they think the northern lights is actually the next big tourist attraction for there.

But, sorry, I digress. So we had the consultation, the dialogue. We haven't got the feedback as well. We haven't necessarily put the feedback that we heard out in public at this point in time. That's

something we may still do in the near future. But we did hear quite a bit from northern Manitobans, and, as I talked about earlier, we talked to a lot of communities, a lot of stakeholders, municipalities, indigenous people and the business community, labour, and we had a lot of really positive input. So that was the discussion document.

Now, what we announced during the campaign was the Yes! North concept, and, to me, the Yes! North is a concept. It's an idea. And what we're saying is the idea is how do we deal with northern Manitoba. Obviously, economic development is a key priority for it. And, when you talk about economic development, it's all-encompassing. You know, it's tourism, it's education, it's business, it's—there's a lot of things under economic development. So I don't want people to be, have the perception or the pre-conceived ideas that Yes! North is just specifically one or two things. In my view Yes! North is a concept about developing northern Manitoba with northern Manitobans.

So this is the concept there. We're just—at this point in time we're doing some work internally in terms of how we deliver that, what is the actual deliverables look like, how—what is the rubber hit the road, if you will. So that's really the stage we're at and we're getting, you know, relatively close to make some further announcements I think, I hope will help clarify the concept. The Yes! North concept was derived from the Yes! Winnipeg concept where they, as part of economic development they are focusing on economic development, so that's kind of the key point.

So this to me is the springboard for, I hope, economic development, community engagement in the North. There's a lot of moving parts in northern Manitoba. I hope this concept will be a—to continue that dialogue in how we move the economic development aspect forward for northern Manitobans.

**Ms. Lathlin:** As a northerner, and I'm pretty sure the member from Kewatinook can relate to me, with what is presented currently right now for the public is misleading. That's why we're asking all these questions about this document. For example, the Healthy Living section here, I was, you know, mental health related services and supports in northern communities are less comprehensive, available and accessible than in urban areas, and I know personally that's very, very, very true.

But is that going to be—okay, how can I word this? When I read Yes! North I find that it's a backwards strategy. I find that what I want to ask is what are you going to do to build that healthy foundation that is needed, healthy communities that are needed to build, to work up to that economic development. I find that a foundation needs to be built, you know. Healthy communities will always lead to economic development and I just feel like that's lacking.

I just wanted to ask how that is going to be addressed. We need healthy people in order to pursue these economic dreams and goals for our communities.

**Mr. Cullen:** I appreciate the member's question. It's a very, very important question.

My department is focused on economic development, and that's my role within the department. We have other departments that are responsible for other areas. I don't pretend that Yes! North initiative concept is going to be the solution for all of the issues in northern Manitoba, by no means, but I think it can be a vehicle where we have discussion and continued discussion. And it is the chicken and the egg here, whether, you know, whether we have economic development, healthy communities, obviously, it all works together, and I don't think we can put one ahead of the other. And there's obviously challenges ahead, there's no doubt about that. We're going into this with open eyes, there's challenges ahead, and we know the challenges that are out there. We can't deal with all the challenges at once.

My department will be focusing on the economic development component, obviously when we're going through that process, as we establish the framework, we were going to get a lot of feedback from communities on a lot of different issues, and primarily health, I'm sure. We have to make sure that we have that vehicle to address those issues.

\* (16:40)

So, you know, we talked earlier about education, you know, we're talking about health now, very important issues that are tied around economic development. But, hopefully, that will be a vehicle that we can have a discussion and, hopefully, results with both education, health care or whatever other issue we come across. We have to make sure that we have a vehicle that recognizes the issues. We can have a relationship with the department so the

department can go out there, recognize the issues, and develop a plan to address it so that everything gets addressed.

And I think that's what happened in the past. We haven't had a clear plan of how we're going to move things forward and, without a plan, nothing happens. So we're coming from it from the point of, okay, how do we get results, in this case, for northern Manitoba? So that's the premise we come from it. So, from there, we try to develop a vehicle that we think will work to engage northern Manitobans and, hopefully in a very positive dialogue, get all the issues on the table. And then we can work back to government and see how we can come to the table to resolve those issues.

So it sounds like a bit of a convoluted approach, but we're optimistic this could be approach that might work. And it's really, in my view, it's a concept that will open up some dialogue, and we can, again I use the term, well, you can move the markers down the field.

**Ms. Amanda Lathlin (The Pas):** I want to say this with the utmost respect, is that, as an Aboriginal person, the reason why—you know, and also for northerners, I'm focusing on indigenous communities, our population in northern Manitoba. As a former representative workforce co-ordinator for the University College of the North, we always worked with stats and, obviously, the Aboriginal population is the highest in northern Manitoba. So that's where I'm focusing on these questions in particular for today.

For example, in addressing to reach our economic development goals, there's many, many issues that need to be addressed for our people. For example, water, better housing, education, health, how well the Minister of Indigenous and Municipal Relations (Ms. Clarke) come into this various departments, which I need to—which I think are needed to address our indigenous population to eventually reach our economic goals.

Because, like I said, I find this is a backwards strategy. I find this is a strategy with business people only, and I believe that our indigenous communities need to be involved. However, I'm just finding it hard to see that happen when there's so many other factors that need to be addressed in order for us to be—more of us I should say. I know there's strong community leaders out there right now with that capacity. There's First Nations with that capacity. But there is a lot that do not have that, and my goal is

to have—is to build that in order for many of us more—to be more involved in this goal to economic development, because I'm very optimistic about our indigenous population, our future, especially with the—our Aboriginal people that you currently see right here now in the House. You know, I'm optimistic that things will improve.

And so my question is: How will various departments come together, including our Minister for indigenous and municipal affairs, how would we all work together to fix those socioeconomic factors for us to be full participants in this strategy?

**Mr. Cullen:** I appreciate the question. It's a very, very broad question for sure, and there's a lot of moving parts in this one.

One thing I will say from the outset is, in the past I know we had 19 various departments across government, and, for us, on the outside it looked like we had established silos. And we didn't have the interaction between departments, and it was frustrating, frustrating for a lot of people.

I'm optimistic, you know, we've gone from 19 down to 12 departments. Even when we look at our mandate letters, you know, there is clear direction between departments where necessary. We tried to streamline the departments as much as possible, but there is some overlap, obviously, in certain areas, and Yes! North is a classic example where there's the overlap with municipal and indigenous affairs, clearly.

So, starting with the premise that we need a plan, we had to start somewhere, and we think this is, Yes! North is a good place to start. It's going to be an evolution as we go forward and there's going to be a lot of departments become engaged in this thing for sure.

*Mr. Chairperson in the Chair*

I, in my discussions with the leadership in northern Manitoba, I think the leadership is ready for some change to engage their people. I think they're ready for economic development. They see economic development and jobs as a wealth creator for their communities and a way up for their communities. We want to make sure that we're there to facilitate that discussion and, hopefully, that job creation. I think that's the role that we have to play.

We also have a role, obviously, on the education component and on the health issue; that's a key component. We have to make sure all the spokes in the wheel are connected on this, but I think there's

opportunity in northern Manitoba, as you do. I am optimistic about things there, where there's challenges, no doubt, but I think we have to have that discussion about how we make things happen. And that's why we're optimistic; that's why we've been engaged in this discussion with northern Manitobans for the last three years. And I think we've learned a lot, and we know, we understand who the players are, so we can pick up the phone and we can talk to those people if we want to get something done in the communities.

So I think we've done a pretty good job of opening that dialogue. I know that, and maybe we've set the bar a little high when we said, you know, here's Yes! North, here's the program. And maybe people figured, yes, we're good, this is it; this is finally the miracle cure. We're going to have everything answered; everything's going to be great. But the reality is that's not going to happen, overnight especially. This is, this again is a concept, it's a framework for how we move forward, and I'm hoping it's the framework where we can have that dialogue and that discussion. There's no one easy answer for the issues in northern Manitoba, but I think if we've got a vehicle to have that discussion, I hope we can all work together to move it forward.

We firmly believe in broader terms, as our government, that economic growth is a creator, wealth creator for the province and to create wealth in the province that's the revenue we need to support social programs. And, again, if we can get more people working the less money we need for social programs. So, to us, the economic development component is pretty important, but we're not saying it's the only component. Obviously we have work to do on the health side and the education side.

So, hopefully, that helps the discussion. Hopefully, we didn't set the bar too high that we had the simple answer for everything in northern Manitoba; quite frankly, we don't. We're just hoping that this is a vehicle to have that discussion.

\*(16:50)

**Ms. Lathlin:** In regards to education, again, I can't speak enough about University College of the North. It's a wonderful community to be a part of. In fact, just to share with some of my colleagues here in the room, University College of the North was basically—it's the only post-secondary education institution in northern Manitoba. And I just find, you know, disheartening that, you know, this University College of the North is not specifically mentioned in

either strategy as the only education facility, post-secondary, in northern Manitoba. I think it deserves a bit more respect than that. And with that, being part of that community, a majority of our students are Aboriginal and also, too, the centre has a campus in The Pas, one in Thompson, 12 regional centres in Easterville, Churchill, Cross Lake, Flin Flon, Grand Rapids, Norway House, Nelson House, Oxford House, Split Lake, Pukatawagan, St. Theresa Point and Swan River.

I've had the honour of visiting some of these regional centres. In fact it was my goal to visit all 12 when I worked in human resources. It was our job to recruit and retain staff for the University College of the North. So with that, I just wanted to know about the government's commitment towards University College of the North, in particular with the trades. In some of our communities, the regional centres, they have community-based services programs which means they listen to the community, see what their needs are and do their best if the capacity is there, especially in terms of human resources to deliver these programs such as conversational Cree, small motor repair, bachelor of education, early childhood education, and et cetera. And there's even pre-plumbing—a pre-employment for plumbing program as well.

So I just wanted to learn more, you know, in more specific about the government's commitment towards University College of the North and expanding perhaps in the future. There's over 2,000 students who study there, including our regional centres and I just wanted to know more about your plan, long term goals to ensure that University College of the North remains that vital piece that's needed to work towards economic development.

**Mr. Cullen:** And I appreciate the question. And I hope the member will take some time, too, when we get around to the Education Estimates and bring her issues forward to the Minister of Education. I'm sure he would be more than happy to have a discussion about UCN.

I have had a chance to see a few of the facilities in northern Manitoba and, certainly, we have some nice operations there. And it goes—this—I think this one goes back to my earlier comments about results. You know, we have to—when we invest in—on this case, education, I want to make sure that we are investing for results. At the end of the day, we want to make sure that whoever graduates from that—

college, in this case, has an opportunity to enter into the workforce, and has the opportunity to get into a decent job. So we have to make sure that we are educating kids for the jobs that are there.

So we have to make sure that we've got the training running in conjunction with the employment that's going to be out there. So we have to make sure, and this—maybe this is where we become involved as far as economic development, we have to make sure the business community is hooked in with the education side of things. So that we've got kids—when they do graduate, they've got jobs.

And the other side is the business community has to make sure that they're telling the education system what they're going to need in a few years. So I think that that's very important. So we have to make sure that we're doing this at UCN, that we're training kids for what's needed. And we can't lose sight of that or else we're throwing money out the window.

I'm encouraged from what I'm hearing from the leadership in the communities. I think the leadership in those communities understand, especially in the First Nations, that education is the way up. And we certainly are committed to that, and we are certainly committed to UCN, because they are the educator of the North. We want to make sure that all the opportunities that are there are being exercised. We don't want to see anything or anybody fall through the cracks.

My personal view, from what I've been hearing over the last few years, is there is room for improvement. And I'm sure the Minister of Education will be looking at that, how we can make things better. We'll put it that way. Quite simply, make things better. And we want to make sure that we—when kids start there, that they graduate from there, and that they graduate with the expectation and the opportunity that there is going to be jobs.

So I think it's important to have a broad discussion about this with, not just us in government, but the local community. We have to make sure the local community is engaged in this. I love the concept of the apprenticeship programs. I think that's—actually, that's the perfect fit for northern Manitoba, because that's where most of the jobs are going to be. And I think we just have to make sure that we're focusing on delivering the right programming for the—not just the youth there but all the students who are there.

So I think it comes back to make sure we have a plan and making sure we're focused on delivering that plan, and the plan in—has to be focused on delivering results at the end of the day. That's really what it's about.

**Ms. Lathlin:** Yes, that's—I believe in results as well—outcomes.

So, with my experience with University College of the North, attending graduations—very exciting event to be a part of, even helping handing out the cap and gowns to our students. I always volunteer for that every year. However, sometimes I wonder, once they graduate, where do they go from there?

I see a number of students that I've gotten to know through—just by walking the same hallways as them, nursing, trades, business admin. I see a lot of our nursing students go into—stay within the community and start working at our hospital, which is exciting to see, because they're local people and they're staying home and contributing to our economy and contributing, you know, to our health services as well by just staying home, utilizing their education and training to help families such as mine—

**Mr. Chairperson:** The time being 5 p.m., I'm interrupting the proceedings.

The Committee of Supply will resume sitting tomorrow morning at 10 a.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 9, 2016

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