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of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
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(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
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	Ind.
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	Ind.
SCHULER, Ron, Hon.	St. Paul	PC
SMITH, Andrew	Southdale	PC
SMITH, Bernadette	Point Douglas	NDP
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, Hon.	Gimli	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian, Hon.	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
YAKIMOSKI, Blair	Transcona	PC
<i>Vacant</i>	St. Boniface	

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, March 21, 2018

The House met at 1:30 p.m.

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

ROUTINE PROCEEDINGS

Madam Speaker: Introduction of bills? Committee reports?

TABLING OF REPORTS

Hon. Rochelle Squires (Minister of Sustainable Development): Madam Speaker, I am pleased to table the—Manitoba's Report on Climate Change for 2016.

Madam Speaker: I am also pleased to table, in accordance with the provisions of section 28 of The Auditor General Act, the report of the Auditor General on the follow-up of previously issued recommendations, dated March 2018. *[interjection]* That's right.

MINISTERIAL STATEMENTS

Madam Speaker: The honourable Minister for— or for Indigenous and Northern Relations, and I would indicate that the 90 minutes notice prior to routine proceedings was provided in accordance with our rule 26(2).

Would the honourable minister please proceed with her statement.

International Day for the Elimination of Racial Discrimination

Hon. Eileen Clarke (Minister of Indigenous and Northern Relations): The United Nations proclaimed March 21st the International Day for the Elimination of Racial Discrimination in 1966. The impetus for recognition was rooted in a tragic event 58 years ago in Sharpeville, South Africa, where 69 citizens were shot and killed by police, with over

180 injured during a peaceful demonstration against apartheid laws.

In 1998, South Africa's Truth and Reconciliation Commission released their report on racial discrimination, inspiring other similar efforts around the world.

Today, March 21st is recognized both globally, as the day where the international community can come together in an effort to eliminate all forms of racial discrimination, and locally, as a call to action to reaffirm our shared responsibility to create equality for all citizens on all our lands.

This year's theme: promoting inclusion, unity and respect for diversity in the context of combating racial discrimination. Together with the broader international community, we recognize that every citizen's voice has an impact and a role to play in forging a path that creates a compassionate, safe and equal society where individuals may freely pursue their goals and their dreams.

Here in Manitoba, more work must be done. Just over a week ago, Mandy Colomb and her family travelled 700 kilometres from Pukatawagan to Winnipeg for an event at the Bell MTS Place. This was her children's first trip to Winnipeg, and they were excited. Instead of inclusion and tolerance, the Colomb family experienced taunting and racial outbursts. Behaviour like this is unacceptable, and this has no place in Manitoba.

Since the incident occurred, both the Premier (Mr. Pallister) and I have been in contact with the family, and we have personally extended our sincerest apologies. We must use our voices, our efforts and our actions to stand up against racism. We must lead by example.

I believe that our diversity is one of our greatest resources as we work towards a better future for all Manitobans. Manitoba was built on a foundation of hope, inclusion and acceptance, gifts of knowledge that were bestowed upon us by our indigenous nations. Those teachings make up our core values as a province and as a nation. As we move forward, our commitment to combat racism and all forms of discrimination must be guided by collective action as well as collective responsibility.

In closing, I call on and encourage all Manitobans to reaffirm their commitment to building a Manitoba that is free of racism. And to my legislative colleagues, I encourage you as well to reach out to your respective communities and advocate the importance of diversity, civility and increasing connections between all cultures, faiths and ethnicities.

Thank you, Madam Speaker.

Ms. Nahanni Fontaine (St. Johns): Today, we recognize the international day of elimination of racial discrimination.

We stand in the spirit of inclusivity, equality and love for all of humanity while honouring our vast collective cultural, traditional and spiritual diversities.

We know discrimination occurs in a variety of ways, some more overt than others. Through the #MeToo and Time's Up movements, we have been made aware of the sickening reality in which many women face discrimination and harassment in the workplace. We know women of colour are more likely to be victims of discrimination and harassment. We know our LGBTTQ sisters of colour are also more likely to be victims of discrimination and harassment.

While we have made important progress in the fight against racism and racial discrimination in recent decades, still much work needs to be done. Far too many people in our society are marginalized, denied basic rights and treated differently simply because of the colour of their skin, their faith or for who they love, Madam Speaker. And, certainly, we as legislatures and leaders in Manitoba have an important role to play by setting the right example in our workplace and in our communities.

Madam Speaker, Manitoba has over 300 different ethnocultural community organizations, and more than 100 languages are spoken here in our province. We are committed to preserving and sharing our differences with one another. We are dedicated to building bridges, relationships and connections among communities so discrimination and prejudices are eliminated.

On this day and every day, Madam Speaker, I urge all Manitobans to stand against racism and all forms of discrimination whenever and wherever they occur. We reaffirm our ongoing responsibility to speak out against racism, hate, xenophobia, bigotry in all of its forms. As history has shown us time

and time again, progress is never permanent, and therefore silence is never an option.

Miigwech, Madam Speaker.

Ms. Judy Klassen (Kewatinook): Madam Speaker, I ask for leave to speak to the ministerial statement.

Madam Speaker: Does the member have leave to speak to the ministerial statement? *[Agreed]*

Ms. Klassen: Allow me to use my voice.

It's 2018, and we are still fighting for the end of racial discrimination. We all know that Canada has a long way to go. Our systems, as they are, only maintain and reinforce discrimination, and it's time for that to end.

* (13:40)

This government hasn't made any movement on this issue because—maybe it's because they can't see past their own privilege.

I've spoken several times about how afraid I am as an indigenous woman here down south, and rather than asking for my advice on how we can go forward working together to address the issue, I was told on Twitter to apologize. Apologize for what? To apologize for my fear or the fact that I am brown? I will never apologize for either. I am very proud that I am a First Nation brown woman.

Perhaps this morning's news that the entire Hydro board resigned due to the government's inability to meet with them and to help them improve their relationships with indigenous people will be a wake-up call for them.

The only way to end this systemic discrimination is to equally listen to the non-Caucasian people. This government needs to be a leader in actions that work towards the elimination of racism.

Miigwech, Madam Speaker.

MEMBERS' STATEMENTS

Firefighter Fundraiser for Muscular Dystrophy

Mr. Wab Kinew (Leader of the Official Opposition): So we often think about firefighters who brave infernos, but what about firefighters who brave the cold to help our community? Winnipeg firefighters—some of them here with us in the gallery today—camped out on the roof of station No. 4 for the ninth year in a row, and it was right after the big snowstorm we had between March 6th and 9th. They did it all to help Muscular Dystrophy Canada.

If you passed through Osborne Village on those days, you probably noticed a yellow tent on the roof of the station and firefighters at the intersections collecting donations of cash and change, asking you to fill up the boot. It was great to see so many people stopping by, honking, dropping off doughnuts and donating to such a worthy cause.

Now, we know muscular dystrophy affects tens of thousands of Canadians each year, causing them to lose control over their body, and for some people it will be fatal. Tragically, this strikes many people when they're young. However, all the money raised in this campaign will go to help Manitobans living with muscular dystrophy and will also help fund research towards finding a cure.

Now, across Canada, more than 800 fire departments and associations raise over \$3 million for MD each and every year. Now, the firefighters here have a friendly competition with their brothers and sisters in Edmonton. Each year Edmonton usually raises more money. However, I am happy to report that this year the Winnipeg firefighters raised more money, pulling in a combined \$108,000 over those four days that they were out there on the rooftop. Again, all the money goes to help Manitobans and to find a cure. You can donate at muscle.ca.

I want to thank everyone from Muscular Dystrophy Canada who participated in the launch, in particular young Kyden.

And I just want to say to the firefighters: You are heroes. When other people are running away from a crisis, you run towards that crisis and no—and at no time is that more evident than in this charity work you're doing for members of our community. So thank you so much.

Assiniboine Park Conservatory

Hon. Heather Stefanson (Minister of Justice and Attorney General): I am pleased to rise in the House today to recognize the legacy of the Assiniboine Park Conservatory and celebrate the development of the new Canada Diversity Gardens.

The Assiniboine Park is one of the cornerstones of the Tuxedo community, with an incredible array of attractions and events all around—all year round. For nearly 100 years, one of those attractions has been the Assiniboine Park Conservatory, which will be closing its warm and welcoming doors at the end of the month to make way for the new Canada Diversity Gardens.

As much as we will all miss our historic conservatory, the new Canada Diversity Gardens will provide visitors with a new world-class horticultural attraction at the park. It is already estimated that it will attract 200,000 new visitors each year.

I had the pleasure recently of taking a farewell tour of the conservatory with Margaret Redmond, president and CEO of the Assiniboine Park Conservancy, and Gerald Dielema, project director for Canada's Diversity Gardens.

I would like to encourage all members and Tuxedo residents to take one last tour of the conservatory during an open house community celebration beginning next week from March 27th to April 2nd and say goodbye to this historic facility.

Madam Speaker, while we bid a fond farewell to the conservatory, I also ask my colleagues to join me in wishing the entire team at Assiniboine Park all the best with the new Canada Diversity Gardens project.

Thank you, Madam Speaker.

Northern Health Professional Shortage

Mr. Tom Lindsey (Flin Flon): Madam Speaker, people are reporting that they're being—I should start at the right page.

As the doctor shortage continues in the North, the people of my constituency are becoming more and more desperate for accessible medical care. Flin Flon is now budgeted for just three doctors where there used to be five. One has announced his intention to leave next month.

Also, despite a budget for three nurse practitioners, there will soon be none available—*[interjection]*

Madam Speaker: Order.

Mr. Lindsey: —at this clinic. This will leave only two doctors to provide medical services to the combined areas of: Flin Flon; Snow Lake; Cranberry Portage; Creighton, Saskatchewan; Denare Beach, Saskatchewan; as well as all the surrounding areas.

I have met with Ms. Bryant, the CEO of the NHRA, on numerous occasions to discuss the state of health care in the affected Flin Flon-Snow Lake areas. It appears that health-care professionals do not want to work in the area, leaving a dangerous gap in front-line services for workers, families and seniors.

People are reporting that they're being forced to wait for months just to renew a prescription. The

emergency room is being used as a walk-in clinic where patients wait for hours hoping to see a doctor. The situation is unacceptable.

I sent a letter to the minister on February 20th, which I table now, asking him to come to Flin Flon and listen to the people's concerns, but there has been no response. The NHRA say they're only following the government's austerity expectations.

I now ask the minister to come to Flin Flon on April 13th to listen to people from the communities, to take positive action to provide access to medical care people need, be it doctors in clinics, aides in seniors' homes or support workers for the disabled. We need them to stop just looking north and start acting immediately to create solutions to our health-care professional shortage in the North.

BEHLEN Industries Curling Project

Mr. Len Isleifson (Brandon East): Madam Speaker, there were certainly a number of reasons to watch the recent Olympic Games in South Korea, and most of those reasons include being a Canadian and cheering on our Canadian athletes as they work hard to reach the podium in their particular sport. I know everyone here joins me in congratulating the seven Manitoban athletes and their respective teams for their outstanding achievements.

Madam Speaker, it takes years of hard work and dedication to produce the outcome that we all witnessed at the 2018 Winter Olympics, but now that they're behind us, there are some little secrets that, well, frankly, they're not too little and they're not too secret.

You see, one of those I'm excited to talk about is the tremendous work of Brandon's own BEHLEN Industries. BEHLEN Industries has once again provided part of the facilities used by the athletes around the globe to showcase their skills, this time at their national curling centre, the host location for the sport of curling during those games.

The BEHLEN curling project was completed in 1998 and they hosted the 1999 Asian Winter Games and has also hosted the 2009 world women's curling championships and it is now the second time that BEHLEN structures have become a focal point during the Winter Olympics, the first being the PEAK 2 PEAK inter-mountain gondola system used in Vancouver at those games in 2010.

While the 50,000-square-foot structure was designed with the interior activities in mind, special

care was also taken to ensure the structure could support a snowfall of up to two metres, an otherwise dangerously possibility nestled near the mountainous regions of South Korea, marketing the perfect opportunity for BEHLEN specialists to assist and specially engineer the—pardon me—the steel roofing system to handle whatever Mother Nature could throw at them.

Madam Speaker, while we once again congratulate our Manitoba athletes, I ask my colleagues to join me in congratulating the folks at BEHLEN Industries for once again proving that Manitoba is open for business, both at home and abroad.

Thank you.

Manitoba Hydro Board Resignations

Hon. Steven Fletcher (Assiniboia): And, as always, I'd like to thank the Premier (Mr. Pallister) for the opportunity to speak freely to represent the people of Assiniboia, to make Assiniboia awesome again.

*(13:50)

Madam Speaker, people of Manitoba look east, they look west, they look south and they see the support for our carbon tax melt away. There is no support among the people. Carbon taxes do not reduce GHGs. It is a tax. In fact, there's going to be a tax on the tax, and the budget last week is simply a tax-and-spend budget.

Madam Speaker, we now know for sure why no one from Manitoba Hydro showed up to support the new Crown corporation, Efficiency Manitoba. It's because Manitoba Hydro, the board, probably didn't support it. They probably don't support a lot of the things the government wants to do, and that's why they all resigned today, good people, great Manitobans, like Sandy Riley. And that internationally renowned chair stepped down along with the rest of the board, a complete vote of non-confidence in the direction of this government's policies towards Hydro.

Coincidentally, I do have a citizen's inquiry on Manitoba Hydro. Our first hearing were—was last month, and the next one is next week, and I encourage everyone to participate. Perhaps we can get some of the former Manitoba Hydro board members to attend and testify. It's live streamed and everyone's welcome.

Thank you, Madam Speaker.

Introduction of Guests

Madam Speaker: Prior to oral questions, we have some guests in the gallery that I would like to introduce to you.

Seated in the public gallery from Gordon Bell Off Campus we have 20 students under the direction of Mark Dewar, and this group is located in the constituency of the honourable member for Wolseley (Mr. Altemeyer).

On behalf of all members here, we welcome you to the Manitoba Legislature.

ORAL QUESTIONS

Manitoba Hydro Board Resignations

Mr. Wab Kinew (Leader of the Official Opposition): You know, there was a stark reminder this morning of the importance of Manitoba Hydro when some 18,000 citizens in St. Boniface and Transcona woke up without power. That means that the heat in their homes may have been affected. It means they may not have been able to cook breakfast. It means their safety was put at risk when they were driving to work without the benefit of traffic safety lights.

You know, in our climate, in our province, hydro is about affordability, but it's also fair to say that hydro is a life and death issue. Now, that's why it's so concerning to see the other blackout that happened at Manitoba Hydro today. There was a blackout of leadership caused by the Premier's refusal to listen. The Premier's hand-picked board walked out, causing a blackout of leadership at our most valuable Crown asset, and they said it was because the Premier will not listen.

Why would the Premier not listen to his own hand-picked board or meet with them for over a year?

Hon. Brian Pallister (Premier): I want to thank the former members of the board for their service. We will be replacing them with new people. Those people will continue to do their best to clean up the mess that we inherited from the NDP, Madam Speaker. It's monumental. I recognize the daunting nature of the cleanup job and here, on this government, we will face that challenge by aligning better with Manitoba Hydro than the previous government ever did.

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

Mr. Kinew: This blackout of leadership at Manitoba Hydro today is certainly a mess, and the outgoing board members forced to resign by this Premier are pointing the finger directly at this First Minister.

The statement on the board's resignation states that they have tried to meet with this Premier for over a year. They say that they've made repeated attempts to meet, but there has been no meaningful dialogue. The board states that they reached an impasse.

So how many attempts were there? How many times did the chair of Manitoba Hydro ask to meet with the Premier? How many times did the board of Manitoba Hydro write to the Premier outlining their concerns, and why was the Premier not willing to spend an hour, half an hour, even 15 minutes to sit down and meet with them to discuss their concerns?

Mr. Pallister: I guess it could be worse, Madam Speaker. We could have five or six Cabinet ministers resign and create confusion that way.

But the fact remains that we have been in communication on a regular basis with Hydro—*[interjection]*

Madam Speaker: Order.

Mr. Pallister: —with board members, individually and collectively.

But I think, fundamentally, Madam Speaker, here is the thing that the member may not understand. We have 200 boards. We have a Cabinet which is dedicated to fulfilling its responsibilities and does. I trust in my colleagues to do that, as opposed to the previous government, as opposed to the present opposition.

On this side of the House, Madam Speaker, we are a team.

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

Mr. Kinew: You know, they used to say that Prime Minister Harper was a party of one, but it would appear that this Premier is a team of one after the resignation of the Manitoba Hydro board today.

Le conseil d'administration—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: –a soumis leur lettre de décision aujourd'hui à cause du fait que le Premier Ministre refusait de les rencontrer, aucune réunion.

Le conseil d'administration a demandé à plusieurs reprises de rencontrer le Premier Ministre. Il n'y a eu aucune réponse, aucune rencontre pour plus qu'un an. Le conseil d'administration a dit qu'il n'y avait aucun dialogue substantiel entre le Premier Ministre et le conseil d'administration pour plus qu'un an.

Pourquoi est-ce que le Premier Ministre n'a pas pu rencontrer le directeur de Manitoba Hydro pour plus d'un an?

Translation

The board of directors submitted their decision letter today, because the Premier refused to meet with them. There was no meeting.

The board repeatedly asked to meet with the Premier and there was no response, no meeting for more than a year. The board said that there had been no substantive dialogue between the Premier and the board for over a year.

Why was the Premier unable to meet with the director of Manitoba Hydro for over a year?

Mr. Pallister: J'apprécie la question de l'honorable député.

Il est important de se souvenir et de respecter la volonté des Manitobains. Les Manitobains nous avons élus pour régler les finances de notre province. Nous concentrons nos efforts d'une façon réfléchie et modérée car les Manitobains apprécient des finances stables pour eux-mêmes et pour le gouvernement et pour l'avenir, pour notre enfant.

Translation

I appreciate the question from the honourable member.

It is important to remember and to respect the wishes of Manitobans. Manitobans elected us to sort out our Province's finances. We are focusing our efforts in a thoughtful and measured fashion, as Manitobans appreciate stable finances for themselves, for the government and for the future, for our child.

Madam Speaker: The honourable Leader of the Official Opposition, on a new question.

Mr. Kinew: How is the stability of Manitoba public finances improved by this Premier tossing our most valuable Crown asset into uncertainty?

In the resignation statement released by the board—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: –of Manitoba Hydro today—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: –the statement from the board that led to today's blackout at Manitoba Hydro—

Madam Speaker: I'm having a lot of difficulty hearing the member ask the question, and as we've indicated in prior times here, it's important that we all allow members to be heard and respected in their roles here.

The honourable Leader of the Official Opposition, to continue.

Mr. Kinew: Thank you, Madam Speaker, and I share the Tory backbenchers' concern over this disaster unfolding today at Manitoba Hydro.*[interjection]*

Madam Speaker: Order.

Mr. Kinew: You know, in this blackout of leadership at Manitoba Hydro caused by this Premier's refusal to listen, the outgoing board said the Premier, for more than a year, refused to meet with them or engage in meaningful dialogue about critical issues of finance and governance at Manitoba's crown jewel, Manitoba Hydro.

Why does the Premier think that the critical issues of finance and governance at Manitoba Hydro are not important enough for him to discuss with his own hand-picked board?

Mr. Pallister: I appreciate the member's expressions of concern for our backbench. He would be well informed to concern himself with his own, Madam Speaker.

He might also, in using the word uncertainty in his preamble, devote a little bit of his time to researching the circumstances faced by the previous board of Hydro and that will be faced by the next, the next and the next, I expect, Madam Speaker, and that will be the doubling—*[interjection]*

Madam Speaker: Order.

Mr. Pallister: –the multiplication of the debt of Manitoba Hydro to no good end, as was pursued by the NDP when they were in government.

If the member would like to stop running away from the record of his party, begin to take ownership of it—[interjection]

Madam Speaker: Order.

Mr. Pallister: –begin to study the history of the actions of the past, get away from trying to reconcile his personal life and start to—

* (14:00)

Madam Speaker: Order, please. I am having difficulty hearing members, and also I am encouraging members to be very cautious in the language that you're using so that we are not straying into unparliamentary territory.

Also, when I stand mics will be turned off, and in order for mics to be turned back on I have to acknowledge the members again.

So in this instance, I think we probably lost some of the dialogue because that did not happen. So I would urge members that when I do stand it's because there is a breach of the rules or there is some heckling going on that I think we have all been working hard to try to move beyond, and I will ask people to respectfully listen when members are speaking so that we can all properly hear what is being said.

The honourable Leader of the Official Opposition, on a final supplementary—or is it a second supplementary question?

An Honourable Member: First supplementary.

Madam Speaker: Sorry, on a supplementary question.

Mr. Kinew: You know, the resignation statement from the board of Manitoba Hydro also cites one of the important issues that they wanted to raise with the Premier. They said it was the development of the relationship with indigenous people and Manitoba Hydro here in the province.

We know that this is a tragic history. We have seen the graves of our ancestors flooded. We know that people had to come to the steps of this building to demand justice. But in recent years there has been some progress. We know that consent was obtained

from First Nations prior to the development of the Wuskwatim and Keeyask projects.

However, in order to make reconciliation real, time has to be invested in cultivating those relationships.

Why, then, would this Premier not find any time to talk to Manitoba Hydro board members about what they identified as a very serious concern: continuing to develop the relationship with indigenous peoples in Manitoba?

Mr. Pallister: I offer my apology, Madam Speaker, for earlier not sitting when you rose. That was my error, and I do apologize to you.

In respect of the relationship-building exercises the member alludes to, this is an excellent point, and this is something that this government has focused on diligently since we were elected. We have developed harassment—anti-harassment policies for this place and for staff that were not in existence in the past. We have worked hard with indigenous Manitobans on issues of importance to them.

We have made progress on the Shoal Lake road, which is significant after years of inaction. We have settled over 70,000 acres of Treaty Land Entitlement obligations that were outstanding and not dealt with by the previous government, where they did zero in the previous four years, Madam Speaker. With the Dene people we've reconciled on 13,000 acres as well.

Consultation, outreach, hard work, diligent, focused effort to meet, to work with indigenous people—that is what this government is all about.

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

Mr. Kinew: Any work that Manitoba Hydro or this government would try to do with indigenous communities threatens to be undone by the Premier's cavalier attitude towards this relationship.

Just a short time ago the Premier went into the hallways of this building and referred to a potential agreement with the Manitoba Metis Federation as, and I quote here, persuasion money. End quote.

It would appear to me that, on its surface, the Premier has a very poor understanding of his constitutional duties with respect to consultation and accommodation of indigenous groups. The Supreme Court of Canada has said that the duty—that

the honour of the Crown is at stake in these relationships.

Rather than looking at it as a relationship-building exercise, instead, this Premier is throwing shade in a way that threatens to undermine the entirety of the relationship.

Why wouldn't, given his own lack of understanding on this topic, the Premier meet with the board of Hydro so that he could learn more about how to proceed on this important file?

Mr. Pallister: Admittedly, Madam Speaker, the member opposite has had more experience with the legal system than I. That being said, I have a good understanding of constitutional obligations, and we have skilled people here in the government of Manitoba who are relied upon to give us advice.

Madam Speaker, this province is about more than just Manitoba Hydro. Manitoba Hydro is an important part of this province, but it is not the only part, and we must understand that we have to have better alignment in the policies and the strategies we use as a government with our Crown corporations. They are not separate entities as was the practice in the past. They are not to be controlled by politicians as was the practice in the past, where billions of dollars was directed politically by instruction to Manitoba Hydro that is now the obligation of generations to come for things like Keeyask, for things like the bipole waste line—billions of dollars wasted because of interference by a previous government.

That is the mess this board was trying to clean up. That is the mess the next board will endeavour to clean up. That is the mess that is the sad legacy of the previous government, Madam Speaker. Where they got it wrong, we will work very diligently to clean up that mess.

Madam Speaker: The honourable Leader of the Official Opposition, on a new question.

Mr. Kinew: You know, the issue that so many Manitobans have been—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: —talking to me about this past year is affordability.

I met with a teacher in Swan River who needs hydro not only to heat his house, but he also has a garage on his property and a barn on his property. Now, if Hydro gets the 8 per cent rate increase

that they are seeking, this teacher was telling me—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: —that he will have to pay some \$50, perhaps \$60 more per month just to heat his home and those other buildings on his property. It'll be more than double that next year.

Now, Manitobans all across the province are asking why this Premier is raising their utility rates so quickly. But after the diversion today, perhaps they should be asking—

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

Mr. Kinew: —in the face of rising rates, why can't he find one hour, a half hour, even 10 minutes to sit down with the board of Manitoba Hydro?

Mr. Pallister: You know, the member is struggling to forge some kind of identity about future, but he can't do it in absence of knowledge of the past.

And the fact remains—the fact remains—that the NDP government directed Manitoba Hydro to choose a billion-dollar waste line that goes about 600 kilometres out of the way. It goes through native lands and Metis lands, but the NDP didn't care about that. It destroys millions of trees. The NDP didn't care about that either. They didn't care about the fact that that would lead to higher bills, even though they knew it would. They didn't care at all about the kitchen tables of Manitobans then, and, Madam Speaker, they don't really care about the kitchen tables of Manitobans now either.

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

Mr. Kinew: You know, the resignation statement also says the board recently learned that the Premier intended to remove the chair of Manitoba Hydro. Now, this doesn't seem like a healthy working environment when the Premier refuses to meet, when the Premier can't return a call, when the Premier can't engage in meaningful dialogue—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: Now, without even having the courtesy to talk to someone directly, he lets it be known that he intends to fire somebody—in this case, Sandy Riley.

Now, the question of leadership aside, why is the Premier blaming the chair of Manitoba Hydro

because of his own refusals to meet? Why would the Premier remove the chair of Manitoba Hydro because the Premier himself has difficulty listening?

Mr. Pallister: Well, I'll give the member one example to refute his assertion. I've been married for 34 years to the same woman, and, boy, I've learned to listen in that time and I've learned to listen with comprehension. And I like listening to the member's assertions because so many of them give me the opportunity to refute with fact as opposed to innuendo, so I'll do that now.

Healthy work environment, he says. Let's talk about the previous government's record, or do we need to? Let's talk about their total inability to protect their own staff against harassment, some of it of a sexual nature. The member tries to impugn the integrity of a government that is working diligently with—on behalf of Manitobans when he himself fails to recognize that he's throwing stones from a glass house, Madam Speaker.

*(14:10)

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

Mr. Kinew: We're seeing a desperate Premier try and change the channel from his own failure to listen, Madam Speaker.

The statement of resignation goes on to say that, with the removal of the chair of the board of Manitoba Hydro, that the Premier has lost confidence in the board. Now, this is what the other members of the board believe.

So let's consider that statement. All the members of the board of Manitoba Hydro know more about the situation than you or I, more than anyone else in this Chamber except for the Premier. Given their knowledge of the entire situation those other board members were given a chance to side with the chair of the board or to side with the Premier, and every single one of them chose to side with the chair of the board of Manitoba Hydro.

This is not one defection, this is not one person going road, this is a wholesale, mass resignation as an indication of no confidence in this Premier.

Will the Premier now listen to the message that the members of the Manitoba Hydro board are sending him?

Mr. Pallister: Well, the member speaks of desperation, Madam Speaker. Desperation is best

demonstrated by the leader opposite in this way: in the half year that he's had the opportunity to lay out some kind of a game plan, a vision for the people of Manitoba, he has done nothing but spout the old policies of the past. He's done nothing but repeat the strategies of the NDP as an old, broken party. That is all he has done for six months. He does it again today.

As opposed to that, Madam Speaker, we are not standing up here on this side of the House for any special interest group. We are standing up for public interest. That is why we've introduced a budget just last week that introduces the largest personal income tax reductions ever in Manitoba, combined with the largest year-over-year reductions in deficit ever.

This puts more money in the hands of Manitobans, the very people the member does not trust, the very people his party has never trusted because they don't represent any special interest, Madam Speaker. They represent the general public interest.

We will stand up for Manitobans and their families; we will not stop.

Madam Speaker: The honourable Leader of the Official Opposition, on a new question.

Mr. Kinew: I think that we ought to inquire about the Premier's real priorities. We've established so far today that the Premier's priorities did not include listening to the board of Manitoba Hydro, did not include meeting with the board of Manitoba Hydro, did not include listening to Manitobans who are asking for their rates to go up less swiftly. *[interjection]*

Madam Speaker: Order.

Mr. Kinew: On indigenous issues—apparently not a priority either.

What were the Premier's priorities in this past year? We know that he takes five to eight weeks worth of vacation each and every year. Sometimes he goes to Costa Rica, sometimes he goes to other places.

But how is it that the Premier of this province could find five to eight weeks to take vacation in the past year, but he could not find one hour, couldn't find ten minutes, couldn't find one minute to sit down and talk to the board of Manitoba Hydro?

Mr. Pallister: Again, Madam Speaker, the opportunity the member provides me is one to

discuss the rate increases that may well be coming from the Public Utilities Board. He suggested in his preamble I should involve myself in lobbying the Public Utilities Board. This I will not do.

I respect the process enough to understand that they have had submissions from interest groups, including Manitoba Hydro, in terms of the rate-setting process. I respect that process, so I will not do as the member urges me to do. He urges me to interfere, as the previous government did at various times, in Public Utilities Board processes.

I will not do that, Madam Speaker, because I respect the Public Utilities Board's work. I respect the members who resigned today, as well, from Manitoba Hydro. I like them. They are friends of mine and the fact remains that this is an unhappy day for me on a personal level, but that does not change at all, to one iota, my focus and this government's focus on doing the right thing for the taxpayers and ratepayers of this province.

We will focus on that, Madam Speaker. We will not focus on special interests or the political lobbying the member has urged me to do just now.

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

Mr. Kinew: So what is the focus of this Premier when he can't plan time to speak to the board of Manitoba Hydro, the most important asset that we collectively own as Manitobans? What has he spent his time on in this past year that he can't find time to meet

Well, apparently, he thinks it's a priority to fight for the 20 per cent raise that he and his Cabinet members voted to give themselves just a few years ago. Now, since that time when they voted to give themselves a 20 per cent raise they have come here not once, not twice, but three times to bring forward pieces of legislation to protect their salaries—three times. That's three more times than they met with the board of Manitoba Hydro in this past year.

So rather than coming up with derivatives and calculus-based equations ever more complicated to seek ways to justify protecting their salaries, why don't they get back to basics, stand up for affordability for the people of Manitoba or at the very least sit down and meet with the board of Manitoba Hydro?

Mr. Pallister: Well, the member gives me the opportunity to explain what it is we are focused on

over here, Madam Speaker, and we are focused on getting better results for Manitobans. After a decade of debt, we are focused on fixing the finances of our province because Manitobans deserve greater financial stability from their government than they've seen in the past. And after a decade of decline, we're focused on rebuilding the services of this province because Manitobans deserve more security and access to their services in a timely way at affordable prices.

And, Madam Speaker, we are focused on rebuilding the economy and have moved from bottom of the barrel in that category, in the social service category and in the financial management category to the top two or three provinces in the country in less than two years.

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

Mr. Kinew: Yes, you know, my brother from Assiniboia said that after 11 months in government the only significant discussion that he heard in caucus—

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

Mr. Kinew: —was about their own salaries.

Now, what were the Premier's priorities over the past year that are the reasons why he couldn't meet with the board of Manitoba Hydro? Is it because he was busy writing a Throne Speech? No. Is it because he was busy preparing a budget? No. We know that he's farmed all that out to Deloitte and KPMG. Is it because he's busy meeting with the mayor of the City of Winnipeg? No. The mayor says he won't meet with him. Is it because he's meeting with the federal government? No. The federal government says they can't meet with this Premier either.

Even though the mandate letter sent to the board of Manitoba Hydro said that this government would listen to the board of Manitoba Hydro, the Premier has broken that promise. Good leaders listen, Madam Speaker.

How can Manitobans trust the Premier to care for the things that they value if he won't listen to anyone else?

Mr. Pallister: I'd invite all members to read the member's ghostwritten book if they want to see examples of how to squander opportunity, Madam Speaker.

In my life I have done nothing but pursue it and I have done that with the help of many people over the years and I've had the great privilege of working with many teams, none better than this group on this side of the House right now, and I'm honoured to say that and I'm honoured to tell you, Madam Speaker, that we will remain focused on the best interests of Manitobans now and in the future. That is our focus.

The member and his record speak for themselves on his ability to find opportunity, Madam Speaker.

Introduction of Guests

Madam Speaker: Prior to proceeding with oral questions, we have some students in the gallery that won't be there for very long, so I want to take a moment to introduce them to you.

We have seated in the public gallery from École Charleswood 37 grade 6 students under the direction of Danielle Peloquin, and this group is located in the constituency of the honourable member for Charleswood (Mrs. Driedger), which is me.

On behalf of all members, we welcome you here to the Manitoba Legislature. *[interjection]*

* * *

* (14:20)

Madam Speaker: Order. Order, please.

The honourable Leader of the Official Opposition, on a new question.

Mr. Kinew: We've been laying out the case about the Premier's refusal to listen or work with others for years now. First, we warned that the Premier was not listening to the nurses, health-care aides and doctors who take care of us when they said his health-care cuts were too much, too fast.

Then, we pointed out that the teachers, principals and administrators were saying that he wasn't listening to them when he was saying that the de facto cuts to the education system are harming the education of our children in this province.

Now, finally, the hand-picked Manitoba Hydro board is saying that this Premier will not listen to them even about the most critical issues affecting our most important Crown utility. Surely, there's no one left who thinks that this Premier actually listens, not even in his own Cabinet or in his own caucus.

How can Manitobans trust the Premier to care for the things—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: —that they value when he will not listen to anyone else?

Mr. Pallister: Well, that question was obviously ghostwritten for the member by the guy to his left, the member for Minto (Mr. Swan). That's exactly the arguments that were used by five departing NDP Cabinet ministers against Greg Selinger, Madam Speaker.

And the member from Fort Rouge, by the way, showed no grace at all towards the member who had supported him during the election campaign. He should remember the same people he meets on the way up he might meet up with on the way back down, Madam Speaker, and show some respect for the member—the former member for St. Boniface instead of throwing him under the bus, calling him yesterday's man.

These are the kinds of things that he has done, Madam Speaker, because—I feel I have to point this out—to show disrespect for those who came before him. He has no regard for the past of his party. He throws his own party under the bus, and now he tells me that he knows how to listen when in fact he wrote a book, or it was ghostwritten for him, about how he doesn't know how.

Now, Madam Speaker, I've demonstrated in my life I know how to work with a team. We have a team. We work as a team here and we will effectively improve this province to make it Canada's most improved province by functioning as a team.

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

Mr. Kinew: When the Premier's poor communication habits impacted his time in Costa Rica, that was one thing, but now those poor communication habits are causing risk and uncertainty for our most valuable Crown asset.

When the Premier's inability to work as a teammate with the member for the—for Assiniboia (Mr. Fletcher) caused problems there, that was one thing, but now his—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: —inability to work with other members of a team is causing chaos for the most valuable thing that we as Manitobans own—*[interjection]*

Madam Speaker: Order.

Mr. Kinew: –well, that is a powerful condemnation of this Premier's ability to do his job.

Now, surely, putting the crown jewel of Manitoba at risk is not a good thing. It is a crisis being brought on by this Premier's refusal to listen.

How can Manitobans trust a Premier who doesn't listen—if he doesn't listen to health, if he doesn't listen to education, if he doesn't listen on Manitoba Hydro?

Mr. Pallister: With all due respect, Madam Speaker, you know he's out of material when he goes to the MLA for Assiniboia for examples.

Now, the fact remains here that the member references risk and uncertainty in his preamble. What greater risk would there be than to be inattentive to the need to stabilize the finances of the Province of Manitoba? What greater risk would there be than to have advice, commissioned by the previous government, from experts—not followed—to improve and strengthen a health-care system that was broken? What greater risk would there be to be inactive, to be cowardly, in the face of pressures to improve things?

That is where the risk comes from, Madam Speaker. We are beating back that risk with courage and decisions and action that are improving the situation here in this province and we will continue to do so.

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

Mr. Kinew: You know, what Manitobans want is certainty, and, instead, what this Premier has given them is risk. He's given them risky rate heights. He's given them risky controversies hanging over the head of Manitoba Hydro on days like today—[*interjection*]

Madam Speaker: Order.

Mr. Kinew: –and today, through his inability to listen he has even brought credit risk—risk to the bond market expectations for the future of Manitoba Hydro, risk in the business confidence of Manitoba Hydro and perhaps—[*interjection*]

Madam Speaker: Order.

Mr. Kinew: –most importantly of all, risk in the public's confidence of Manitoba Hydro.

So in the past year we have established what the Premier had time for: vacation, pay raises for himself, fighting with other levels of government.

But at the end of the day, with almost an entire question period spent asking these questions, he still cannot answer the most basic one of all: Why could

he not find time in this past year to meet with the board of Manitoba Hydro, our most valuable asset owned collectively by the people of Manitoba?

Some Honourable Members: Oh, oh.

Madam Speaker: I'm sure I don't have to remind members that when the Speaker stands the room is to be silent.

I would also indicate that there is an increasing amount of heckling going on and a lack of decorum and civility. I am going to be starting to keep track of more of those voices. I have a list. I'm not going to use it today, but I'm going to—I'll give you all fair warning that I will be acknowledging those people that I can hear continuously heckling because I really don't think it serves a good purpose in this Chamber in terms of what we are trying to achieve.

Decorum is important. Civility and respect are important, and I would urge all members to please keep that in mind. as we should be listening to the members that have the floor.

Mr. Pallister: I wanted to say that—to the kids from Charleswood who are here visiting us today, that my mom taught grade 3 and she always—she taught at many different schools for many years, but for the last 23 years of her career she taught grade 3, and she always said that eight-year-olds were perfect, and I asked her why, and she said because they always tell you the truth.

So, Madam Speaker, I think what the member is confused about today is the difference between telling the truth and pretending to tell the truth. We've accepted the position of the resigning members of Manitoba Hydro as one they believe in. We believe they're people of dignity and we respect that, but their interests are to serve Manitoba Hydro. This government's interests are to serve all the people of Manitoba.

We have accepted their resignation with reluctance and disappointment but, Madam Speaker, we will continue to remain focused on doing what's right for those children in the gallery today and for all Manitobans as we move forward.

Health Sciences Centre Beds for Methamphetamine Patients

Hon. Jon Gerrard (River Heights): Madam Speaker, January 24th, the Winnipeg Regional Health Authority, as described in the Winnipeg Free Press, said since mid-January, the WRHA has opened an additional six mental health beds at the

Health Sciences Centre to address the growing numbers of patients presenting to emergency departments with severe consequences of meth use.

This action was in response to the death of Windy Sinclair, who went to Seven Oaks emergency room for help with meth toxicity. She died December 28th without getting help.

Can the minister report today on how the extra six beds at the Health Sciences Centre are helping to deal with the meth crisis?

Hon. Kelvin Goertzen (Minister of Health, Seniors and Active Living): Madam Speaker, we know that not just in Manitoba, but in many places in Canada, in fact, in North America, the incidence and use of methamphetamine is growing to difficult rates and alarming rates for those who are working within the health-care and the addictions system.

* (14:30)

Certainly, I've had the opportunity to meet with many who've been impacted, family members, those within the health-care system. We know that there needs to be new strategies and new plans developed to deal with this issue which continues to grow across North America and we continue to work with our experts within the system to develop those plans, Madam Speaker.

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

Mr. Gerrard: Madam Speaker, I report today that an individual with meth addiction and meth psychosis went to the Health Sciences Centre on March the 8th for help. He was told that the six beds for helping those with meth toxicity did not exist. He was turned away. He tried the Main Street Project. They would not accept him because he was in meth psychosis. He tried the crisis stabilization unit, which also would not accept him. He returned to the Health Sciences Centre once more. He was told that the six beds to help people with meth toxicity do not exist. The individual was so upset by the lack of help he almost committed suicide.

I ask the minister: How many more people will die before this minister will act?

Mr. Goertzen: Madam Speaker, there is no doubt that the issue of methamphetamine, but not just methamphetamine—when it comes to opiates and addiction more generally, let's never forget that one of the greatest addictions that we have in Manitoba is

still alcoholism, which I know too much about from my own family history.

There are many things that need to be done. There are many things that are being done. We know that there are new and developing strategies across North America to deal with methamphetamine and other addictions. We are in tune with those different strategies. We're listening to the advice from experts, including Dr. Rush and the VIRGO consulting group which will report by the end of this month for a strategy in Manitoba, and we look forward to implementing those strategies, Madam Speaker.

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

Mr. Gerrard: Madam Speaker, Windy Sinclair's death December 28th was a very, very strong message to Manitobans that action was needed to ensure a safe place for people with meth psychosis to go for help.

The WRHA advertised in an article in the Winnipeg Free Press on January 24th that it had such a place, and now we find that the government's health system could not be trusted when it spoke.

I ask the minister: What will he do to restore the trust in the health system? How many more people must die before the minister acts?

Mr. Goertzen: Well, Madam Speaker, I say with some regret that I've learned to not trust everything that this member brings to the floor of the Legislature. We are certainly all honourable members, I know, but in fact-checking some of the things in the past that he's brought here, they've proven to be not quite as he's presented in the House.

But what certainly is true, Madam Speaker, is that methamphetamine and other addictions across Manitoba, Canada and North America are becoming more difficult. We know that and we know that there'll continue to be challenges across the spectrum of addictions.

We've been meeting not with just experts, but with families. We're hearing from experts. We will hear from VIRGO and Dr. Rush in terms of his recommendations for Manitoba within a week and then we'll release that report publicly sometime after that, and we look forward to implementing the recommendations that he brings forward.

Madam Speaker: The time for oral questions has expired.

Madam Speaker: The honourable member for Assiniboia?

Hon. Steven Fletcher (Assiniboia): On a point of order.

Point of Order

Madam Speaker: The honourable member for Assiniboia, on a point of order.

Mr. Fletcher: Madam Speaker, during this last question period I—you did make the observation, correctly, that there were a lot of interruptions and heckling.

I wonder, Madam Speaker, if this is just not a deliberate strategy on some members to run down the clock. You see, every time you have to stand up and chastise the MLAs for being rude, the clock keeps on ticking, and then by the end there isn't enough time for questions from people who may have good questions.

So I wonder if there's a way of dealing with that where discipline can be enforced while not reducing time, which is obviously to the benefit of the government members.

Madam Speaker: I would ask the member if he's asking a question or pointing out a breach in a rule of the House. I did not hear the member ask—or refer to a breach of a rule or practice of the House in his point of order.

Mr. Fletcher: You are correct, and I guess would ask you to tell—maybe inform us at a later time, or at maybe—after—at an appropriate time how this can be addressed. Is it breaking a rule? I don't know. That's one of the reasons I'm bringing this up as a point of order. I just know in—if it was a hockey game, they would stop the clock between penalties.

Thank you, Madam Speaker.

Madam Speaker: I would indicate to the member that this is something that would best be discussed in conversations with the House leaders rather than being discussed on the floor of the Chamber, and questions should also not be addressed to the Speaker.

But I would indicate that there are times when I actually stop the clock if there is too much heckling on one side and the other side cannot ask their question. I will actually provide the side asking the question with that extra amount of time. So if I'm standing, I can assure people on both sides that, depending on the cause of that delay, I will be fair to

both sides and I will allow them that time. So that is already part of how I handle the questions and answers in the House in fairness to everybody.

And I would indicate, then, the member does not have a point of order.

PETITIONS

Hon. Steven Fletcher (Assiniboia): Just, Madam Speaker, on a point of order, I'm sorry.

Point of Order

Madam Speaker: The honourable member for Assiniboia, on another point of order.

Mr. Fletcher: I would make the observation that by running down the clock as they do, the independent members are penalized by the bad behaviour of the official parties.

Madam Speaker: Order, please.

I had just indicated to the member that he did not have a point of order and he is starting to reflect on the Chair by continuing to comment on that issue. So I would ask the member to cease and desist on that point because it is not a point of order. If he wishes to discuss this further, I would urge him to discuss this with House leaders in terms of how we want to see this House function.

* * *

Madam Speaker: We are now into petitions.

Vimy Arena

Mr. Fletcher: Okay, I wish to present the following petition to the Legislative Assembly.

The background of this petition is as follows:

(1) The residents of Assiniboia, St. James, greater Winnipeg area and Manitoba are concerned with the intention expressed by the City of Winnipeg to use the Vimy Arena site as an addictions treatment facility.

(2) The Vimy Arena site is in the middle of a residential area near many schools, churches, community clubs and senior homes, and the City has not considered better suited locations in rural, semi-rural or industrial locations such as St. Boniface industrial park or the 20,000 acres at Centre Port.

(3) The City of Winnipeg has indicated that the Vimy Arena site will be rezoned from park to commercial use to accommodate the addiction

treatment facility and has not sought public input from the community to consider better uses for the site consistent with a residential area.

(4) The provincial licensing system is akin to that of a dentist's office and is clearly insufficient for the planned use of the site by the city and province.

* (14:40)

(5) The proposed rezoning changes the fundamental nature of the community, zoned as a park area. The concerns of residents of St. James regarding safety, property values and their way of life are not being properly addressed.

(6) The people of St. James are largely hard-working, blue collar and middle-class citizens who are family-oriented toward children and seniors and do not have the financial resources of other neighbourhoods.

This type of facility would never be considered for the popular Assiniboine Park nor for Heubach Park, between Park Boulevard East and West, even though it shares the same zoning designation as the Vimy Arena site.

(8) The City and Province would be setting a dangerous precedent with this process that could put other neighbourhoods at risk for future unwanted development without proper consultation.

(9) The Province needs to be inclusive in the decision-making process and improve its programs to prevent drug abuse and better supervise the provision of drug prescriptions that could lead to addictive behaviour.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to take the necessary steps to ensure that the Vimy Arena site is not used for an addiction treatment facility.

Madam Speaker: The member for Assiniboia has not read the petition as printed, so I ask, is there leave to accept the petition as printed? *[Agreed]*

TO THE LEGISLATIVE ASSEMBLY OF MANITOBA:

The background to this petition is as follows:

1. The residents of Assiniboia, St. James, greater Winnipeg area and Manitoba are concerned with the intention expressed by the City of Winnipeg (City) to use the Vimy Arena site as an addictions treatment facility.

2. The Vimy Arena site is in the middle of a residential area near many schools, churches, community clubs and senior homes and the City has not considered better suited locations in rural, semi-rural or industrial locations such as St. Boniface industrial park or the 20,000 acres at Centre Port.

3. The City of Winnipeg has indicated that the Vimy Arena site will be rezoned from park to commercial use to accommodate the addiction treatment facility and has not sought public input from the community to consider better uses for this facility consistent with a residential area.

4. The provincial licensing system is akin to that of a dentist's office and is clearly insufficient for the planned use of the site by the city and the province.

5. The proposed rezoning changes the fundamental nature of the community, zoned as a park area, and the concern of residents of St. James regarding safety, property values, and their way of life are not being properly addressed.

6. The people of St. James are largely hard-working, blue collar, and middle class citizens who are family-oriented toward children and seniors, and do not have the financial resources of other neighborhoods.

7. This type of facility would never be considered for the popular Assiniboine park nor for Heubach Park (park between Park Blvd. east and west) even though it shares the same zoning designation as the Vimy Arena site.

8. The City and province would be setting a dangerous precedent with this "process" that could put other neighbourhoods at risk for future unwanted development without proper consultation.

9. The province needs to be inclusive in the decision making process and improve its programs to prevent drug abuse and better supervise the provision of drug prescriptions that could lead to addictive behaviour.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Provincial Government to take the necessary steps to ensure that the Vimy Arena site is not used for an addiction treatment facility.

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

Medical Laboratory Services

Hon. Jon Gerrard (River Heights): Madam Speaker, I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

The provision of laboratory services to medical clinics and physicians' offices has been historically, and continues to be, a private sector service.

It is vitally important that there be competition in laboratory services to allow medical clinics to seek solutions from more than one provider to control costs and to improve service for health professionals and patients.

Under the present provincial government, Dynacare, an Ontario-based subsidiary of a US company, has acquired Unicity labs, resulting in a monopoly situation for the provision of laboratory services in medical clinics and physicians' offices.

With the creation of this monopoly, there has been the closure of many laboratories by Dynacare in and around the city of Winnipeg. Since the acquisition of Unicity labs, Dynacare has made it more difficult for some medical offices by changing the collection schedules of patients' specimens and charging some medical offices for collection services.

These closures have created a situation where a great number of patients are less well served, having to travel significant distances in some cases, waiting considerable periods of time and sometimes being denied or having to leave without obtaining lab services. The situation is particularly critical for patients requiring fasting blood draws, as they may experience complications that could be life-threatening based on their individual health situations.

Furthermore, Dynacare has instructed that all patients requiring immediate results, STAT's patients, such as patients with suspicious internal infections, be directed to its King Edward location. This creates unnecessary obstacles for the patients who are required to travel to that lab rather than simply completing the test in their doctor's office. This new directive by Dynacare presents a direct risk to patients' health. This has further resulted in patients opting to visit emergency rooms rather than travelling twice, which increases costs to the public health-care system.

Medical clinics and physicians' offices service thousands of patients in their communities and have structured their offices to provide a one-stop service, acting as a health-care front line that takes off some of the load from emergency rooms. The creation of this monopoly has been problematic to many medical clinics and physicians, hampering their ability to provide high-quality and complete service to their patients due to closures of so many laboratories.

We petition the Legislative Assembly of Manitoba as follows:

(1) To urge the provincial government to request Dynacare to reopen the closed laboratories or allow Diagnostic Services of Manitoba to freely open labs in clinics which formerly housed labs that have been shut down by Dynacare.

(2) To urge the provincial government to ensure high-quality lab services for patients and a level playing field and competition in the provision of laboratory services to medical offices.

(3) To urge the provincial government to address this matter immediately in the interest of better patient-focused care and improved support for health professionals.

Signed by Jenn Simpson, Koms Ukombo [*phonetic*], Alvin Fisher and many others.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Hon. Cliff Cullen (Government House Leader): Would you call Interim Supply?

Madam Speaker: It has been announced that the House will consider Interim Supply this afternoon.

Mr. Deputy Speaker, please take the chair.

* (14:50)

COMMITTEE OF SUPPLY

Interim Supply

Mr. Chairperson (Doyle Pivniuk): Will the Committee of Supply please come to order. We shall now resume consideration of the first resolution respecting operating expenditures for the Interim Supply.

The floor is open for questions.

Mr. James Allum (Fort Garry-Riverview): Welcome the Finance Minister back today. I look forward to a productive afternoon of questions and

answers on Interim Supply and as it relates to budget going forward.

Since Hydro has been the issue du jour today at the Legislature and likely will be for many days to come, as we try to understand exactly why the entire hand-picked board of the Premier (Mr. Pallister) resigned en masse today and get a proper understanding of what's actually happening, I thought it would be useful for the Finance Minister and I to chat a little bit about government business enterprises, or otherwise, our Crowns.

Budget shows that net revenue flowing to government from the Crowns is expected to increase by over \$130 million this year. Maybe we could just start in general, if the Finance Minister could tell us why such a significant increase in revenue is flowing from Crowns to government in this year's budget.

Hon. Cameron Friesen (Minister of Finance): I thank the member for the question, happy to have a conversation around the issue of government reporting entity and other reporting entities, and I especially welcome this conversation because it's one that I spoke to media about even less than a week ago. And the member raises an important concern, and that is the variance in budget to actual performance of the Crown corporations, and I would turn his attention to the budget and budget documents. And, in particular, if he turns to the first section of the budget he will find a pie chart under the section dealing with summary budget, and what the summary budget pie chart shows on page 6 of the budget is that, when it actually comes to the reporting entity, core government as a construct within the government reporting entity accounts for approximately 22 per cent of that overall entity.

And, of course, what we concern ourselves with here in the Legislature, the appropriations of expenditure that come, that form part of the budget; those appropriations that are discussed in this Chamber; the appropriations that are discussed in detail in the Estimates of expenditure, Committee of Supply; those that pass through second reading, committee, third reading and then are assented to by the Lieutenant Governor, comprise 22 per cent of the overall reporting entity of government. Now, I'm not saying that's either right or wrong, but it is remarkable. It's remarkable because we talk about the fact that we must get better progress. We must, as a government, ensure that we are hitting our targets, that we are ensuring value for money and that we are not overexpending our planned budget.

Now, imagine how hard this becomes, not just for me but any Finance minister who has sat in this chair, and for any minister of the Crown who has had to reflect on this, the fact that if 22 per cent, approximately, of the government is in the direct control of executive government, then 78 per cent of government is outside of that control. And during the process that we call consolidation—it's what I referred to with media last week as the sausage grinder—it's that process by which we receive numbers back from Crown corporations, from Manitoba Hydro, from MPI, from Liquor & Lotteries, from school divisions, from regional health authorities, from special operating entities, from entities that derive more than 50 per cent of their funding from the provincial government, over 180 separate entities that comprise the reporting entity for government. We need to do a better job over time of looking at that.

So the conversation we're inviting with Manitobans is to say: Well, how do you get better value from those Crown corporations? I get it; there's variance. I get it that budgeting is tough. But we have seen, in the past 10 years, variances, and on page 13 of Budget 2018, variances of—in excess of \$100 million by government reporting entities. And that's clearly a challenge.

Mr. Allum: I thank the minister for that answer, and I appreciate some of the things that he's trying to convey in that answer.

It still, I have to say, wasn't clear to me, as I listened to him, why there is an increase of \$130 million that are set to increase net revenue flowing to government from our government business enterprises as denoted in the budget, or as Crowns. And as I said earlier, that's a really significant increase. So maybe I can be a little bit more specific. Is the minister contemplating changes in how the Crowns operate or some other variable therein that would increase these revenues from Crowns to government by such a significant amount?

Mr. Friesen: First of all, on the issue of how the Crown corporations are returning more revenue to the bottom line this year, there's a couple of things that I'd point to, and while I don't have the most recent Hydro statement in front of me, I was reading the last quarterly report for Manitoba Hydro. I do note for the member that it has been a cold winter. I say that with some bitterness. And, of course, Hydro will tell you that the colder the winter, the more

profit margin that they enjoy. But there's other—there's all the other factors we clearly must point to, which was water levels have stayed relatively high last year. And I know that we had a less than average precipitation through the summer and fall months. As a matter of fact, in my part of the province now, I—you know, anecdotally, farmers are talking about concerns about water levels, going into the spring thaw. However, we also had a significant snowfall just a week and a half ago and, of course, that does help to change that kind of analysis.

*(15:00)

So we know that Manitoba Hydro profits in the near term have been quite favourable. As a matter of fact, even in the second quarter results—second quarter report, Hydro was indicating increased revenue, not on the spot market, I should say, though, primarily as a result of domestic increases. And I'm going from memory here, but what that would point to, to me, and I'm not an economist but I do talk to many of them and they do say that because of the strength of the Manitoba economy, that means as business and industry are net using more hydro, that generates more profit for the utility.

If I shift, then, and talk for a moment about Manitoba Liquor & Lotteries, I would also point to increased revenue there. We spoke about it briefly two days ago in our previous discussions in interim appropriation discussions. Manitoba Liquor & Lotteries has pointed also to increased sales, both liquor reporting increased sales—I think I saw somewhere in the neighbourhood of, it was somewhere between 3 and 5 per cent of volume sale increases, and that's quite significant for the Crown corporation—but also in the area of gaming.

And I know in committee I spoke a lot about my concerns about these latest forays of Lotteries into online gaming. I know that a few months ago I saw analysis that was showing more than 20 per cent revenue gain in online gaming in a single quarter. Now, while I get it that this is still very much in its infancy for the Crown corporation, it still does indicate an enormous gain of revenue. I don't know what it means in terms of market share, I don't know what the overall macro trends are on online gaming and I don't know to the extent to which it's impacting negatively against more conventional gaming methods—and I could bring that other analysis.

But I would say to him, on page 13 of the budget, there's a helpful chart there that talks about the impact of other reporting entities and government

business enterprise. And what it shows is, there's a line that shows the Hydro impact of—on the overall reporting entity, and then in another line it shows the net of Hydro as impact on the reporting entity. And you can clearly see that profit-loss is up and down, in some cases by 100—in one year, a \$200-million variance from one year to the next. And so it doesn't matter who's sitting in this seat, it doesn't matter which party is on this side of the legislative Chamber. That's a challenge for government.

So to answer the last part of the member's question, then, he said: Are you contemplating changes to how you report? Well, I would say this. I would say that we are focused on doing a better job of publicly reporting on how we're doing. We've said that results matter, but that means that we will also scope into those conversations, conversations with the Auditor General and the comptroller about what should be in and what perhaps doesn't need to be in the reporting entity, and what other provinces do could guide us in this respect.

Mr. Allum: I thank the minister for that answer as well. And I personally appreciate this kind of dialogue, but maybe it's just me, but he did try to describe why Crown revenues increased in the past year. He referred to a cold winter. I'm not sure it was the coldest winter we've had in a while, but we'll let the weather people decide those kinds of questions as to why Hydro profits increased the past year.

What I'm trying to get a handle on, on behalf of our side of the House, is why the budget contemplates an extra \$130 million next year—well, the next fiscal year—flowing from Crowns or government business enterprises to the government of Manitoba. And I—so the first question was, well, why, and I don't—not sure we've got a good explanation about that, so we asked whether or not there was some change in the way in which government was taking money from—for lack of a better word—from Crowns. Was there some change that had happened to increase revenues from Crowns? Did something happen? So I'm not sure he's really answered either of those questions.

So maybe I could ask him: Is the minister already banking on significant rate hikes coming from Crowns like Hydro in the next fiscal year that would account for this quite significant increase of \$130 million? Is he already banking on those significant rate increases?

Mr. Friesen: I thank the member for the question. There's a couple of ways I'd like to answer his

question. I should have made a note, so I don't neglect to answer part of it. I'll start at the end because it's what I'll address first.

The member's asking, did we include in our analysis—or in our projections for '18-19 what we thought the PUB, the Public Utilities Board, might decide? No, we did not because that would have been imprudent.

This question came up to me as a Finance Minister: what do you do when a budgetary process straddles a rate increase? And in the past, that could have been—it's always significant when there's a rate increase, no matter what it is, if it's MPI, Manitoba Public Insurance, or another entity coming forward with a rate increase. In lieu of this situation, it's a very significant rate application.

Now, we all know what the background to that is. Manitoba Hydro, in this year alone, in these budget papers, it's revealed, will have requirements of over \$3.5 billion in this year. As a matter of fact, it could be closer to \$4 billion. It's not all new cost for the payment of bills, but it is ongoing structural cost for key capital legacy projects, including Keeyask Generating Station and Bipole III and the Minnesota-Manitoba tie-in line and changes at the conversion stations and whatnot and pole replacement. How—and it's the new requirements that are required in this year.

So, in lieu of all these very, very significant, historic requirements for Manitoba Hydro, we have a rate increase that is being heard. Now, I get it; right now, of course, arguments have been heard, and the Public Utilities Board is adjudicating, is taking into account all the witness, all the testimony and arriving at a decision.

There was no way for me to be able to estimate what I thought could come back to Manitobans. That would be too risky, and I couldn't see any budgetary principle that would've allowed me to say, well, maybe it'll be a 7.9 rate-per cent increase, like Hydro is asking for. Maybe it'll end up being zero if that's what the Public Utilities Board brings back. Maybe I should split the difference and go right in the centre of that. But all of that is guesswork, and we don't budget that way, so it's a zero.

So that means that there's been no additional revenue budgeted for 2018 and '19 in the Hydro in respect of a potential rate increase authorized by the Public Utilities Board. What the member sees on that page is the information provided by Hydro to

government. Always, dialogue takes place when numbers are submitted: tell us about that number, what goes into that assumption. This is all part of Manitoba Hydro's overall five-year projections for where they see their revenue and, as I said, principally, they're saying net revenue right now being generated domestically, because, of course, when it comes to sales to the US, well, we have customers in Minnesota and Wisconsin. We know that in a lot of cases, we're selling on spot market at a discount rate that doesn't make money for Hydro at the same kind of rate as domestic rates—domestic contracts produce revenue.

Mr. Allum: I just want to continue to explore this path, this line of questioning and answers with the minister because I'm still having a hard time coming to terms with where the extra \$130 million that he projected for next year is coming from.

He says—and I believe him—that they didn't contemplate or didn't include projected increases to rate increases as part of it. He says that's not something that they would do, so I assumed they used current rates to project that. But it's still not clear where that \$130 million is coming from.

* (15:10)

Maybe he could just be a little bit more specific and break down the \$130 million for the House as to where that comes from and why. And this is—it's strictly for information purposes, or it's just trying to get a handle on a 'lide'—line item in the budget that doesn't really provide a significant additional explanation that helps us to understand, year over year, how the government can expect another \$130 million from our Crowns.

And so could he maybe break that down for us just a little bit and help us to understand where that additional—and we're talking not, Mr. Chair, just a few million dollars, here. We wouldn't spend this amount of time on it if it was just that, but \$130 million in extra revenue coming from the Crowns to the government.

How did they come up with that number?

Mr. Friesen: So, as the member understands, we're here in interim supply and interim appropriation conversations. I'm happy to try to answer any of his questions. He does, of course, understand that the Committee of Supply will follow the budget debate. He's going to have 100 hours available to him to ask specific questions of the Minister for Crown Services and that minister will have in front of him, I'm

imagining, annual reports for not just Hydro, but for Manitoba Public Insurance, for Manitoba Liquor & Lotteries. I'm sure that that member will have questions concerning cannabis and how the—and how that will impact the Crown corporations' mandate, scope activity, resources, human resources and all those things.

While I have numerous documents in front of me today, including the budget and budget papers and the expenditure estimates for all departments here, he understands that because the voted amounts are for government departments I do not carry around with me as well those annual reports for Hydro or neither do I have their revenue estimates with me.

So I would speculate with him that we accept from Hydro those estimates. We've talked about accelerating the completion of Keeyask, but, as the member and I both know, that won't be online soon enough to provide revenues in the '18-19 year.

However, we do continue to get regular updates. Like I said, water levels have stayed relatively stable, but we are all hoping and praying that we do not see drought in the spring. We have some quite significant low moisture levels across much of Manitoba. I understand that—I heard one statistic saying the driest quarter on record, inclusive of December, January, February since records started to be kept in Manitoba since the late 1800s–1900s–1880, 1890. That is quite concerning and could impact on that profit. We did test that. We do test those things with the corporation. Nevertheless, these are their revenue estimates that we've accepted them for the purpose of these estimates.

Mr. Allum: Fair enough, Mr. Chair.

I recognize that we'll soon be in the Estimates process and we'll be able to dig a little bit deeper, although the Finance Minister and I have been in Estimates for a couple of years now and, well, we really haven't got a—gone a long way to getting the kinds of answers that we've been looking for. So I won't hold my breath for that particular process even though I quite agree with him that there are—that we can continue this conversation on government business enterprises and Crowns, and maybe this will be a possible notice to him to have that—those annual reports and other documents he needs to be able to answer those kinds of questions to the satisfaction of the House.

I guess the only other thing I want before we leave this particular topic, because it's—I think it's germane to not only what's happened at Hydro today and the government's treatment of Crowns since they formed government in April of 2016 is that lots of—even though they protected—committed to protecting front-line services, in fact, there has been an ongoing deletion of employee positions that has helped government meet some of targets, not all of them, of course, but some of their targets simply by taking potential jobs away and—or current jobs that are existing.

Is there any sense that the government is looking to apply this deletion of employee positions that they have utilized in the past couple of years, will they be extending that to Crowns and is that why Crowns are estimated to—will be estimated to provide \$130 million more in revenues this year, because, in fact, more people will lose their jobs or positions will be deleted?

Mr. Friesen: Further to our conversation about net income of government business enterprise, I do note for the member that Manitoba Liquor & Lotteries is anticipating, budgeting—that is, estimating—approximately \$6 million more, which would be a 1 per cent factor—yes, it would be a 1 per cent factor—of revenue growth, so I would say to the member, not tremendously significant from that Crown corporation.

I would also note for the member that water power rentals are actually anticipated to be down, not up, for the next year, down by \$8 million. And I also note that even when it comes to a debt guarantee fee, that may also be limited, so I would want to cite that for him.

I think I know from his previous question now more where he is going. Member is trying to explore whether there is some secret hidden agenda whereby government will squeeze the Crown corporations to solve all its problems. It was interesting he should say that, because in the Free Press on the weekend I read with interest a letter to the editor by a writer who said, you know, I'm tired of hearing about how the NDP were terrible managers of money, and, as a matter of fact, for much of the early 2000s, or the mid-2000s, the NDP government was in balance in such and such a year. They said they've actually got a better money management record than the—than any PC government.

So, when I picked myself off the floor, I did a little bit of work, and I believe that a lot of Manitobans would have done the same.

Going back to the earlier statement I made about how core government comprising only 22 per cent of the overall government reporting entity, in many of those years, with the economy growing by three times the rate it is now—and before the member can crow about that, I assure him that that's a—those economic trends are set in the private sector and not by government policy—nevertheless, in those years, many of those years, Crown corporations were returning to government multitudes in excess of their budgeted amounts, disguising the actual extent of NDP overspending.

However, as happens without exception, eventually the music stops, and when the growth rate of the economy slowed, there was no masking effect. There was no ability for that overall reporting entity to mask the degree of lack of fiscal discipline by executive government.

So, if the member is asking whether this government has a hidden agenda to do something very untoward at the Crowns in order to maximize profit—no. But here is our agenda with the Crown corporations: to clean them up after years and years of NDP interference in those boards and in the mandates of those organizations.

I could not be more proud of our minister for Crown corporations—Crown Services, and he has recently introduced legislation that talks about the Crown corporation accountability act that clearly talks about cleaning up that mess, whereby managers manage but leaders still lead.

The Premier (Mr. Pallister) spoke today—*[interjection]*—about the—about 'thnis'—and I ask the member for Minto (Mr. Swan) to listen because he may learn a thing or two here about alignment of interest. The Premier spoke today about aligning the interest of the Crown corporations with executive government. They manage the entity, but we have a big—a much bigger management responsibility, and that is the public interest. And so there needs to be alignment.

* (15:20)

This new legislation sets the framework by which government could provide mandate, government could provide instruction, government could give some suggestion, government could give enhanced suggestion. Manitoba Hydro will get

cleaned up. We will put them on a path to sustainability.

The new management there is doing that with employee shaping, over time workforce shaping, senior management trims, looking for new customers for Manitoba Hydro and driving towards completion on Keeyask and bipole. This is all part of our sustainability plan to bring Manitoba to a firmer foundation.

Mr. Allum: We were doing pretty well there for a while, Mr. Chair, and then we kind of descended into something else that I wasn't really interested in talking about.

I have to say that it's the minister's government that a full board and in an unprecedented situation resigned en masse today. But we weren't really trying to talk about that. We were trying to talk about Crown revenues flowing from the Crowns to the government, the government projects 130 million extra dollars next year.

The Finance Minister says, well, it might be this or it might be that. He doesn't really talk about—isn't really sure whether that will include the deletion of more positions in those Crown corporations going forward even though he, among every other member of that side of the House, knocked on the doors of Manitobans, as the government likes to say, and swore up and down that they were going to protect front-line services and then pretty soon people finding their jobs deleted or eliminated.

And so, you know, we're just trying to get to the bottom of some of the numbers in the budget. When you come for interim appropriations it's part of the process that you undertake is to have a wider conversation about budgeting, about past, present and future, and the items identified in this year's budget and changes from last year and what not.

So, really, we were just trying to explore with him as best we could, in a respectful way, the numbers the budget is showing, and so we're hopeful that for the remainder of the afternoon we don't descend into other elements and other kind of discussions that aren't productive and don't particularly help the people of Manitoba, let alone members of this House, understand changes that are occurring year over year.

And I want to ask him, then, in every year that we—or during our 17 years in government, we included a section in the budget about affordability, how it compared for a family of four, a family, you

know, how interjurisdictional comparisons and what not, and I'm hard-pressed to find a lot of that material that was once included in the budget in this year's budget.

Could he just help us to understand where that information is?

Mr. Friesen: Just before I answer the member's question I was endeavouring to give him another answer just a little more—a fuller answer. I won't say fulsome answer—many people use that phrase, but he and I both understand that that word does not mean what people think it means. I think fulsome means arduous and elongated. So I'll try not to do that.

I'm looking at the last page of the economic review and outlook in the budget and budget papers. He had asked the question about what our plans were in terms of the reporting entity, and I wanted to give him a more specific answer—just searching right now for the page on which it's found—and I found it.

I'm on page 27. Sorry, but not on the section I just described. I'm in a section called fiscal responsibility on page 27. And he had asked about so what, if you're talking about things in and out of the reporting entity, how do you go about that work.

I would say this. It's—this is about budgeting and it's about accounting, and so our discussions have been with the Comptroller's office, and I know he knows the individual who is the current Comptroller for Manitoba. It's work that is done in conjunction with and in dialogue with the Auditor General's offices. So, with that office as well, and this goes to trying to control the level of volatility in summary budgeting, as we discussed.

So, at the bottom of that page, it does give an example, and it says: for example, by reviewing the past accounting policies taken in respect of entities like workmen's compensation board, where there may be ways for better budgeting practices across summary government. It goes on to say, in the meantime, we'll work—we'll continue our work at finding better value-for-money and more cost-effective outcomes, while reducing tax burden and bringing a summary budget into balance.

And you may ask the question, well, why did you mention in specific the workmen's compensation board? I would say for this reason: it is only one example of others that could be raised, but for our relatively newly minted Finance Minister and also consulting with those who have come before me, or consulting with colleagues in other jurisdictions, we

notice that while we all follow the public sector accounting system rules—the Canadian PSAS, we call them, is the—to use the acronym—even so, what provinces include or exclude for the purpose of bottom-of-the-page reporting differs greatly from jurisdiction to jurisdiction.

As a matter of fact, we have, in the case of the workmen's compensation board, a reserve account, and it is a reserve account that takes into account payments, both from employers and employees. And that reserve account is there exactly for the purpose of funding claims. And so as the work of the WCB goes on and then claims are received and decided on and—but then payments are made from that reserve.

The fact of the matter is that executive government, the government of Manitoba, at any time, has no claim on the amounts in the reserve account. It has no claim to the money and neither should it have claim to that money.

Much like if you took, for instance, the Teachers' Retirement Allowances Fund. Government has no claim to those amounts in the pension fund. As a matter of fact, the member for Fort Garry-Riverview (Mr. Allum) will recall, I think it's less than 10 years ago that the government brought an 'irrevocal'—yes, that's the word that's so hard to say—irrevocable order on the pension, saying essentially that government could, at no time in the future, attempt to claw that money away from the fund.

In the same way, there is no ability in accounting for the government of Manitoba to draw amounts from the WCB and I would be the last to suggest that, in any way, it would be appropriate.

Then why, the question becomes, should the reserve account appear on our bottom line? Because remember, if the reserve is added to, it looks like revenue. If the reserve is drawn down, it looks like government expense. Now that member sat in Treasury Board—we've had conversations in the past, and he was in the room and he saw those proceedings and he was party to them. So he will understand the enormous work that actually goes into getting better results. Think how quickly \$100 million could be wiped out.

I was—I'm noticing my question time is short. I'm happy to answer his second question about poverty report and how that information is included in the budget.

Mr. Allum: Yes, so maybe I'll just ask the Finance Minister again, after that full—not fulsome, but full

five-minute answer, if he might then return to the question I asked just about comparisons that were always, traditionally, in our budgets but don't seem to be included in his. And so it, you know, it gives the impression of an absence of transparency.

And I know he doesn't want to convey that, but it—if Manitobans aren't really able to compare and contrast how they're doing on a number—in a number of categories in relation to their fellow citizens or other provinces—and maybe he's going to point to me, in his answer, to that section of the budget, and I'd appreciate that. So I'll let him answer that question now.

Mr. Friesen: I'm happy to answer that question. I would have the member turn to section F of the budget and budget papers. It's our reducing poverty and promoting community involvement section.

*(15:30)

Now I would say this, he is speaking of specific schedules whereby, in previous budgets under the NDP, there were multiple pages that showed household comparisons, and I read those with interest when I was a critic.

Now, of course, we're not compelled to present information in exactly the same manner as was provided before because, as he understands, those don't comprise part of the audited statements of the budget. There are those pages of the budget whereby we see that we received a clean audit opinion. We are pleased to have a clean audit opinion again on the budget—well, I—Public Accounts, truly, I guess, is where you'd see you'd get your clean audit opinion.

But, in any case, we have those audited statements, and then we have unaudited statements that present additional material that we believe has merit and is helpful for all taxpayers and investors and businesses and industries, individuals, non-profits, sections of our budget including things like the tax measures section that our people in fiscal research work hard to prepare. We have fiscal arrangements where we have people in government who work hard to prepare all of those statements about how federal and provincial cost-share programs work. We have our economic review which our economist for Manitoba, and his shop work on. We have this poverty section as well.

So we've attempted to provide value to Manitobans, to talk about the themes of reducing poverty and promoting community involvement. We've chosen not to use the exact same format as

was presented in the past. I noted, as well, problems with the setup in the past. I felt like the comparisons were somewhat contrived. They would measure some very, very carefully comprised comparisons, but they wouldn't do things like measure, let's say, a family of five versus another family of five. They wouldn't measure things like two self-employed individuals versus two individuals working for wages in an organization. There you could get at issues like tax integration or over-integration. They didn't get at issues talking about comparisons with Saskatchewan at a low income level where you could actually talk about the fact that under the NDP even the lowest tax bracket used a marginal tax rate of almost double what Ontario used, which I know my colleagues find absolutely shocking. And I can see on their faces just the shock of that information.

But what we have provided, instead, is some very important information that talks about, first of all, our commitment to work in partnership with families, repairing the services. We talk about information under way in child welfare, talking about domestic violence, child care, education, employment training and job creation. We have in there metrics on low income from 2008 to 2015 using Statistics Canada market basket measurements, and you can see how in Manitoba that rate of poverty continued to go in the wrong direction for the last 16 years and we are attempting to arrest that trend. You also see the comparisons against Canada, so the Manitoba-versus-Canada metrics.

You will also see—and it's challenging to us, we know—is that increase of children in poverty in Manitoba, and that poverty level has continued to go up. It exceeds the national average. The number of lone parents who are in poverty in Manitoba exceeds the national average by 10 per cent, and these things we should, as Manitobans, all find unacceptable.

So these are—they're very bracing statistics, but important to understand. Though, that section also includes things like statements on path to reconciliation, social innovation, our Look North strategy, community mobilization models and our commitment to consulting with Manitobans to get better results. It even names the members of the Poverty Reduction Committee, and I can't name them because many of them are members so I can't use their proper names in here.

But remember that our basic personal exemption historic increase will help those lowest wage earning Manitobans more than any single measure ever

brought by the NDP government in 16 years of government.

Mr. Allum: So, Mr. Chair, the Finance Minister has basically conceded that that kind of comparisons that were in our budgets to give families a sense of comparison with how they're doing in relation to other people, both larger or smaller family sizes, and how they're doing in comparison to other provinces doesn't really exist.

And so, for example, I thought it was worth it, for the record, just to say that in our last economic and fiscal outlook from March 2016, that very robust document that we had out before the last election, there's a table in here that shows what a graduate at \$50,000 could expect to save as a result of measures taken by our government. And so that chart shows that, you know, a graduate at \$50,000 as a result of measures taken by our government would have had income tax savings of \$1,238, would have had a graduate tuition rebate of \$2,500. Of course, we know that this is the Finance Minister that eliminated that graduation tuition rebate, which is unfortunate to say the least and has done significant damage to the post-secondary education system in our province. That same person would have received property tax savings of over \$1,700, and so when taxes and basic household costs are added together, that graduate would have saved over \$5,800, compared to the national average.

Now, this kind of information's been excluded from the government's budget as far as I can tell, and I'm sorry that the Finance Minister feels that that kind of information, that kind of detail, that kind of data isn't worthy of public exposure or public scrutiny and allow Manitobans to show where they stand in relation to others across the country.

But I do want to—I know others have some questions they want to ask and then I do want to return to some questions. I just want to finish my part of this today before some of my colleagues take up the questioning, to ask about government's plans for pensions going forward. I'll note that the five-year review is ongoing, but one of the things that the government did do last year was the pooled pension plans that the Finance Minister did make a big deal about, crowed about, said it was something that he thought was an innovation, even though data from across the country showed that uptake in other jurisdictions was slow.

Could he advise the House as to what the uptake on the pooled pensions initiative that he undertook, I

think about last August, or at least came into effect last August—could he advise the House of what kind of uptake there's been on that particular pension measure?

Mr. Friesen: First of all, I want to correct some erroneous information that the member pointed to.

He conflated two numbers. The projected revenue for Manitoba Hydro for 2018-2019 is not \$130 million. He's looking at a line that indicates a composite of all Crown corporation revenue. I can point him to the fact that it does include \$30 million for Liquor & Lotteries and about—just under \$30 million in Hydro. So he attempted to suggest that that was all Hydro increase. You do see some Hydro increase there, to a much lesser amount than he implied, and so the rationale for that increase is, as I suggested before, for those reasons of the continuing higher water rates and increased domestic demand due to the growing economy.

The member will remember from two days ago that the Manitoba economy has been growing very significantly. Right now labour market growth has been significant, continues to lead the nation—No. 2 in lowest unemployment rate, so some good news there for the Manitoba economy.

I saw today that the US Fed Reserve raised its rate by 25 basis points as well. That both has challenges and benefits to the Canadian economy. I think the next rate refresh opportunity for the Bank of Canada will come in mid-April so we will see what is decided at that time.

* (15:40)

One thing I did want to say on the previous topic about the poverty comparisons is I do recall that both in British Columbia and Alberta—two jurisdictions provincially right now NDP governments—in both of those provinces, both tax brackets and the basic personal exemption are indexed, and yet in Manitoba an NDP never saw their way clear to index those. So other left-of-centre governments in Canada have seen fit to actually agree with this Progressive Conservative government that the fairer way to address issues of household affordability for the low—those at the lowest end of the earning spectrum is by adjusting upward on an incremental basis, or more than incremental, the basic personal amount. And that member knows that this measure alone will leave hundreds more dollars in the pockets of every taxpaying, income-earning individual, whether you make \$15,000 a year or \$50,000 a year.

The NDP government of BC saw fit to do the same. The NDP government of Alberta saw fit to do the same. A CBC article from two weeks ago said that many governments are on the wrong track, thinking that the path ahead to greater household affordability is one of raising the minimum wage to \$15. And that article went on to say that it's a myth because what raising the minimum wage does is disproportionately negatively affect those at the lowest end of the income-earning spectrum, because more of their income goes to pay for household necessities: groceries, vehicle insurance, mortgage or rent, clothing. These things are costs in every household, but they are disproportionate costs in households of limited means.

So I would point the member to that to talk clearly about poverty and fairness. We are very proud of the measures we're taking as a government to return all of the revenue of the carbon tax to Manitobans by the year 2020 through a very significant, not one time, but two times, increase of the basic personal amount.

In the meantime, I was looking for a piece of paper, so I'm asking the member just to repeat the last question because I want to hear the question one more time; I couldn't reach for a paper to record the last answer—question he had asked.

Mr. Allum: Oh, yes, thank you. It was to belong—the minister had identified a pooled pension plans last year as a big initiative of the government, and we know that the pension review that's going on now, I know that for workers across the province, public sector, private sector, very concerned about this particular government approach to pensions and what that could mean for them and their families now and into the future and especially when they get to their retirement years. One mechanism that the government, and the minister in particular, launched with great fanfare last year was the pooled pension plan. It doesn't have a particularly strong record across the country of uptake—uptake. I'm wondering if he could at this point advise the House as to what uptake there has been in the pooled pension program that he unveiled last August.

Mr. Friesen: I'm happy to give the member an update on that. Thanks for repeating that question.

So last year, the member is correct. We announced that we would create the environment in which pooled pension plans could be offered in the province of Manitoba. Of course, the member understands that what we've said the—is the focus of

this government is making sure that Manitobans have access to good-quality pension products. This includes ensuring that we have good-quality defined benefit pension plans in Manitoba, but also part of the challenge is understanding that this must be a multi-faceted approach. We understand that less people in time have access to a defined benefit plan than they did 20, 30, 40 years ago. We all know, at a macro level, the reasons for that. We understand that less companies are offering these plans. We're understanding that in a modern economic context it's difficult for companies to know what those obligations will be 20, 30, 40, 50 years down the line.

So, for those individuals who are working and who are not enrolled in a plan, the pooled pension plan vehicle gives them an opportunity, where they might not otherwise have one, to have access to good and competitively priced pension products. So think about—I sometimes think about small companies from the area I represent in the constituency of Morden-Winkler.

And I realize you could choose any constituency. I could choose, you know, Fort Garry-Riverview, I could choose Concordia, I could choose Minto, I could choose Riel, but the issue is that they're small companies whereby—my father ran a business for 40 years, and I know I'm looking around the room here and I see other business owners. And he prided himself on the pension—of the pensions they were able to offer their employees. They were expensive products, both for the employee and for the plan sponsor.

If I heard my father complain about anything consistently, and he was not a complainer, it was the complexity of the plan that he and his business partner had to administer. They were not experts in pension plans; they were trying to run a business. They knew inventory, they knew product, they knew valuations, they knew depreciation, they knew human resources, they knew competition marketing but they didn't know pension plans.

What I like about the pooled pension plans is that it provides these options to companies where such a provision was never available 30 years ago to a business owner like my father or a business owner like the member for Agassiz (Ms. Clarke).

So I can report to the member I believe now there are two companies who have registered in Manitoba to be able to sell pooled retirement pension plans. We're looking forward to hearing their updates

on how those—how the activity is going. Within this, of course, this relies on those companies to market these plans, so I'm looking forward to seeing that. These changes won't be all at once; they will be little by little.

On this subject of pension plans, though, I would want to declare, and I would be remiss if I did not add, I welcome that conversation because it's important to understand here's what we value. It's my job as the Finance Minister to regularly review pensions in Manitoba. It is not at my discretion; it is an obligation.

Why did I order a review of the—of registered pensions in Manitoba for which our act is responsible? Because it's required every five years. That review has been undertaken by some very illustrious Manitobans. Their advice has been returned to me. It is advice only, and I realize that the advice of that independent group has got some labour groups excited.

I've sat with labour. We have met specifically on these issues. As soon as I knew that they had concerns, I wanted to know the nature of their concerns because I didn't understand why this process was drawing so much attention, and so I think I understand better. I was able to give them some comfort about what is meant—what is clearly in scope and not in scope for this pension review.

However, at the end of the day, I would—I do take strong exception with groups like MTS. I'm a former member of Manitoba Teachers' Society, going out and trying to somehow agitate with their members to suggest somehow that they are having their pensions cut. I would invite further comments or questions on that and I'd be happy to elaborate on my comments on that.

It's important that we not scare retirees. Nothing in what we're doing has any impact for retirees or the MTS.

Mr. Andrew Swan (Minto): I'm going to take over and just ask a few questions, I say, maybe with some risk. I'm hoping these will be some short questions and perhaps short answers.

So I just—I want to go back over the ground we covered two days ago. I was just talking about some of the federal revenues that Manitoba expects to receive in the upcoming year, and we had a very productive discussion, actually, about the health-care accord.

I just want to turn the minister to page 141 of his Estimates of expenditure and revenue just to confirm that, in fact, the total additional money being received by the province in the upcoming fiscal year is \$85.7 million more than the Estimates of revenue from that source printed for last year—*[interjection]*—141.

Mr. Friesen: That's correct.

* (15:50)

Mr. Swan: I appreciate the estimate of revenue last year, it was \$1,355,400,000. I appreciate that was not necessarily the actual amount of revenue that was received. We know that the money started flowing in the past year.

So is the minister able to tell us what was the actual amount of revenue that was received, which, I presume, was a little bit more but not a lot more than the amount printed in last year's budget?

Mr. Friesen: I can endeavour to get that number back to the member, and I will note that as a question that is outstanding for my homework.

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

I do want to speak just a little bit about the anticipated revenue from the carbon tax that the government has indicated will begin being collected on September 1st, gas tax on gasoline, on diesel fuel and other sources. So the minister, at page 137, estimates that the revenue for government will be \$143 million for the upcoming year, but that is only for seven months. So it's anticipated, I presume, the year after that annualized amount will be quite a bit more than the \$143 million.

Mr. Friesen: First of all, I'm just going to bring clarification to my previous answer.

Just in respect of the Canada Health Transfer, I should be clear that now, when the member looks at the line for the Canada Health Transfer, because we've crossed an important divide, he will see an aggregate value assigned under that line for the Canada Health Transfer, which will be inclusive of both the Canada Health Transfer basic amount under this new agreement with the provinces and territories with the federal government, as well as other revenue in specific categories, and the member and I both know the entire background of that.

Moving away, I know that Jim Flaherty said probably 10 years ago that the Government of Canada was looking with interest that moving away

from what had been a—what they had inherited, which was a situation where provinces and territories were receiving an amount with a 6 per cent escalator attached to it every year for funding increase, and that 6 per cent increase was, of course, based on the work of Ray Romanow—Roy Romanow and others in that comprehensive evaluation of the Canadian health system that led to that 10-year accord.

And so Jim Flaherty first opined that moving away from that to something, they had said, more affordable to the federal government. I know that Joe Oliver repeated that same concern, and I know that this new Finance Minister, in fact, Mr. Bill Morneau, had said the same, and, of course. Manitoba's perspective has been, listen, we understand that the federal government takes exception to a 6 per cent escalator. But, of course, all the evidence in advance of last December's Health—actually, Finance ministers' meeting, where the question of CHT was considered, had to do with the fact that 5.2 per cent escalator was seen as the floor. By floor, I mean what the evidence what experts were saying was necessary to do, in their words, quote—unquote, to keep the lights on.

So, of course, the member now understands that the feds have moved to a lesser escalator. The difference for Manitoba will be in excess of \$2.25 billion over the next 10 years. That is the difference between what we will receive and what the NDP in their time in power would've received each and every year as that escalator.

It's a big challenge for us as a jurisdiction. We have some of the highest per capita costs in delivering health care. But, of course, we have some of the lowest ratings when it comes to results for things like wait times, the time between suspicion and detection and diagnosis, treatment, some of those increments are longer than other jurisdictions.

So for this calculation he should be clear that it concludes both the CHT basic as well as home care and mental health. However, he should not assume that somehow that number won't move around because, of course, as we discussed two days ago, it is important to understand in that number—that is a dynamic number—the calculation works this way: nominal federal GDP on a three-year rolling average.

Now, I note that the federal GDP grew this year and I'm guessing—I believe the number is 2.2 per cent. I believe that next year the federal GDP is expected to grow by 1.9 per cent. Manitoba is slightly on its heels. I can confirm those numbers in a

moment if the member would like me to check that. But the bottom line being if economists expect there to be some slack in the Canadian economy that will have an impact on a rolling average for the Canadian—for the Manitoba economy—so we're concerned about that.

Out of time?

Mr. Chairperson: One more minute.

Mr. Friesen: And the member asked a separate question that I was going to now pivot to, but I'm sorry I've neglected to write it down. If he could repeat it then I will—I'll answer that second question as well.

Mr. Swan: Well, I appreciate the minister going back to try to provide more information.

The fact is, as he's confirmed, Manitoba's getting \$85.7 million more under the Canada Health Transfer, which is actually 6.3 per cent more than it got last year. So I think my colleagues, as well as the Liberal colleagues and the independents, are having a great deal of difficulty in understanding how this government can put the support from the federal government as a cut. The minister's been very clear today that it's not a cut, that in fact there's 6.3 per cent more money coming to the Province for health care than there was in the last year.

The question I had was about the new gas tax that this government will be collecting, starting September 1st. The minister's estimate, which we don't take any issue with, is that it will generate one hundred and forty-three thousand—\$143 million in revenue for the government. I just wanted the minister to confirm that is only for seven months of the fiscal year and going forward, because the government has said that tax will remain at the same level, it will actually be annualized over 12 months and be somewhere in excess of \$200 million per year.

Mr. Friesen: I will endeavour to get a clarification for the member even before these proceedings end this afternoon on that. I want to make sure that I have accurate information on him to the question of seven months versus 12 months.

On the subject of this, the Canada Health Transfer, I will add this, though: the member is not correct when he somehow says that we should assume a transfer in excess of 7 per cent or 6 per cent. That's not accurate. The Canada Health Transfer right now, the basic transfer is 4 per cent.

It's 4 per cent. The other additional monies, the problem with them is there's no accord. The government of Manitoba can rescind those amounts. They say they're within an agreement, but it'll be on ability to pay.

There will be still many conversations this Health Minister must have with his federal counterpart and other ministers of Health to understand what is the criteria for use of those home-care and mental-health-care monies. How tightly will the government indicate that the applicability will work? There is no guarantee over that money. So we talk about a 4.1 per cent increase, which right now looks pretty good. Of course, remember, the evidence said 5.2 per cent to keep the lights on. So it's challenging because, sure, last year's number is smaller than this year's number.

However, Canadian economy is set to slow. I'm concerned about that. I would welcome better GDP growth, both for Manitoba and for Canada, but it's set to slow, which means that that number will travel down, not up, and clearly the member should not assume that somehow there's any number there that points to a guarantee more than 4 per cent, even for this year.

On the subject of the gas tax as well, though, I believe what he's meaning is the carbon tax, and that's why I asked for the clarification of the question. He was talking about the gas tax and I believe he's mixing up the federal gas tax, which the member for Assiniboia (Mr. Fletcher) will clearly know, from his time in the federal House of Commons, the gas tax very separate from the carbon tax as part of Manitoba's carbon and green plan.

*(16:00)

So, if it's the carbon-pricing mechanism he's pointing to, yes, then in this regard we have contemplated revenue on seven months for the year. Why seven? The federal government has said that the implementation date shall be September. However, of course, we have no guarantees. In this place, we must pass our legislation. Now, the member might point back to 2013. Let's—yes, 2013. I believe that the PST was increased in 2013—first widened in 2012, and then increased in 2013. Now, at that time, the NDP government was able to foist that PST increase on Manitobans even though the bill had not been passed in the Legislature.

Now, how were they able to do that? Well, there are archaic rules in the Westminster tradition that

probably only the Clerk of the Legislature could understand. But they go this way, and they say that for any existing piece of legislation that I believe has to do with a money bill—and she will correct me if I'm wrong—the government has some discretion. And, while I won't choose the right language, in principle, she'll probably agree to what I'm trying to say, which is they have, with sufficient votes, the reasonable probability that the bill shall be passed. And, in that case, they could indicate an effective date that precedes the actual coming-into-force dates.

So the member for Minto (Mr. Swan) could say, well, why not do that now? I believe the reason is it's a new act. It is a new tax, and, in that case, we cannot with any certainty point to the date—seven months for the current year and after that, annualized for 12 months.

Mr. Swan: Yes, I think—at least, I hope this'll be my last question. I actually appreciated this afternoon—the Minister of Finance (Mr. Friesen) has actually cleared up for me a couple of things, and I do appreciate that on these interim Estimates. And I guess where he's gone does give me some concern. He's acknowledged that there's close to 40-million additional dollars received under the health-care accord. He's confirmed that the Province is now gaining an extra 85-plus million dollars from the provincial government for health care, which is a 6.3 per cent increase, and yet he said that there are still concerns because there are some assurances that are going to have to be given to the federal government.

And I can see the problem, because the money is now booked by this government. There isn't a single dollar being added to Addictions Foundation of Manitoba's budget. There isn't a single dollar being added to the Health Services Insurance Fund to provide funding to health authorities for community and mental health services. And the only place we can see any additional spending in these targeted areas is home-care services, and that total increase is just over \$1 million.

So are these the kinds of problems in the budget, then, that the Finance Minister is saying they have to resolve with the federal government?

Mr. Friesen: So, first of all, I will point out to the member the error of his ways. My daughter was in a production of Footloose last weekend, and there's this great line where Rusty says—no, the guy who learns to dance in the movie. I forget his name. He's the guy who learns to dance. And he's trying to

explain to his friend that he doesn't understand the rules of the school, and he says, excuse me, ma'am. He says, my friend is ignorant of the rules. I will take aims to let him know of his ignorance. I thought it was a neat line from the movie, so, anyways, I had to quote that line back.

The member doesn't have the right information when it comes to the health transfer. The member tries to—well, and he's contorting himself a bit to try to show that we are in possession of more money than ever with the health accord, as it's written now, and that is very false. As a matter of fact, for the base CHT transfer, a lesser amount than any year that the NDP was in power, 4.1 per cent, is not nearly the 6 per cent escalator that the NDP enjoyed. No guarantees by the federal government for these out-of-the-framework special amounts they would like to give us on home care and mental health. And, while we all know there are challenges here, after 16 years of NDP, when it comes to actually meeting the growing demand for both home care and mental health, we also understand that we don't yet understand fully all of the framework around the eligibility requirements for those amounts.

So we have concerns as a province, and I would indicate to that member, so do other NDP Health ministers and Finance ministers in other jurisdictions—all of them with one voice calling on the federal government to do more and bring a—and be a fuller partner when it comes to health-care expenditure.

However, to the member's question that somehow, and I believe his thesis goes something like this: You are cutting health care and yet you're making more money in health care.

So he's far from the land of accuracy on this assertion. He should know that our government is investing 11 per cent more in health care in this budget than any previous NDP budget ever in history. He should know that when it comes to home care, he is correct; we are making additional investments. And we're investing across the health-care system. But remember, let us be clear in the—in where the member's error principally lies. He uses the word spend, and, indeed, on health care, they did spend above the national average, on a per capita basis—on a per capita basis, one of the highest per capita expenditures on health. And, of course, they got—that got them the very top of the chart when it came to all the metrics, like wait times. Oh, no, it didn't. As a matter of fact, what we learned is that

there was no straight shot between per capita funding and results. Other jurisdictions have done more to reform their health-care system. We know, despite the NDP rhetoric, we know that what we are doing in health care is the most significant transformation in the history of this province when it comes to health care, and it's going to take some time. It's going to take expertise. It's going to take the patience of Manitobans, quite literally, actually. It will take the patients, but also it will take their patience, with a c-e, because it's going to take some time.

And yet we hear anecdotally that we are navigating carefully, and, indeed, our Health Minister, his department, in facilities, they are navigating this carefully. We hear anecdotally that wait times are coming down. We hear anecdotally that ER wait times are lower. We hear anecdotally that people are getting out of hallways and into examination rooms. We hear anecdotally that our investments in EMS are having a positive effect. We're hearing anecdotally that our investments in nurses at some Winnipeg hospitals are having an effect. And we're hearing anecdotally that our consolidation of professionals in facilities—sounds like it on paper. It sounds like if three ERs is good, eight ERs must be better. And yet what's the experience of Edmonton; of Vancouver; Calgary; Markham, Ontario; Ottawa? We find that other jurisdictions are doing what Manitoba's doing: listening to the experts that they didn't listen to, consolidating services to get at a better patient experience.

We will not apologize for the investments we're making in health care. We're standing up for Manitobans. We're getting better results.

Hon. Steven Fletcher (Assiniboia): In the budget document, the revenue line for the carbon tax is 143. If you analyze—annualize it, and then look at the equivalent line on the expenditure, there's a \$9-million difference. Can the minister explain why the revenue from the carbon tax exceeds the expenditure by \$9 million on that line?

Mr. Friesen: Could the member repeat the question?

Mr. Chairperson: The honourable member for Assiniboia.

Mr. Fletcher: Sorry, what did he say?

Mr. Chairperson: Could you repeat the question?

Mr. Fletcher: Oh, okay. The revenue on an annualized basis from the carbon tax exceeds

the corresponding expenditure by \$9 million. I was wondering why that would be case.

*(16:10)

Mr. Friesen: So I'm happy to speak about our made-in-Manitoba green and climate plan. As the member knows, essentially the federal government has been very clear, and while the member won't concede this point, he must remember that I was the member of this Assembly who was at the federal-provincial-territorial Finance ministers' meeting when Bill Morneau, federal Finance Minister, says: No province has to bring their own carbon pricing mechanism. He says, let us be clear. I'll always remember that line. He says, because if you don't, I will. This—that was his line: If you don't, I will. He fully described that the federal government would bring a backstop mechanism, by which they would reach into those jurisdictions and bring a carbon-pricing mechanism.

Now, this member is a carbon-price-backstop denier. I don't have the luxury of being a carbon-price-backstop denier. I was at the meeting. I wish the Saskatchewan government all the best as they pursue a legal challenge. But they will lose, and it will be costly in their jurisdiction to lose that court challenge.

We're bringing a plan that is both better for the environment, because of the way it's priced in, and also better for the economy. We will make green investments. We've set aside a conservation trust, a one-time \$102-million amount in perpetuity that will fund green initiatives. We're making green initiatives and investments inside government, through appropriations with new amounts available for that investment, and, of course, we'll have a lot more to say about that.

As the member says, there is a \$143-million allocation for revenue from the carbon tax that is for seven months. The annualized amount would be \$344 million, beginning in 2018-19. The member should also keep in mind—of course, this is shown through the charts that we include in the budget—that there is a decreasing factor built into carbon tax because, of course, we understand that a carbon-pricing mechanism built to fuel has its biggest impact at the front end, and, thereafter, through the growth of the economy, a decreasing factor of effectiveness. So it's important to price effectively and appropriately at the front end of that.

So, if there's other questions that the member would like to have answered in addition to that, I'm happy to answer them.

Mr. Fletcher: It was interesting to note that the minister didn't answer the question. The question had to be answered twice, and he still didn't answer the question.

But, rather than focusing on personal issues, I will just simply point out that the carbon-tax revenue and the carbon-tax usage is different by \$9 million. So the carbon tax is not revenue neutral. It costs \$9 million to Manitoba, because, of course, Manitoba vehicles run by the province still have to pay that carbon tax. That was all I was trying to get to.

Now, in regard to the issue of carbon pricing and carbon tax, we ran on—carbon pricing that reduces greenhouse gases. That was on page 21 of the platform. In fact, carbon pricing does not reduce greenhouse gases, and I was—had the pleasure of going to Germany, before Christmas, with a member of this Legislature and a bunch of mid-western legislatures.

And we were there on the invite of the German government, at their expense, to do an energy study. And we went from Berlin to the Black Forest, seeing all their various programs on green energy. Now, what was very interesting—and the slides are available on my YouTube and Facebook pages—is not one of the experts—academic, political, government—agreed that a carbon price, like a tax, would reduce the use of carbon emissions. Not one.

In fact, quite the contrary. The only country that—the country that has, by far and away, the highest carbon tax, Norway, has seen no reduction in the—in GHGs or the use of fuel, and that's because people will buy gas and fuel their homes before they buy food. And we saw this when oil prices exceeded \$100. Fuel consumption didn't go down.

So what we have is a tax that does not reduce greenhouse gasses, and if the minister is going to spend his full time talking rather than answering rapid-fire questions, which is, apparently, what we're doing here, he can explain the—if—what evidence the government has, correlation between a carbon tax and reduction in greenhouse gasses.

It doesn't exist. There is no evidence and, in fact, the leaders in the world, like Germany, say there is no connection.

Moreover, in regard to the federal plant, what the minister didn't say is if the federal government wants to introduce a tax all the revenue that they collect from that province will be paid back to that province. But it is a tax—nothing more. It's a tax, which, of course, affects all—all Manitobans.

But's what's more than that, and this is my specific question to the minister: The carbon tax, say it's five cents a litre, that is then taxed by the GST, so a tax on a tax.

Can the minister tell us: Are there any examples where the carbon tax will be applied and the provincial sales tax be applied and the GST?

So are there situations where, in fact, we're talking about a tax implemented by this government, and then a tax on top of it, and a tax? We'll call it a 3T—a 3T tax.

Mr. Chairperson: The honourable member's time is up.

Mr. Friesen: I think I found some semblance of a question there, so I'm happy to answer to the member.

I now understand what he meant. The member's previous statement went to—he was saying about revenue versus usage, and now I think I understand what he meant when he was talking about revenue versus usage. I think he was—the member was trying to get at the extent to which we would satisfy our claim to Manitobans that we would be fully refunding the carbon tax to them.

So, if by usage he meant the way we were returning revenues to citizens through tax relief, I will speak to that.

So the member, I believe his concern, then, would be that somehow that we will fail to keep our word because we won't give all of the carbon tax revenues back to Manitobans. No; we will. As a matter of fact, we will. It's why we stated very clearly, and the Free Press got this wrong on the weekend, too. It's very easy to take cheap shots and to say well, look, in the first year you won't give it all back because we understand that you can't bring tax relief through the federal Income Tax Act until the income year 2019.

Of course you can't. There's a notice period to the federal government for CRA. We must advise them of any changes we're making to the tax act. Notice period requires months and months in

advance. So then people say, see, you're not really giving it back to Manitobans.

Well, it's a bit of a difficult argument to make because, of course, what we said is, well, we're fully aware of that, and that's why we said within a period of time, fully back to Manitobans within the first X number of years is what we said.

So by 2020 the equivalent of the carbon tax will have been fully recycled to Manitobans back in their pockets. So what we should be talking about, of course, are the very, very robust, the historic tax cuts that this government is making in households. And it doesn't matter if you are a senior living on a fixed income, or a university student coming back to work for four or five months in the summer months. It doesn't matter if you're a young couple just starting out with a mortgage and maybe a couple of kids, or if you're just new in your career or if you're winding up that career, the beauty of a basic personal amount is, and it's important for us to understand, it is that amount you can earn before government taxation kicks in. And that member knows that in Manitoba we're the laggards in this country. Didn't even index it. That means didn't even allow it to adjust by increment each and every year to reflect the growth of the economy. We have changed that. We indexed the tax brackets; we indexed the basic personal amount.

* (16:20)

And now to the member's question we have brought the most significant basic personal exemption one-time change: \$1,010 and \$1,010. That means an increase of \$2,020 by 2020. You got to like that. There's a certain symmetry in that; \$2,020 by 2020. It takes us from almost the bottom of the barrel to, I believe, overtaking four other jurisdictions. I would call us the most improved in Canada on basic personal amount, but here's where I get really excited. I get really excited about tax reform and talking to my tax experts, and I didn't think I was able to, in the past, get excited about terms like stochastic variance, but now I get really excited by that. And so, when it comes to the basic personal amount, it's actually a better mechanism to address earnings in low-income households.

We looked at a variety of measures, and that member will know because I know he reads the evidence. He knows the tax system. He knows the Canadian one and he knows the Manitoba one, and he knows the inequities that we have across the board, both the brackets and the nominal taxation

rates of those levels, but here's the beautiful thing. Raise the basic personal amount, you help everyone, but you help disproportionately those for whom things like milk and a new pair of pants and paying the hydro bills accounts for a greater amount of their income, and I'm no stranger to families who face those kinds of challenges. I'm thankful the opportunities that I've had. We've been there; we know many families who are there now. It will make a difference. We should all understand as legislators this will make a difference.

Mr. Fletcher: So the question about the carbon tax being taxed additionally to the PST and the GST was not answered. So I guess because this will be my last opportunity to speak we'll have to assume that in fact there will be a tax on a tax on a tax on at least some items. I'm not asking—I'm not saying that's bad or good, I'm just asking if it's true.

In regard to what happened today with the Manitoba Hydro board, I want to say for the record that Sandy Riley, who is a great Manitoban, and his co-board members did the only thing that they could do under the circumstances, and those circumstances may be for another day, but the—this will have a profound effect on the provincial finances, and I urge the government to reflect on actions of the past that—they inherited a nightmare, absolutely a nightmare. But how you deal with that nightmare is how people will be judged, how we will be judged. It's not how you get into a situation; it's how you deal with a bad situation. It's how the character of an individual or government is tested. So please come up with a plan for Hydro that is hopeful.

The question in regard to addictions—I just make the observation that there are many addiction facilities in Manitoba that are underfunded, that are not even close to full capacity. It's a big problem and there was nothing in the budget about that.

Another observation is the mining industry, which is collapsing. It has not—was not at all addressed in the budget, and sadly that will cost directly and indirectly a lot of potential for Manitoba.

Finally, in regard to the expenditures versus revenue, and again, you know, seven years on the federal Treasury Board really teaches you a lot, and I'll just make the observation, and again without necessarily criticizing but in—with a genuine—that the structural deficit needs to be dealt with in Manitoba. I—it's not easy, but it does need to be dealt with, because if we don't get a hold of those expenditures and increase efficiencies it doesn't matter how much

revenue you get. And it's very tough using, you know, I like that term sarcastic variance, that's a good term from the Finance Minister. But the structural deficit needs to be dealt with just as vigorously as revenue.

And finally, in regard to the whole government approach on the budget, there are good things, there's the museum fund, the museum fund I think it's positive. They're increasing the personal tax exemption is essential. We need to become more competitive on the tax side. But when our neighbours to the east and to the west and to the south don't have a carbon tax or won't have a carbon tax, the consensus of the federal government that they somehow can force it that is not going to exist. And in two years the current federal government will not exist but we will end up with the federal—this federal tax and spending.

Mr. Chairperson: The honourable member's time is up.

Mr. Friesen: I thank the member for the questions, and I know that he has a series of questions and I wrote them down. I'll respond to them quickly, each one. I understand he doesn't have unlimited opportunity to let me get at his list.

First of all, a correction to my own statements. If you go to page E3 in the budget under Made-in-Manitoba Climate and Green Plan, I'm sorry, I actually stated the annualized cost. This is to the member of Minto, too, he asked it earlier. The annualized costs for the carbon tax that revenue estimate is \$248 million. I believe earlier we spoke and we had spoken at the time about gas tax, fuel tax is anticipated at \$344 million for '18-19, I had conflated the two.

Second question, the member asked carbon tax is it a tax on a tax on a tax. No, it is not. Carbon tax is a tax on emissions not on the value of a product. So in the budget papers it makes clear that implemented through legislation you have a \$25 carbon tax per tonne of emissions: gas, liquid or solid fuels for combustion, 25 bucks per ton of carbon dioxide equipment and an output-based pricing system for large emitters. So not tax on a tax on a tax.

There actually are specifics, instances in which we were able to better align our system where we realized, oh, you've got one exemption in place over here from the fuel tax, maybe from marked fuels. Now what are you going to do for instance like

municipalities who maybe have a marked-fuel exemption from driving graters and snow plows, but then all of a sudden the carbon tax would apply. I understand the member's point, that would be administratively complex and be difficult to administer. We've waived that. We are letting municipalities know that is a good-news story for them.

So we'll be happy to let them know not just for municipalities but for other sectors where you could've ended up with a kind of a double jeopardy, but not a tax on a tax on a tax, output-based, it is a tax on emissions not tax on the value of a product.

The member made comments about the Hydro board. We thank the Hydro board for their service. We really do. It's not my favourite day to wake up and see that press release from Mr. Riley. Mr. Riley is a prominent Manitoban. He has had successes in business. We thank him for his service. Ideologically we are opposed on a number of issues but I have no quarrel with any particular member on that group. I know them personally, many of them, and I thank them for the service.

* (16:30)

We'll be working quickly to recompose that board, but we will stand up for Manitobans. This is about the public interest, and we have the public interest in mind. Manitoba Hydro saw the challenge; it was an enormous challenge they were facing.

I would want to make clear for everyone: This is not a dispute about the sustainability of Hydro. It's a much more localized dispute than that. The Premier (Mr. Pallister) made comments in the hall about certain payments that the Hydro was wanting to authorize that we said: Clearly, you are managing; you must manage. But there must be alignment, because we must lead. That's the better conversation that we invite through our Crown corporations accountability act, so we'll continue that conversation. Appreciate the member's questions, and we—he and I have no dispute on the value of those individuals in Manitoba.

When it comes to the mining industry, I noticed that our Premier—no, our Minister for Growth, Enterprise, Trade was recently in Toronto. He came back, and he was very, very pleased with the reception that Manitoba is getting now. What—while we sensed that northern communities and the mining sector have wanted are consistent signals. They want a landscape. They want hope, as all of us do. And

they were very, very positive towards this minister, saying things like Manitoba, the untapped jewel, but it would take a framework for them to get there. This minister, the 'premier'—previous minister on that file, those hard-working Manitobans who are working on developing these protocols for mining, for northern communities, this is the heavy work that we're doing to open up these opportunities, solutions by northerners for northerners.

Structural costs in government—could not agree more with you. And that's the reason we brought amendments to the balanced budget legislation. If there's a lesson that I've learned as a relatively newly minted Finance Minister, it's this: You can plan your way, but there are one-time reductions you can make. We wanted government to not fail to seize an opportunity to move more quickly to balance if the opportunity presented itself.

Mr. Chairperson: I guess—any further questions?

Is the committee ready for the question?

The question is—the question for the committee:

RESOLVED that the sum not exceeding \$4,901,682,000 being 35 per cent of the total amount to be voted as set for—RESOLVED that the sum not exceeding \$4,000,000—\$4,901,682,000 being 35 per cent of the total amount to be voted as set forth in part A, Operating Expenditures, of the Estimates, be granted to Her Majesty for the fiscal year ending the 31st day of March 2019.

Shall the resolution be adopted? Agreed?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Chairperson: Did I hear a no?

Voice Vote

Mr. Chairperson: All those in favour of the resolution, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed of the resolution, please say nay.

Some Honourable Members: Nay.

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

Mr. Chairperson: The resolution is accordingly passed.

And the next one of Interim of Supply is the resolution,

RESOLVED that the sum not exceeding \$494,532,000 being 75 per cent of the total amount to be voted as set out in part B, Capital Investments, of the Estimates, be granted to Her Majesty for the fiscal year ending the 31st day of March 2019.

Shall the resolution pass?

Some Honourable Members: Pass.

Mr. Chairperson: Did I hear—

Voice Vote

Mr. Chairperson: All those in favour of the resolution, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

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

* * *

Mr. Chairperson: Resolution 2 has accordingly been passed.

The committee is—committee rise.

Call in the Speaker.

IN SESSION

Committee Report

Mr. Doyle Pivniuk (Chairperson): Madam Speaker, the Committee of Supply has considered the—adopt the two resolutions respecting the interim of Supply.

I move, seconded by the honourable member for Thompson (Mr. Bindle), that the report of the committee be received.

Motion agreed to.

Hon. Cameron Friesen (Minister of Finance): Madam Speaker, I move, seconded by the Minister of Justice (Mrs. Stefanson), that there be granted to Her Majesty, on account of certain expenditures of the public service for the fiscal year ending March 31, 2019, out of the Consolidated Fund, the sums of \$4,901,682,000, being 35 per cent of the

total amount to be voted as set out in part A, Operating Expenditure, and \$494,532,000, being 75 per cent of the total amount to be voted as set out in part B, Capital Investment, of the Estimates laid before the House at the present session of the Legislature.

Madam Speaker: It has been moved by the honourable Minister of Finance, seconded by the honourable Minister of Justice, that there be granted to Her Majesty, on account of certain expenditures of the public service for the fiscal year ending March 31st, 2019, out of the Consolidated Fund, sums not exceeding \$4,901,682,000, being approximately 35 per cent of the total amount to be voted as set out in part A, Operating Expenditure, and \$494,532,000, being approximately 75 per cent of the total amount to be voted as set out in part B, Capital Investment, of the Estimates laid before the House at the present session of the Legislature.

Is it the pleasure of the House to adopt the motion? Agreed?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Madam Speaker: I hear a no.

Voice Vote

Madam Speaker: All those in favour of the motion, please say aye.

Some Honourable Members: Aye.

Madam Speaker: All those opposed to the motion, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Ayes have it.

Recorded Vote

Ms. Nahanni Fontaine (Official Opposition House Leader): Madam Speaker, can—a recorded vote, please.

Madam Speaker: A recorded vote having been called, call in the members.

Order, please.

The question before the House is the motion moved by the honourable Minister of Finance respecting the Interim Supply bill.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Bindle, Clarke, Cox, Cullen, Curry, Eichler, Ewasko, Fielding, Friesen, Goertzen, Graydon, Guillemard, Helwer, Isleifson, Johnson, Johnston, Lagassé, Lagimodiere, Martin, Mayer, Michaleski, Micklefield, Morley-Lecomte, Nesbitt, Pallister, Pedersen, Pivniuk, Reyes, Schuler, Smith (Southdale), Smook, Squires, Stefanson, Teitsma, Wharton, Wishart, Wowchuk, Yakimoski.

Nays

Allum, Altemeyer, Fontaine, Gerrard, Lamoureux, Lathlin, Lindsey, Maloway, Marcelino (Logan), Marcelino (Tyndall Park), Smith (Point Douglas), Swan, Wiebe.

Clerk (Ms. Patricia Chaychuk): Yeas 38, Nays 13.

Madam Speaker: I declare the motion carried.

* * *

Madam Speaker: And the hour being past 5 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, March 21, 2018

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