

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

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

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

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 25, 2014

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

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

### ROUTINE PROCEEDINGS

**Mr. Speaker:** Introduction of bills?

### PETITIONS

**Mr. Speaker:** We'll move on to petitions.

#### Beausejour District Hospital— Weekend and Holiday Physician Availability

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

And these are the reasons for this petition:

(1) The Beausejour District Hospital is a 30-bed, acute-care facility that serves the communities of Beausejour and Brokenhead.

(2) The hospital and the primary-care centre have had no doctor available on weekends and holidays for many months, jeopardizing the health and livelihoods of those in the Interlake-Eastern Regional Health Authority region.

(3) During the 2011 election, the provincial government promised to provide every Manitoban with access to a family doctor by 2015.

(4) This promise is far from being realized, and Manitobans are witnessing many emergency rooms limiting services or closing temporarily, with the majority of these reductions taking place in rural Manitoba.

(5) According to the Health Council of Canada, only 25 per cent of doctors in Manitoba reported that their patients had access to care on evenings and weekends.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government and the Minister of Health to ensure that the Beausejour District Hospital and primary-care centre have a primary-care physician available on weekends and

holidays to better provide area residents with this essential service.

This petition is signed by T. Marciwko, M. Marciwko, D. Hellett and many, many more fine Manitobans, Mr. Speaker.

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

Further petitions?

#### Hydro Capital Development—NFAT Review

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

These are the reasons for this petition:

Manitoba Hydro was mandated by the provincial government to commence a \$21-billion capital development plan to service uncertain electricity export markets.

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

And this petition is signed by T. Schindel, C. Pitura, Y. Lapointe and many more fine Manitobans.

**Mr. Speaker:** Any further petitions? Seeing none, we'll move on to committee reports?

## TABLING OF REPORTS

**Hon. Erin Selby (Minister of Health):** Mr. Speaker, I'm pleased to table the 2014-2015 Departmental Expenditure Estimates for Manitoba Health, Healthy Living and Seniors.

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

## ORAL QUESTIONS

**Mr. Speaker:** There are no guests at the present time to introduce, so we'll proceed directly to oral questions.

### Statistics Canada Census Statistics Federal Transfer Payments

**Mr. Brian Pallister (Leader of the Official Opposition):** Well, as we've listened to this NDP government's tired refrain about needing more money from Ottawa and its story about missing Manitobans, it raises a powerful sense of déjà vu. It's eerily familiar.

Which other government across this great country would embarrass itself and complain and question the integrity of an internationally renowned statistical agency and pursue a beggar-thy-neighbour approach to governing? And the answer is—which other government?—the NDP government, the NDP in 2002.

Actually, they said in March 13th, 2002, they said StatsCan got it wrong. They said the final census tally missed 19,000 people that time, Mr. Speaker. And then he went further and said, an accurate count is important to maximize federal transfers. Who said that? The Finance minister of the day, the Premier today.

So is the reason that this government is so good at waving that tin cup around and begging for more money that they've been doing it for 14 years?

**Hon. Greg Selinger (Premier):** Mr. Speaker, when our Chief Statistician raises an issue about a statistical procedure that deletes 18,000 people from Manitoba and that's going to cost us a hundred million dollars a year and a half a billion dollars over the next five years, we take that matter seriously.

We take that matter seriously because we think those 18,000 people who we know are in Manitoba deserve services. They deserve access to health care, education, social services, labour market supports. Those services are important to those Manitobans.

We want them to be treated equitably like everybody else across this great country.

**Mr. Pallister:** This isn't a new story; it's a sequel. It's Tin Cup, part 2. The NDP needs more money to spend. It's Ottawa's fault. StatsCan can't count.

Why not come up with a new line? Even panhandlers change their signs once in a while, Mr. Speaker. This is the same story this government tried on the people of Manitoba and of Canada in 2002.

Now, still, 18,000 people missing, Mr. Speaker. Isn't it time for this government take this problem seriously? Start organizing a search party. Find these people.

**Mr. Selinger:** Mr. Speaker, it's never a surprise when the Leader of the Opposition won't stand up for Manitobans. Whenever there's an issue, he always sides—he always sides—with his federal counterparts; whether it's Stats Canada, whether it's the federal government, he always stands with Ottawa.

Mr. Speaker, we stand with Manitobans. Those 18,000 Manitobans, they deserve the same treatment as everybody else across this country.

Only the Leader of the Opposition would abandon supporting Manitobans on getting their share of proper services in this province of Manitoba.

**Mr. Pallister:** What we'll do is we'll stand with hard-working Manitobans who don't believe in governments begging for them.

It's the same tired government, which has the same tired lines. This is the same worn-out blame placing and even the same number of missing people. This government lacks originality in its tin-cup approach.

Maybe these people aren't missing at all. Maybe these great people decided to go to another jurisdiction that's better governed than this one. Maybe they decided that they wanted a better future somewhere away from this NDP government and its tired approach to begging.

The reality is that this Premier is confusing banging a tin cup with real leadership. Won't he admit that today?

**Mr. Selinger:** Mr. Speaker, when it comes to the band constable program being cancelled by the federal government, Leader of the Opposition is completely silent.

When it comes to 18,000 Manitobans being deleted from the StatsCan count in Manitoba, the Leader of the Opposition, he stands up for Stats Canada, he doesn't stand up for Manitobans.

When it comes to a drug treatment program being cancelled in Manitoba, Leader of the Opposition is completely absent, missing in action.

When it comes to cancelling programs for the homeless, the project Chez Soi program, Leader of the Opposition nowhere to be found.

On every single issue where Manitobans are—risks or needs are at stake, when their services are at stake, the Leader of the Opposition squarely still living in Ottawa. It's time he came home and stood up for Manitobans.

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

#### **Canada-Manitoba Immigration Agreement Resolution Civil Service Involvement**

**Mr. Brian Pallister (Leader of the Official Opposition):** I'm home. I'm with these folks. We're standing up for Manitobans, Mr. Speaker. This is a government that takes us to court so they can raise taxes illegally and take away the right of Manitobans to vote. That's a funny way to stand up for the rights of Manitobans.

\* (13:40)

How about the member for Riel (Ms. Melnick)? The auditor—he didn't stand up for the member for Riel either. The Auditor General remarked that ethics is a serious concern. But how about the rot in this government? Is that what's causing the ethics concern within the civil service? Perhaps it is. Because this Premier found out that there was wrongdoing, he says, in the summer of 2012, and he did nothing about it for 15 months.

Now, the Auditor General says civil servants that she surveyed who see wrongdoing, two thirds of them would be encouraged to repeat that wrongdoing if there were no consequences for the wrongdoing.

Why were there no consequences for the wrongdoing for 15 months?

**Hon. Greg Selinger (Premier):** Why are there no consequences for vote rigging 18 years later when the Leader of the Opposition sat at the Cabinet table and decided to try and rig the 2000—the 1995 election, Mr. Speaker? Why are there no

consequences when the Leader of the Opposition sat around the Cabinet table and reversed his position and privatized the telephone system? No consequences for that, maybe only benefits to the Leader of the Opposition. Who knows?

The reality is this. When it comes to consequences, we now have a whistle-blower legislation in this province, never existed when members opposite were in government. We now have ethical guidelines for public servants in Manitoba, never existed when the members opposite were in government, Mr. Speaker.

And I believe and I know that our public servants act with integrity. Overwhelmingly, they come to work every single day—every single day—to work hard for Manitobans to make sure Manitobans get services.

Mr. Speaker, only the member opposite has no trust and no confidence in the public service of Manitoba.

**Mr. Pallister:** I have no trust in that Premier and his colleagues, Mr. Speaker, that's pretty clear.

He'll trumpet his love for the civil service, but he hides behind civil servants when he can place blame on them instead of accepting responsibility for his own actions. I asked him last week in Estimates if the clerk of the Executive Council, the senior civil servant of the Province of Manitoba, had become aware or had investigated the allegation that a senior civil servant was engaged in a partisan activity, and the Premier of Manitoba claimed that the clerk found out when he did.

Now, that means that the rot has permeated the senior levels of the civil service, Mr. Speaker. And this former clerk of the Executive Council didn't care enough to stand up for the ethical conduct of his own senior people? I find that hard to believe. Why should civil servants feel that the example that's being set by this government is anything but a bad example is beyond me.

I want to ask the Premier how he feels that ignore—how he feels about setting an example that ignores the ethical problems at the senior—most senior level of his own government. How does he feel about that?

**Mr. Selinger:** Mr. Speaker, when the leader opposite was in government, the chair—the senior public official for Treasury Board was involved in a vote rigging. The Leader of the Opposition, what did he

do at that time? Absolutely nothing. What has he done since? Absolutely nothing. What has he done today? Absolutely nothing. Has he ever taken responsibility for it? Never would he do that. Never takes responsibility, never apologizes, never even acknowledges that it was a problem.

We now have whistle-blowing legislation in Manitoba that protects people in terms of anonymity, protects people in terms of reprisals, gives them recourse. If they're not satisfied with the concern that they raise within their department, they have the right to go directly to the Ombudsman.

Some of the best legislation in the country, members opposite opposed it every step of the way.

**Mr. Pallister:** That premier in the '90s recognized the problem when he saw it and called an official inquiry. This Premier hid in his office for a year and a half, hid in his office and ignored the problem for a year plus.

Half the civil servants the Auditor General surveyed, Mr. Speaker, said that they would not report wrongdoing if they saw it because they'd be afraid of retaliation. Now, the member for Riel (Ms. Melnick) remembered nothing for a few months, but, boy, when she remembered that the Premier's office was involved, then she had retaliation, only then. Now, that's the example that the Premier wants to set.

Is he surprised at these numbers, or does he think these numbers should probably be higher?

**Mr. Selinger:** Mr. Speaker, when we came into office, there was no ethical guidelines for public service after 11 years. They had 11 years to do something about it.

When we came into office, we had an Auditor General's report where a senior public servant was involved in land transactions with the members of his family in the department of what at the time was Conservation. We had to clean that problem up.

And then when we did, we brought in legislation for whistle-blowing in the province of Manitoba, some of the best legislation in the country. And our commitment to the public services is to give them the opportunity to make sure they can build their public services in Manitoba, excellent public services in Manitoba. And if they see any issues that need to be addressed, they have the ability to raise that anonymously without fear of reprisal either directly

through their departments with their immediate supervisors or by going directly to the Ombudsman.

Some of the best legislation in the country, and I only wish that members opposite hadn't done everything they could do to obstruct that legislation.

### **STARS Helicopter Service Contract Tendering Process**

**Mrs. Heather Stefanson (Tuxedo):** Well, they may have a code, Mr. Speaker, but they sure don't have any ethics.

The Minister for Jobs and the Economy is guilty of breaking the law again. She entered into an untendered contract for \$159 million with STARS to provide helicopter emergency medical services two years ago when she was Minister of Health. The minister deliberately circumvented the process and broke the rules of The Government Purchases Act, the General Manual of Administration and the government's Procurement Administration Manual. In short, she broke the law.

When asked about this untendered contract two years ago in Estimates, she replied, and I quote, "it wasn't a difficult decision for me."

So it wasn't a difficult decision for her to break the law of this province?

**Hon. Theresa Oswald (Minister of Jobs and the Economy):** I thank the member for the question.

I do want to reiterate what the Minister of Health (Ms. Selby) has said and what I have said in the past, that at the time that we were making a decision about going forward with a helicopter ambulance, we had the opportunity to offer uninterrupted service on the heels of the flood.

There are provisions in the procurement policy to act in the public interest in times where public safety can be compromised. We used those provisions, Mr. Speaker. We knew that it was something that we would have to invest in heavily but work over time to drive down the cost.

We chose saving the lives of Manitoba families, and they would never commit to that.

**Mrs. Stefanson:** She chose to break the law.

The Minister for Jobs and the Economy likes to play fast and loose with the laws of our province. She was guilty of breaking The Elections Finances Act when she toured a health facility during the last election.

Now we have learned from the AG's report that she is guilty of breaking The Government Purchases Act by deliberately circumventing the law for tendering the \$159-million STARS contract.

Clearly, this minister either doesn't understand the law or she simply doesn't care about it. Which is it?

**Ms. Oswald:** The Auditor General has made very important recommendations on the issue of procurement and tendering. Mr. Speaker, we take those recommendations very seriously, and we'll work forward issues that pertain to my current department, issues that pertain to the Health Department and across government.

They're important recommendations, and we're going to continue to move forward to ensure that we have tendering processes at—in the highest possible regard.

I would just suggest to the member opposite that it's a little bit ironic that she would stand and talk about ethics while she's surrounded by people that rigged an election.

**Mrs. Stefanson:** Not only is this minister guilty of breaking The Elections Finances Act, of breaking The Government Purchases Act, of breaking the rules set out in the General Manual of Administration and Procurement Administration Manual, but she has also been found guilty of breaking the finance administration act by not reporting the untendered STARS contract to the Minister of Finance.

The AG's report says, and I quote, "the Minister of Health was responsible for providing the contract information to the Minister of Finance," end quote. But according to the Department of Health, that never happened. So, once again, the minister broke the law.

Why is it so difficult for this minister to simply follow the law? Or is it, as she says, it's not a difficult decision for her to make at all because it's become rather customary for her to break the law?

**Ms. Oswald:** Any time that the member opposite wants to get up and have a conversation about who cares about saving lives in Manitoba and who doesn't, I'd be happy to do that.

When faced with the opportunity to continue uninterrupted service from STARS that had 25 years of exemplary service, there are provisions in the

procurement protocol to, when it's in the public interest, to enter and to win a contract. We did that.

When offered the opportunity to fund oral cancer drugs, we took that opportunity. The members opposite declined. And when the members opposite were asked to save the lives of cancer patients when they were in office by sending them to the States in order to get that life-saving service, they denied it because they said it was not pragmatic.

I will stand proudly on my—

\* (13:50)

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

### **STARS Helicopter Service Feasibility Study Report**

**Mrs. Myrna Driedger (Charleswood):** Those are rich comments coming from a minister of Health that ignored a man in an emergency for 34 hours while he died, Brian Sinclair.

Mr. Speaker, from taxicab medicine to a scathing auditor's report by this NDP and their gross mismanagement, this Minister of Health today doesn't seem to get it.

A 2009 feasibility study recommended the government develop a detailed plan for a provincial helicopter program. That 2009 study said that 35 to 50 lives could be saved annually. The auditor said that that report was never implemented, that it was shelved.

I'd like to ask the Minister of Health to tell us why her government didn't act immediately on that 2009 report if they were so concerned about patient safety.

**Hon. Erin Selby (Minister of Health):** Our focus is always on providing the best patient care. We know that's what matters for Manitoba families as well.

We saw that when STARS came in in 2009 and 2011 providing help to us during the floods, they did an excellent service, Mr. Speaker, and we made a decision to maintain this life-saving service. We knew they were the only helicopter ambulance service that could provide this at the time, and we know that during the time when we started working with STARS to the time that the contract was signed, they served over a hundred patients.

Mr. Speaker, I would wonder, though, when they were getting advice from Connie Curran to fire a thousand nurses, did they tender that contract?

**Mrs. Driedger:** The Minister of Health needs to find some new communicators, but those lines are not working.

Mr. Speaker, that report also indicated that, besides saving lives, the helicopter EMS program envisioned at that time would have only cost \$5 million a year, not \$12 million. So the NDP shelved that report and waited three more years for a more expensive option to come along.

So I'd like to ask the Minister of Health to tell us: How many more long-term-care beds could have been built if they had acted sooner and shopped smarter?

**Ms. Selby:** Well, first of all, I can tell you we are building long-term-care beds. We didn't put a freeze on health-care spending. Second, Mr. Speaker, I didn't quite hear whether or not Connie Curran's contract had been tendered. Maybe that's something the member should look into.

Mr. Speaker, in June 2011, we announced that it was our intention to enter a long-term contract with STARS. During the 2011 election, they promised to follow through on that commitment.

Let me be very clear. The only commitment to follow through on with regards to air ambulance was our commitment with STARS for a long-term contract. They fully endorsed our support then. They fully endorsed our approach right down to the red helicopter on their campaign literature.

**Mrs. Driedger:** The Minister of Health doesn't seem to understand that the auditor's report that was put forward was scathing. It was absolutely scathing and it pointed to gross mismanagement by this NDP government. She is not taking this seriously.

And, Mr. Speaker, based on some comments in the auditor's report, I would like to ask the Minister of Health today if she will provide to me after question period that 2009 report called Manitoba Emergency Medical Services Rotor Wing Feasibility Project.

Will she provide that to me today?

**Ms. Selby:** As I said, our focus is always on providing the best patient care, and when we saw what STARS did during the floods, we thought it was important to continue this life-saving contract.

Although, you know, Mr. Speaker, I can tell you that the Conservatives in 1995 signed a \$100-million, five-year master agreement with SmartHealth to form an information network. They were the sole supplier to the Health Department, and, of course, the government was left itself vulnerable because they were billing for unapproved works. Within a couple of years, they had accrued almost \$15 million in unapproved liabilities that went to the provincial government under their watch.

They wasted millions of dollars, Mr. Speaker. They wasted \$15 million on that SmartHealth project. They donated to the Tories, though, I noticed, SmartHealth, in the failed 1990 bid. We cancelled the project when we came in and saved \$3 million.

### **Fortune Minerals Plant Government Relations**

**Mr. Cliff Cullen (Spruce Woods):** Last week I asked the government about their inability to land a hundred jobs—or that's, of course, 500, NDP math—private sector jobs in the mineral resource sector. As always, it was apparently not the NDP's fault that they couldn't bring those jobs to Manitoba.

In fact, the minister even took a shot at the CEO of that company, actually accusing him of lying.

Mr. Speaker, why would a company want to do business in Manitoba with that type of an approach coming from a minister of the Crown?

**Hon. Dave Chomiak (Minister of Mineral Resources):** Mr. Speaker, I think that one of the things that are apparent to anyone that watches question period is the way that members manipulate their questions and leave out little subsections and leave out little things, and that's why we generally ask them to table the information they're stating from.

The member was talking from a newspaper article, and he indicated so many inaccuracies from that newspaper article, because we went back and checked with the department and, in fact, what he stated was inaccurate. And I indicated to the member that that information was inaccurate. It was inaccurate then, and like so much the Conservatives say—they say so many things, so much is inaccurate, that you can't—you have to table everything and read yourself to understand what, in fact, is going on.

**Mr. Cullen:** And, Mr. Speaker, I'm simply quoting the minister's comments in Hansard.

Under this government we've dropped from No. 1 to No. 26 in the mining sector. This government can't land the jobs. We're becoming less competitive and less attractive, so much so that companies like Fortune Minerals are setting up next door in Saskatchewan.

Mr. Speaker, we have a Crown—a minister of the Crown accusing a company CEO of fabricating a story. How low will this government go in their efforts to pass the blame?

**Mr. Chomiak:** Well, you know, Mr. Speaker, I don't want to—I have a habit, with the exception of Tories who are usually inaccurate, I don't like to say anything bad about anybody.

But let me quote what this president of this company had to say about the federal Minister of Environment. Let me quote what the same individual had to say—

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

**Mr. Speaker:** I know honourable members want to hear both the questions and the answers, and I'm having difficulty hearing both. So I'm asking for the co-operation of all honourable members. Please give me the opportunity to hear both the questions and the answers.

The honourable Minister of Mineral Resources, to continue.

**Mr. Chomiak:** Yes, thank you.

In reference to the minister of—the federal Minister of Environment, the same company president said, quote: I like to think the minister's not going to f-bomb the dog on this.

**Mr. Cullen:** Not sure what to say after that.

You know, clearly, this government has reached a new low, Mr. Speaker. We recognize that—we recognize and Manitobans recognize the NDP are loose with the truth and they're never responsible when things go wrong.

A company comes knocking at our door with a hundred jobs, and this government can't close the deal. Not only did the NDP drop the ball on this file, they accused the CEO of lying. This is a disgraceful way to do business.

Does the minister understand the message he is sending to the business community?

**Mr. Chomiak:** One of the significant events that's happened in mining in Manitoba in the last several

years is the establishment of the minister advisory council where all of the companies involved in mining are sitting down with First Nations and the department to work on land issues and First Nation issues. And we've had tremendous support from the companies, Mr. Speaker, who are very supportive of our initiatives.

Unfortunately, members opposite, who can see no good in anything, they are so negative—they are so back in the '90s. They are so retroactive that they will bend information. Unfortunately, they took information from a newspaper article, they stated it was truth.

I just quoted another comment from that same individual talking about the federal minister. I don't think I would quote that individual for a newspaper article. I'd rather talk to them directly and get the facts straight.

\* (14:00)

#### **School Division Funding Elimination of Positions**

**Mr. Wayne Ewasko (Lac du Bonnet):** Mr. Speaker, it seems that they need a new literacy program over in the NDP caucus bench.

Manitoba's education system ranks near the bottom in the PISA scores, including near the bottom in math scores. The new minister fired 11 teachers, but if you borrow the NDP jobs calculator, that actually works out to 55 teachers. The minister wants all the glory for everything that goes right, but they are nowhere to be found when it comes time to lay the blame.

Mr. Speaker, why does this minister believe he knows more about budgets than 19 school divisions?

**Hon. James Allum (Minister of Education and Advanced Learning):** I'll remind the member that for the 15th consecutive year we have increased funding to schools year over year over year, 24 more million dollars this year. Our investments mean that we're building more schools. We're hiring more teachers. We're improving communication with parents. We're making class sizes smaller.

And on each of those things, Mr. Speaker, the member has voted against it.

**Mr. Ewasko:** Again, Mr. Speaker, this new minister can't have it both ways. On one hand, he wants all the credit for hiring teachers; on the other, he wants

to throw blame at anyone else when something goes wrong.

Now, the new minister is going and firing teachers again. The bar set in the Education portfolio by his predecessor was pretty low, and the new Minister of Education seems to be having a hard time clearing it.

Mr. Speaker, why does this minister believe he knows better than 19 superintendents? How many more teachers is this minister going to fire before his days are done?

**Mr. Allum:** Mr. Speaker, let's set the record straight. Only one party in this House cuts the Education budget, and they're across the floor. Only one party in this House fires teachers, and that was 700 in the 1990s.

On this side of the House we invest in schools, we hire teachers, we make class sizes smaller, we build gyms, we build science labs. On that side of the House, when that Leader of the Opposition was at the Cabinet table, they cut and they cut and they cut.

The biggest threat to education in this province is the Leader of the Opposition and his critic.

**Mr. Ewasko:** Mr. Speaker, Manitobans are not buying this rhetoric spin and blame from this new Minister of Education. There's only one taxpayer, and they are tired of this new minister and his broken calculator.

This year 18 out of 37 school divisions received no funding increase from this government. This is the smallest funding increase in five years after this government imposed the biggest tax increase to Manitobans in a quarter century.

Why does this new Minister of Education believe he knows better than 150 hard-working trustees, and why is this minister firing teachers?

**Mr. Allum:** Mr. Speaker, the only thing that I know is I know better than the critic from across the floor when it comes to education, because that party has absolutely no credibility when it comes to the Education portfolio.

Twenty-four more million dollars in education this year, \$470 million since we were first elected, a billion dollars in capital investments in our province. From 1993 to 1998, when the Leader of the Opposition was at the Cabinet table, there was cuts, freezes, cuts, freezes, cuts.

Mr. Speaker, I said it before and I said it again, the Leader of the Opposition wants to rip the heart out of the educational system in this province, and we will never, ever let that happen.

### **Transitional Housing Program Drug Treatment Court**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, CBC has been reporting that the transitional housing program, which is an essential part of the Drug Treatment Court, formally ends in six days. The success of the Drug Treatment Court goes well beyond these individuals; it benefits all of society.

The Minister of Justice (Mr. Swan) said last year he wants to expand the Drug Treatment Court, it's so good, to western and northern Manitoba. But today the future of the transitional housing program, part—an essential part of the Drug Treatment Court, may be in question.

Can the Premier tell the Legislature today: Why was the transitional housing program terminated when the evidence to date would suggest it's an essential part of the Drug Treatment Court program?

**Hon. Greg Selinger (Premier):** Mr. Speaker, I think the member for River Heights knows full well that the cut in funding to—for the transitional housing was perpetrated on that organization by the federal government. That was a cut that they made in that program.

All the evidence suggests, as the member has indicated, that the number of people going through that program, that has reduced recidivism; the number of people returning to the justice system has gone down. It's a very cost-effective program. It's a worthy program.

It's unfortunate the federal government has cut it, but it's not the first cut that they've made in the justice system. They've also cancelling the band council program. They also cancelled the program for youth in the friendship centres across the province of Manitoba. So we've seen some very dramatic reductions in funding which keeps people usefully occupied in the community getting training, getting education, getting opportunities to work.

Those cuts only hurt Manitobans. They hurt Manitoba families. They hurt Manitoba youth, and it's unfortunate that the Leader of the Opposition and the opposition party won't stand up for Manitoba once again on this issue.

**Mr. Gerrard:** Mr. Speaker, fickle federal Conservative funding, though a disturbing reality of life today, does not provide an excuse for the NDP for failing to protect this or any other essential and effective provincial program.

It has been reported that only 14 per cent of those in the Drug Treatment Court program will reoffend, in contrast to far, far higher rates of reoffending otherwise.

Why did the Premier fail in his responsibility to stand up to the federal government to ensure the transitional housing program so essential to the work of the drug court was continued?

**Mr. Selinger:** Mr. Speaker, as the member knows, as a former member of the federal government, a former Cabinet minister, that the cuts were made at the federal level.

At our level, we've expanded the number of beds available for people seeking addictions. Many of those people are people that have come out of the justice system. We've expanded the amount of housing for the homeless in Manitoba, even though the federal government's pulling out of the project Chez Soi or the project At Home, a federal program for homelessness.

Mr. Speaker, federal government's ending the program for band constables. Federal government is underfunding legal aid. The opposition seems to support all of those cuts. The Leader of the Opposition still thinks he's living in Ottawa. He should be in Manitoba standing up for Manitobans.

We will work with that organization to ensure that there's some way to continue to support people with respect to drug treatment. The Drug Treatment Court was an initiative we brought in in Manitoba. It's working very well and we will continue to support the Drug Treatment Court in the province of Manitoba.

**Mr. Gerrard:** Mr. Speaker, it is a sign of really bad management, awful management, when a good program is faced with uncertainty about its future, as this program has been and is facing. For a program like this dealing with addictions issues, uncertainty in their difficult world already is very problematic.

Manitobans are wondering why it is that this NDP can't do such a simple thing as decide this is a good provincial program and ensure it has stable, ongoing funding.

How could the government have failed to stand up to the federal government and so badly manage the funding to ensure stability for this essential program?

**Mr. Selinger:** Mr. Speaker, this—unfortunately, it's coming from a member who was a member of the federal Cabinet that cut all the resources for family services, social services, legal aid, health care, post-secondary education, made that cut in 1995-96 when he was in Cabinet, 39 per cent cut to those services, not only in the province of Manitoba but across every province in the federation.

At the same time as that's happening, at the same time as the opposition—

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

#### Point of Order

**Mr. Gerrard:** A point of order. The Premier (Mr. Selinger) is so far from the facts that it is important to make some sort of correction here.

The fact of the matter is that the Premier is grossly over exaggerating the changes in budgeting, and, in fact, most years in the 1990s transfers from the federal government to the province actually went up. He should be ashamed of himself on trying to do this.

**Mr. Speaker:** The honourable Government House Leader, on the same point of order.

\*(14:10)

**Hon. Andrew Swan (Government House Leader):** Same point of order.

I understand the member's question. He's talking about federal funding cuts to programs in the province of Manitoba, and I heard the Premier very clearly speaking about the history of federal cuts to programming in Manitoba, and, indeed, the member for River Heights (Mr. Gerrard) was a federal Cabinet minister at the time some of those cuts were perpetrated on the people of Manitoba.

So it is a dispute on the facts, but the facts do speak for themselves.

**Mr. Speaker:** The honourable member for Steinbach, on the same point of order.

**Mr. Kelvin Goertzen (Official Opposition House Leader):** I listened carefully to the comments by the member for River Heights, and I think he's trying to revise history.

Clearly, the federal Liberal government at the time brought forward massive cuts to transfer payments to the province during the 1990s. We were fortunate to have a government of the province that did its best to deal with those terrible cuts, why the opposition NDP sat by and did nothing at the time.

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

On the point of order raised by the honourable member for River Heights (Mr. Gerrard), I did not hear which particular rule, procedure or practice of the Assembly that may have been breached, and so therefore I must respectfully rule that there is no point of order.

And while I'm on my feet, I wanted to indicate to all honourable members that when they're rising on a point of order, please start by citing the—which particular rule you think may have been breached. It would help me in making that decision, and that we're not to use points of orders to debate matters of the House when we can debate those at another point in time.

\* \* \*

**Mr. Speaker:** Now, back to the honourable First Minister, to conclude his comments.

**Mr. Selinger:** Mr. Speaker, I'll let them compete about who's the biggest cutter when it comes to services in Manitoba.

While they're debating that, while they're debating who's the biggest cutter, who has the biggest pair of scissors, we'll continue to invest in Manitobans, invest in the economy, invest in education, invest in family services.

We'll look after the people of Manitoba. They can compete for who should be living in Ottawa.

**Mr. Speaker:** The honourable—order, please. Order, please.

The honourable member for St. James has the floor.

### **Birds Hill Campground Provincial Park Reservations**

**Ms. Deanne Crothers (St. James):** Manitoba's many rivers, lakes and parks are part of what make this province a great place to live, and that's why we make investments that protect our natural habitats for the generations to come.

And many Manitobans make a point of visiting these beautiful parks throughout the summer months.

For some this is an annual tradition, a much-loved family tradition. In fact, I recently had a conversation regarding campsite reservations with a St. James community centre president who is anxious to book a yurt for his family to vacation at, as they do every year.

We announced the opening of campsite reservations for another park season just last week, and I'm hoping the Minister of Conservation and Water Stewardship can tell us more about developments this season and our ongoing commitment to parks in Manitoba.

**Hon. Gord Mackintosh (Minister of Conservation and Water Stewardship):** Well, first I want to thank the member and her constituent for advice in terms of our eagerness to make sure that the reservation system works for Manitobans as best as possible. There's always a huge crush of reservations right at the opening time, so the member was very instrumental in bringing forward some ideas.

But yesterday the park reservation system opened, and this year we opened earlier, at 7 a.m., because some Manitobans were saying that the later time was difficult during the workaday. As well, we coupled the yurts and cabin reservations with reservations for Birds Hill so that we can reduce the volume when the reservations open for all the rest of the parks on April 7th.

But I'm pleased to report to the House that yesterday 5,643 reservations were made, and I can just remind people—

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

### **MASC Office Status Government Intent**

**Mr. Shannon Martin (Morris):** Mr. Speaker, I'm learning that articulation is not a strong suit of the Minister of Agriculture. For all his flip-flopping on the issue of closing the Manitoba Agricultural Services Corporation office in the town of Morris, he is better suited for the ministry of fishery.

The minister spoke of due diligence, about informing the clients of the closure of this office.

When will he start informing farmers that the office is closing, or are they just to figure it out when they arrive there and the sign says closed?

**Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Development):** Let me just refresh

the member's opposite commentary that was said in the Winnipeg Free Press going back in September 24, 2005. The new MLA of Morris believes the government should not provide financial support to grow Manitoba businesses.

I consider having agricultural offices in appropriate locations is a good way to grow a province of Manitoba. The member opposite chooses that the government should not put money into small communities. I have a different opinion than he does.

**Mr. Martin:** Mr. Speaker—

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

**Mr. Speaker:** Order, please. The honourable member for Morris has the floor.

**Mr. Martin:** Mr. Speaker, I appreciate the minister using his bottle of Febreze here in the House. It's needed on that side.

The lease at the current location, Mr. Speaker, it expires July 31st. In a space of 3,000-plus square feet, designed specifically for the Department of Agriculture, it'll require significant renovations to accommodate prospective new tenants, if they can be found. Due diligence and common courtesy should also extend to the landlord.

When will this minister advise the landlord that they will not be renewing the lease as of July 31st?

**Mr. Kostyshyn:** No, the office will not be closed in Morris. The GO offices—or MASC office will not be closed.

### **Rural ER Closures Spring Break Hours**

**Mr. Wayne Ewasko (Lac du Bonnet):** It took four days, Mr. Speaker, to finally get some sort of answer.

Mr. Speaker, the Lac du Bonnet constituency is a beautiful area of the province and such its population triples, if not quadruples, during the summer months.

Given that Beausejour's, Powerview-Pine Falls' and Pinawa's ERs have been closed for many days, Mr. Speaker, are we to expect that all of these ERs will be closed during the spring break?

**Hon. Erin Selby (Minister of Health):** I can tell the member that we've never taken funding away from rural ERs. We work with rural ERs to recruit more doctors. It's why we have more than 560 more doctors working in Manitoba and more than 120 of them working in rural Manitoba.

Mr. Speaker, the only party in this House that cut funding to rural hospitals and rural PCHs is the \$37 million that the Tories cut when they were in office.

**Mr. Speaker:** Order, please. Time for oral questions has expired.

### **MEMBERS' STATEMENTS**

**Mr. Speaker:** It's time for members' statements.

#### **Prospectors and Developers Association Convention**

**Mr. Clarence Pettersen (Flin Flon):** In early March, I attended the annual Prospectors and Developers Association of Canada convention in Toronto. PDAC hosted over a thousand exhibitors and 25,000 attendees from over 120 countries, making it the largest mining convention in the world.

I'm always optimistic about mining industry in the North, and so are many members of the mining community. This is clear when you look at the strong delegation Manitoba sent to PDAC.

Many members from our mining sector here in Manitoba attended the conference, including representatives from HudBay, Vale, San Gold and many independent geologists and prospectors.

On behalf of the Province of Manitoba, the Minister of Mineral Resources (Mr. Chomiak) and I advocated for the Manitoba advantage. This package boasts the best deal for investment in Manitoba. For example, Manitoba provides the most generous tax credit to residents who invest in mineral exploration companies in all of Canada.

During the convention, it was hard not to share the overall hope and potential for the mining sector in Canada. While it has faced its share of challenges, the mining sector in northern Manitoba remains a top priority for many of us. Many northerners make their livelihood in the mining sector and we are dedicated to keeping and creating those good jobs for years to come.

By the end of the year, the Canadian mining company HudBay Minerals hopes to have three full mines in operation around Flin Flon. Lalor, near Snow Lake, will be the next major underground mine for HudBay, while the company has recently unveiled its new copper mine project, Reed Lake. Finally, HudBay is also continuing to invest in their flagship mine, 777.

Mr. Speaker, Flin Flon is a resilient town. We plan on growing mining in the North to ensure good jobs are always available. There are opportunities for mining in northern Manitoba and we will find them.

Thank you.

### Ukraine

**Mr. Ron Schuler (St. Paul):** When good men and women stay silent, those with evil intentions win.

Two weeks ago, the Manitoba Legislature unanimously passed a resolution to condemn all violence perpetrated against Ukraine. Since then, the world has seen Russia move troops into the Ukraine and the Crimean peninsula seceded to Russia. The people of Ukraine continue to suffer at the hands of violent aggressors.

On March 18th, Prime Minister Stephen Harper announced that Canada imposed economic sanctions and travel bans against Russian officials, and he said, and I quote: Russia's continuing actions are illegitimate and a deliberate violation of the rights and freedoms of the Ukrainian people. President Putin continues to defy the international community, and until a diplomatic solution is reached, we will consider further actions and repercussions. Unquote.

\* (14:20)

On March 19th, I asked the minister responsible for the Manitoba Liquor Control Commission to commit to removing all Russian-produced products from the shelves of MLCC stores until the international crisis in Ukraine is resolved. Manitoba has always had a long-standing history of standing up for our beliefs around the world, and I personally recollect, in the mid-1980s Manitoba was one of the provinces that banned the sale of South African liquor products in support of the anti-apartheid movement. It wasn't complicated matter then and it isn't now.

It is right for us as Manitobans to stand up for those in Ukraine who were injured and died for what this Chamber represents. It is right for us as Manitobans to stand up for those in Ukraine who are missing for what this Chamber represents. It is right for us as Manitobans to withdraw all Russian-produced alcohol from the MLCC until the Russian invasion of Ukraine has been resolved. We, as Manitobans, should take a small stand and maybe just a symbolic stand, but we should take a stand against tyranny.

### Daniel McIntyre/St. Matthews Community Association

**Mr. Rob Altemeyer (Wolseley):** Mr. Speaker, empowering local people to revitalize their own neighbourhood is an important part of building community. That's why I'm proud to work alongside organizations like the Daniel McIntyre/St. Matthews Community Association.

Thanks in large part to a unique funding arrangement with our government's Neighbourhoods Alive! program, the DMSMCA consults with local residents on their priorities, and then provides financial support to help turn those dreams into reality. The result is a safer, healthy and vibrant community.

This grassroots approach to renewal means that each of the dozen communities now funded by Neighbourhoods Alive! can select their own priorities. In DMSMCA, those have included greening initiatives such as community gardens, a composting program, neighbourhood-wide spring clean-up, reducing climate change emissions in a single year by 14 tonnes and helping households recycle their old batteries and cell phones.

They've also got a housing plan, with grants for fixing up the exteriors of local homes, plus bedbug prevention and treatment services. There's a community-building block parties, summer and winter festivals and a free literacy program for families new to Canada.

Just last week, I was very pleased to celebrate the completion of a \$100,000 retrofit of the DMSMCA offices and resource centre. Jointly funded with the federal government, this investment will enable the DMSMCA's valuable programs to evolve and expand for years to come.

Congratulations to DMSMCA Board Chair Sean McManus, Executive Director Kemlin Nembhard and all their staff and volunteers on this important accomplishment.

I'm proud to share the DMSMCA catchment area with my honourable colleague, the Attorney General (Mr. Swan). I'm sure both of our calendars will continue to be filled up with many wonderful events and opportunities to connect with the vibrant community that is the DMSMCA.

Thank you, Mr. Speaker.

### **Polar Bear Dare**

**Mr. Wayne Ewasko (Lac du Bonnet):** Mr. Speaker, on February 22nd, in temperatures of -25° with winds howling and the water freezing, Manitobans lined up to do something that isn't normally associated with winter: jumping in the lake.

For the third year in a row, Lac du Bonnet played host to the Polar Bear Dare, all in support of KidSport; 51 people signed up to raise money and jump in the lake—in the river in support of good cause. Groups even got into the fun by dressing up in character, with one group dressing up as the Spice Girls.

Now, Mr. Speaker, even I got into the fun. I, along with the—Lac du Bonnet's mayor, Greg Short, local RCMP officers and 52 jumpers, plunged into the frigid Winnipeg River. While some jumped in dressed like a polar bear, like the Spice Girls, the Coca-Cola bears or like giant red Solo Cups, I jumped in wearing the official uniform of an MLA, my suit.

Groups from all over the province took part, and it was great to see so many people participate in an event with a truly great cause: helping kids play sports, Mr. Speaker.

KidSport is a charity in this province that provides a vital service to children and families, bringing the joys of sport to families who may not be able to afford it. Children deserve the chance to participate in sports, whether it's hockey, baseball, figure skating or whatever they so choose, Mr. Speaker. Our future Olympians in this province deserve the best chance possible to succeed, and if all it takes is jumping in the river in the middle of February, that's a no-brainer.

Mr. Speaker, I want to take this opportunity to thank the organizers and volunteers of the Polar Bear Dare, KidSport, the residents of Lac du Bonnet for making this event such a success. It may have been a little cold and I may have some serious dry cleaning to get done on my suit, but it's all worth it to see kids participate in the sports they love.

Thank you, Mr. Speaker.

### **Children's Wish Foundation**

**Mr. Ralph Eichler (Lakeside):** Mr. Speaker, it gives me great pleasure today to address the Assembly on a matter of great importance to Manitobans and the constituents that I'm so privileged to represent, that being a charity—more

'pecifically' the 25th annual event of the Children's Wish Foundation South Interlake Chapter Ride for a Child's Wish.

This year's event took place August the 17th at the Peltier farm in Woodlands. The gracious hosts for many years now were Silver and Gary Peltier. The 25th annual ride brought out 156 horses, 11 wagons with passengers, 54 riders, 42 motorcycles and over a thousand people. The day began with trail rides and kids entertainment, followed by an awesome barbecue supper of pork, chicken, beans, buns, fresh corn and a dessert. Kids enjoyed face painting and scavenger hunts while the adults took part in an old-fashioned barn dance and poker derby. Following the wish auction, they finished off the night dancing and partying to the sounds of Leanne Pearson and the Wavelength Sound.

Their goal was to surpass the million-dollar mark this year in the terms of funds raised. To accomplish this goal, virtually all the proceeds must go to the Children's Wish Foundation in donations to help make a child's wish come true. They did it. The South Interlake Chapter has now risen over \$1 million.

Mr. Speaker, for a child whose wish is about to be granted, the pain of illness somehow become more bearable with the success of these events. I had the pleasure of attending the event and I must say it was a most memorable such a day. As such, I would like to ask all honourable members to join me in showing their appreciation for the Peltiers and their dedicated hard-working volunteers in supporting such a worthwhile cause.

Thank you, Mr. Speaker.

**Mr. Speaker:** Grievances?

### **ORDERS OF THE DAY**

*(Continued)*

### **GOVERNMENT BUSINESS**

**Mr. Speaker:** Seeing no grievances, orders of the day, government business.

**Hon. Andrew Swan (Government House Leader):** Could we proceed with the Committee of Supply this afternoon?

**Mr. Speaker:** Now I'll proceed to call—resolve into the Committee of Supply.

Mr. Deputy Speaker, will you please take the Chair.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)  
INFRASTRUCTURE AND  
TRANSPORTATION**

\* (14:40)

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

Prior to resuming with the business before us, I would like to inform the committee that I need to correct the record and will therefore put the question again on resolution 15.2 and 15.3 of the Estimates of the Department of Infrastructure and Transportation.

Resolution 15.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$49,455,000 for Infrastructure and Transportation, Highways and Transportation Programs, for the fiscal year ending March 31st, 2015.

*Resolution agreed to.*

Resolution 15.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$53,901,000 for Infrastructure and Transportation, Government Services Programs, for the fiscal year ending March 31st, 2015.

*Resolution agreed to.*

**HOUSING AND COMMUNITY  
DEVELOPMENT**

**Mr. Chairperson (Mohinder Saran):** Now the section of the Committee of Supply will now resume consideration of the Estimates for the Department of Housing and Community Development.

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

**Hon. Peter Bjornson (Minister of Housing and Community Development):** Mr. Chair, before we go back to questions, I'd just like to point out to my colleague that we have been joined now by Assistant Deputy Minister and Chief Financial Officer Mala Sachdeva. She found out when she was on vacation that we started Estimates, so she came straight back to join us at the Estimates table today.

And I'd also like to point out we did make one error yesterday when we talked about the regional offices, and I put on the record that there were three. There are actually four. And just for clarification, I will put into the record that our head office at 352 Donald has 329 employees; the Winnipeg south

regional office on St. Mary's Rd. has 13; Gilbert Park regional office has seven; Lord Selkirk Park regional office, 10; and the Winnipeg Central Park regional office has five.

I'd also like to share a number of documents with the member who had asked for more information on the corporate compliance and risk management positions and the plan to fill the positions. We also have a list of vacant positions in Manitoba Housing and departmental positions to be filled. I am also providing for the member reclassifications from 2013-2014, as well. And I'm also providing the five-year funding for Neighbourhoods Alive! budget estimate amounts from 2009-10 to 2014-15.

I know the member had also asked for the grants—I'll pass that to the member—and I know that my critic had asked for the grants that had been approved under the Neighbourhoods Alive!, Neighbourhood Renewal Fund and the LIFT program. I can tell the member that between LIFT and the Neighbourhood Renewal Fund, you have 557 grants. So it would take some time to get that list for the member. If she still would like to see that list, we'll be more than happy to provide it.

**Mr. Chairperson:** Member for River Heights—sorry, member for River East.

**Mrs. Bonnie Mitchelson (River East):** Thanks, Mr. Chair, for the correction. And thank you; I—is that 550 sum over the one—five years or six years?

**Mr. Bjornson:** That is over a five-year period.

**Mrs. Mitchelson:** Is that, then, 550 different organizations or 550 different grants, because with some of the grants recur year after year to the same organization?

**Mr. Bjornson:** Mr. Chairperson, 557 grants. And most of them are single individual grants.

**Mrs. Mitchelson:** I—there's no rush for this, but if we could get that information and if it could be—yes, sort of year by year and the grants, and the grant amounts to the—which organizations, that would be appreciated. And I know it will be somewhat time consuming. So I don't anticipate that it'll be really fast, but I would appreciate that information. Thank you.

Also, I'd like, now, to ask about Manitoba Housing units, and how many units do—does Manitoba Housing own today? I believe in the last annual report of 2012-2013 it was 18,000, and I'm just wondering what the number might be today.

**Mr. Bjornson:** Yes, I thank the member for the question.

Referring to page 31 in the Estimates, we—under Manitoba Housing and Renewal Corporation, we provide subsidies to and support to approximately 35,500 units under various housing programs. And we do—*[interjection]*—sorry, page 31. MHRC owns approximately 18,100 units, 14,300 units and 10—of which 14,300 units and 10 crisis shelters are directly managed by the corporation, and the remaining units, as stated, are owned and/or managed by non-profits and co-operatives.

**Mrs. Mitchelson:** Could I just ask the minister to repeat the last two numbers? I got the 14,300 were managed directly by the department. How many are managed by others, and then there was shelters, I believe.

**Mr. Bjornson:** Yes, as stated on page 31, the 18,100 units are approximate, the number of units that MHRC owns; 14,300 units and 10 crisis shelters are managed directly by the corporation. So the remainder, in quick math, would be about 3,800 units that are currently owned and/or managed by non-profit groups and organizations.

**Mrs. Mitchelson:** Can the minister explain the 10 crisis shelters, because I don't recall seeing 10 crisis shelters in other years' Estimates, so—unless I've missed them somewhere. Is this a new number and how many units or beds are in the 10 crisis shelters, and where are they located?

**Mr. Bjornson:** Yes, I thank the member for the question.

The 10 shelters that we're referring to in Estimates is actually—we've actually had these 10 shelters for a number of years and they are for family-violence prevention. So we're reluctant to give out the addresses of those shelters, but I can assure the member that they are located throughout the province, and, for obvious reasons, we don't like to give out the addresses.

**Mrs. Mitchelson:** And I certainly understand this. So we're talking about places like Osborne House? Can the minister indicate how many beds totally would be in those shelters?

**Mr. Bjornson:** We don't have all the numbers available right now, but we could provide that for you. We'll have to do a little bit of homework for that.

**Mrs. Mitchelson:** And have these 10 crisis shelters always been included in the units owned by Manitoba Housing?

**Mr. Bjornson:** Yes, they have.

**Mrs. Mitchelson:** Could I just ask, I know we don't have the exact numbers, but could I just ask whether there's been an increase in the number of shelter beds for family violence programming in the last while, or has it been a stable number?

**Mr. Bjornson:** There are 10 women's shelters, as mentioned, but we also should mention that there is now a shelter for men under the family violence protection—prevention initiative, which would be a new capacity for the province.

**Mrs. Mitchelson:** And then, just going back to the units owned by Manitoba Housing, of the 18,100 approximately that we have now, how many might be vacant suites?

**Mr. Bjornson:** Yes. There are 318 of the direct-managed units under Manitoba Housing's purview that are currently vacant, but they are available for rent.

**Mrs. Mitchelson:** Do we have numbers for those that are managed by others?

**Mr. Bjornson:** No, we do not have that number.

\* (14:50)

**Mrs. Mitchelson:** So would the Manitoba Housing unit on Pacific in Brandon be managed directly, or is that managed by a third party?

**Mr. Bjornson:** Could the member provide an address? We do have a couple of Manitoba Housing units that are on Pacific, or, as the member from Brandon East points out, about seven or eight units.

**Mrs. Mitchelson:** No, I don't have a number, so I guess that—I didn't realize there was many different units along Pacific. Are there some housing complexes on Pacific Avenue that are absolutely vacant at this point in time that are not available for rent?

**Mr. Bjornson:** Not that I'm aware of. If the member knows of a specific property on Pacific, and if she could be specific about Pacific, then we could get the specifics for you, as—I'm sorry, I just—I had to do that.

**Mrs. Mitchelson:** And I will attempt to get some more specific information.

If I could ask about the new Manitoba Housing units on Stickney Avenue. How many units were built?

**Mr. Bjornson:** The property that the member's referring to has 24 units, 12 of which are affordable and 12 of which are rent geared to income.

**Mrs. Mitchelson:** Can the minister indicate whether they're all full?

**Mr. Bjornson:** I understand that the last available unit was recently tenanted, but we will confirm that for the member.

**Mrs. Mitchelson:** Just on—just in Brandon, I know that Habitat for Humanity housing was taken over by Massey Manor, I think it was, in Brandon, was taken over by the Province, by the Department of Housing. There were some issues with Habitat there. And I don't know where Massey Manor was located, but is there—yes. Can the minister just indicate to me when the Province took it over? Did the Province pay for that property and how much would they have paid?

**Mr. Bjornson:** Yes, Mr. Chair, the Province did pay for the building. We do not have that number available, but we can get that for you.

**Mrs. Mitchelson:** Can the minister indicate what the plan is for that piece of property?

**Mr. Bjornson:** Yes, for that particular property there are 14 units. They're affordable housing units and they are being rented out at this time.

\* (15:00)

**Mrs. Mitchelson:** When the minister is getting back to me with the cost of that property, I would like to know who was paid. There was an amount that was paid and who did the government buy that property from? Thank you.

I note in the annual reports going back to 2009-2010, the number of units owned by Manitoba Housing was 17,600, and in 2012-2013, the number owned was 18,000. So that was an increase of 400 units owned. And yet the government has talked about, in its annual reports, that over that period of time that was the first four years of the five-year plan to increase the housing accommodation by 1,200—by 1,500, that they had already attained a number of 1,224 in that last annual report.

So my question would be: If there was only an increase of the number of units owned, how does that compare to the 1,224 units that the government has

talked about building? I see some 824 units missing in that number.

**Mr. Bjornson:** There's a number of reasons for that, Mr. Chair, and what we have right now is 1,224 units that are committed to be built. Not all the units that we do build are going to be owned by Manitoba Housing or managed by Manitoba Housing. They'll be managed by various partners. So, we don't own all those projects.

We also did initiate a program to eliminate surplus stock where we found—through Rural Homeownership Program—where we found areas where Manitoba Housing units were chronically vacant, for appropriate clients who would be eligible for affordable housing, they were able to purchase the homes as well. So that took a few units out of our stock, but at the same time, we are building more stock, and, as I said, we have commitments and approved capital funding for 1,224 units.

**Mr. Chairperson:** Member for River Heights.

**Mrs. Mitchelson:** River East.

**Mr. Chairperson:** Oh sorry, member for River East.

**Mrs. Mitchelson:** Thank you, Mr. Chair, and, okay, so there is a significant difference between committed and built. So, over the four-year period, there are actually 400 more units available. That's a hundred—an extra hundred a year that are available for rental at this point. I would like to know which 400 have been completed, if I can get an inventory of that, and if the minister could tell me where the other 824 are that have been committed. And when they have been committed, does that mean there has been construction started, and if not, when will the construction be started on those units?

**Mr. Bjornson:** Well, I gladly share with the member a number of the publicly announced projects, many of which are completed: the Dakota Ojibway Tribal Council family units in Brandon; Western Manitoba Seniors Non-Profit Housing Co-op was completed; DOTCHAI—if I'm saying that right—DOTCHAI 2 in Brandon was completed; Camperville, new builds were completed; Dauphin seniors non-profit resource inc., completed; Gimli West in Gimli is completed; RM of Hanover, Menno Home assisted living is completed; Chalet de La Broquerie seniors complex, completed; Springfield seniors housing in Oakbank is in progress; CMHA, Portage la Prairie, family units completed ; the Icelandic River Lodge in Riverton is in process, phase one completed, phase two beginning; East Borderland Community Housing

Inc. in Sprague seniors completed; MHRC Villa Youville Inc., St. Anne seniors housing completed; Bridgepark Manor in Steinbach seniors housing completed. The list goes on. Would you like me to read that into the record or—one issue that I do have is some projects that are planned on my list are not yet publicly announced so that is not something that I'm prepared to read into the record right now.

But the total projects that have received approval for capital funding that have been publicly announced is \$200,565,289 and that includes the recent announcement for the University of Winnipeg Community Renewal Corporation for mixed market, or pardon me, we have affordable housing units incorporated into that. We have market rate housing units. We'll have premium suites. That particular project was recently announced shortly after I had been appointed minister.

We also have Winnipeg Beach Gateway Foundation. That was completed a couple of years ago, and I have no less than 19 projects in Winnipeg that are in various stages. Most of them completed, some of them in progress, mostly family units and a few family singles units as well including the Paul E. Martin Estates which we announced in Transcona recently, and that's a combination of seniors housing in one wing and family housing in an additional wing with a common area for recreation purposes to be shared by those wings of that particular unit.

So we have \$200,565,289 in approved capital funding in various stages for the announced projects. I can't really speak to the approved funding for the ones that aren't yet publicly announced, of course, as we have a number of issues, as you would appreciate, around what that means when you do go to tender for these projects et cetera, but I can assure you there's a wealth of projects that are going to be announced in due time to fulfill that commitment.

**Mrs. Mitchelson:** I wonder if the minister might undertake to just provide for me then the list of those that have been announced already that are completed and where they are, how many units in which community and how many are in progress and how many have not started as yet, okay, and if they haven't started, when the estimated start date might be for those. If I could have that, I would really appreciate it.

**Mr. Bjornson:** Yes, we'll provide that for the member. I just have an update on the information that the member had requested regarding the

property in Massey. I believe I said it was a million dollars or—that's what I'd said earlier, I believe,

**An Honourable Member:** No, you didn't have the number.

**Mr. Bjornson:** I didn't have a number? Okay, I didn't say a number. Okay, then I won't correct that. I'll tell you what the number is. It's \$1,622,682 and it was paid to Habitat to Humanity.

**Mrs. Mitchelson:** I thank the minister for that information. Can I ask in the Estimates on page 33 under MHRC the line for housing development is down, oh, some \$9 million, 8 or 9 million dollars, and it says under the explanation that that is due to the deferral of expenditure requirements toward the delivery of 500 new, affordable rental housing units. Can the minister explain that to me so I can understand it properly?

\* (15:10)

**Mr. Bjornson:** Yes, the spending is deferred because of the cash flows that will occur as a result of a lag behind when the project is first planned and when the design is completed and when we finally to-go to the construction stage. We had 12 and a half million in '13-14 for the 500 affordable units and it was reduced in '14-15 because of the planned expenditures on the units being part of the planning process, the design process, the construction process. And I know the member was saying, when will these projects start? Spring usually for many of the projects that we've already committed to, not necessarily for these projects, of course, because they're going to be going to the planning stages, but ones that we've already committed to, as I talked about in the previous question, for projects that hadn't quite started that are hopefully going to start in the spring whenever spring comes.

But with these housing units we are going through a variety of RFPs right now. We had an RFP for seniors housing recently for 140 units, and housing staff is currently consulting with communities on what they hope to see in seniors housing in their communities, and having a very grassroots approach to the consultations and engaging a number of stakeholders in that process. So, once the projects are identified through the RFPs, once they go through the planning stage, once they go through the design stage, then that is when the money will be flowing.

**Mrs. Mitchelson:** So those 500, then, are—they're not part of the 1,500? Are they part of another announcement or a commitment?

**Mr. Bjornson:** We had made the announcement on the 1,500 portable, 1,500 social five years ago. If I'm—oh, pardon me—2000? Okay, 2009. So, yes, that was a five-year plan, and now the 500 affordable, 500 social are our latest commitment to add to that stock that we've been developing over the last five years.

**Mrs. Mitchelson:** So the 1,500, I need to try to understand this. The 1,500 that were committed in the five-year plan will be all committed, completed or under construction in the five years or—and that five years, I believe, is finished. So we're anticipating that they are under construction and they will be completed and there will be 1,500 new units.

This is an additional 500 and they are not going to start this year because they're only in the planning stages, but there will be no construction on these 500 in this fiscal year. Is that correct?

**Mr. Bjornson:** We do anticipate there'll be some cash flow for the commitment of 500 additional housing this year because, as the member knows, some organizations have been working on proposals and have been waiting for the next intake of RFPs. So we expect that there'll be some uptake and cash flow required on the new commitment. And the first part of your question, yes, that's correct in terms of the 1,500 and where we are in the delivery of those 1,500 units from the original commitment. We're on track to meet those commitments. So this is an additional 500 and it's 500 social, 500 affordable on top of the 1,500 social and 1,500 affordable, as announced in '09.

**Mrs. Mitchelson:** So just to be clear, then, there's an extra 1,500 and 500, and what time frame is that commitment covering?

**Mr. Bjornson:** We expect to have met the commitment in three years.

**Mrs. Mitchelson:** So I'm looking forward to getting the information on what, you know, has already been completed. Can the minister also indicate to me, when we're looking at construction, are we coming in on budget for the construction or are you finding construction costs higher than were originally anticipated?

**Mr. Bjornson:** Well, with the—with every tender that's issued, we do anticipate and account for

inflation. We do anticipate and account for contingency. In some cases, we've had projects that have required the contingency funding. In some cases, we've had projects that have come under the budgeted price. But I suspect that's the nature of construction everywhere in Manitoba right now, and, of course, some projects might have project-specific challenges or issues that would require that contingency and others, not. So weather being one of the great equalizers or challenges, if you will, in the construction season, as well, there, as the member knows, could be a number of factors that could contribute to that.

**Mrs. Mitchelson:** I wonder if the minister could provide for me, then, the projects that have been completed. Do we have the budget for those projects? And, then, do we have the final cost?

**Mr. Bjornson:** We don't have that information here, but we can provide that for the member.

**Mrs. Mitchelson:** Were all the projects tendered? Did they all go through a competitive process?

**Mr. Bjornson:** Yes, all the projects were tendered with the exception of two units, and I'll speak to those. I spoke about those units just yesterday, in fact, and those are the units that were being built by students in Cranberry Portage through their technical vocational initiative. I mentioned that I had been there to see that they had poured the concrete and that they were students working through their vocational program to build those two units. But all the other projects were tendered.

**Mrs. Mitchelson:** And that's for the new construction. What about the refurbishment of units?

**Mr. Bjornson:** Yes, all the renovations and refreshes are tendered as well.

**Mrs. Mitchelson:** And where are they tendered? Do they go to 'merc'—like, where do—yes.

\*(15:20)

**Mr. Bjornson:** Yes. For every tender over \$100,000, it is tendered through MERX. For refreshes or projects at less than \$100,000, it's by invitation to tender, and many of those that are invited to do so are pre-qualified for the tender.

**Mrs. Mitchelson:** Do we have a list of those that are invited to tender on those projects?

**Mr. Bjornson:** Well, barring any privacy concerns, we can certainly look at providing that list. We'd

have to see if that's—if there are any issues around privacy.

**Mrs. Mitchelson:** I hope that the minister would agree that, you know, if it's public dollars that are being spent that that kind of information probably should be available.

And how do you become pre-qualified?

**Mr. Bjornson:** To be pre-qualified there's certain criteria that companies must meet and things that are taken into consideration, including capacity of the company to deliver on the scope and scale of the project, the safety record of the company, if they are bonded, if there are any corrective actions that are registered against the company, workers' compensation coverage. Things of that nature would be considered in the pre-qualification for groups that would be tendering.

**Mrs. Mitchelson:** Then is everyone given that opportunity? Do you put out a—I guess, is there something in writing that talks about what a company would need to be pre-qualified, and is that available online or anywhere so that—[interjection]—yes, so that everyone would know?

**Mr. Bjornson:** It's an open invitation for companies to apply to pre-qualify on MERX, and once they have done so they—well, they're invited to do so through MERX, and, once they are pre-qualified and meet the criteria, then they're selected for—to be invited to a tender.

**Mrs. Mitchelson:** And how many companies would be on the pre-qualified list, and do we have a—do we have that list available?

**Mr. Bjornson:** Mr. Chair, we'll provide the member with that list.

**Mrs. Mitchelson:** Mr. Chair, and I just want clarification. This is for the contracts under \$100,000 that don't go to tender?

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

**Mrs. Mitchelson:** Right. I guess—just—I'm just wondering what is happening with home ownership options for First Nations families who have moved into urban centres from reserves. And, you know, does the government have a plan to assist these families? And what might that plan be?

I know that there was an affordable housing program at Manitoba Tipi Mitawa that was a partnership between the Manitoba Real Estate Association and government. And I believe it was a

fairly successful program. I'm not sure whether there's going to be funding continued for that program.

I wonder if the minister could indicate to me whether there will be any funding, whether that partnership will still continue and whether that might be one of the options for home ownership for First Nations families, or whether that is not going to be an option any longer.

**Mr. Bjornson:** Mr. Chair, the organization that the member is referring to has recently asked for an extension to the existing agreement, and I would suspect that I'll be meeting with them very soon to have that discussion. And, of course, the Metis Economic Development Organization is another organization that we have recently entered into an agreement with for affordable and—affordable home ownership—affordable rental and affordable home ownership programs for the Metis as well.

So those are two of the programs that are currently under way to address housing needs for First Nations and Metis.

**Mrs. Mitchelson:** And I would certainly encourage the minister to meet personally with the Manitoba Real Estate Association. I know that it has been a fairly successful program. I think all 11 families that have gone through a pretty rigorous process have been successful in obtaining and achieving and committing and continuing to commit to, you know, home ownership.

And, you know, for me—and I would believe for the minister, too—I mean, we're looking at 11 families with over 22 children that have some stability in their lives with home ownership. They're not moving from one rental accommodation to another, and that gives them the opportunity to stabilize in a school situation and learn and have more opportunity for success as a result.

\* (15:30)

And so I look at a program that has, I think, proven itself. I think any evaluation that's been done has indicated that it has been successful. And I would strongly advocate for a continuation of that program, especially when you have a hundred per cent success.

And so I'm hopeful that he will meet with them soon. I know I've had a chance to meet with them, and I have seen the video too, that, you know, talks

about the families and talks about the pride those families have in obtaining that goal.

And so I'm hopeful that that program will be able to continue. And I think that it's really important, when we're looking at options, that not-one size does not fit all, that there are several programs, I think, that could work for families. But it sounds to me like this one is a bit of a win-win because there's private-sector involvement and a partnership with government. So I think it's a more cost-efficient option, and I'm hopeful that the minister will meet and will at least hear them out and consider, you know, an extension of that program in the best interest of those families that are looking to be successful when they realize an opportunity for home ownership and stability in our community.

When government is selling off Manitoba housing, and, you know, and rental property, how is the value of the property determined when it's being sold?

**Mr. Bjornson:** As the member was mentioning in her previous comments that, indeed, home ownership is stability for many families that haven't had that opportunity before, and the home ownership program is designed to provide that stability.

So, when we do look at, as I said, looking at chronically vacant Manitoba Housing units for sale, we look at communities, the property values within the community, we either have an evaluation or appraisal by a qualified appraiser or by a real estate officer to give that appraised value, and it would reflect the quality of the housing itself, and it would reflect the community property values and market values within these areas. And that's how the prices are determined for sale.

**Mrs. Mitchelson:** I know that—and I believe it's probably happening in other parts of the city of Winnipeg too, but I just know out in my own community in the River East area that there's been some Manitoba Housing property, and they would be several, sort of, maybe two-storey, attached, large complexes. I'm talking on Rothesay and Donwood, and I know that your deputy probably knows that area quite well too. They are now being sold by the private sector—

**Mr. Chairperson:** Order. Order, please. A formal vote has been requested in another section of the Committee of Supply. I am, therefore, recessing this section of Committee of Supply in order for

members to proceed to the member for a—to the Chamber for a formal vote.

*The committee recessed at 3:35 p.m.*

*The committee resumed at 4:01 p.m.*

**Mr. Chairperson:** Order. I would like to call the Committee of Supply back to order. This committee will resume with its business where we left off prior to the recess. I believe the member for River East was in the middle of posing her question.

**Mrs. Mitchelson:** We were talking about the properties on Donwood and Raleigh that obviously were Manitoba Housing stock and have been sold and are being developed as condominiums and being sold now as condominiums. They were renovated and sold.

So I'd like to ask the minister how many units were sold and who they were sold to and whether that is included in the number of units that have come out of Manitoba Housing stock.

**Mr. Bjornson:** Yes, the units on Rothesay that the member's referring to are not Manitoba Housing units, and we are not—we do own units on Rothesay. And I understand it's not uncommon for some of the privately owned housing units to be very similar in appearance to Manitoba Housing units, but we are not selling our units on Rothesay.

**Mrs. Mitchelson:** So there were no units on Rothesay or on Donwood over the last number of years that were sold?

**Mr. Bjornson:** No, there were not.

**Mrs. Mitchelson:** Okay, so that the properties on Donwood were not Manitoba Housing properties; they were privately owned. They just looked like Manitoba Housing stock then.

And is there any other area within the city where Manitoba Housing stock is being sold, refurbished and developed into condos?

**Mr. Bjornson:** Actually, I'm awaiting some information on that particular answer, and while we're waiting there's a couple of questions that you'd asked earlier that I've since—while we were away exercising the franchise in voting.

Going back to Brandon, on Pacific Avenue, we have nine single-family units, and there's a project right now in the planning stage for roof work, rain

gear replacement, exterior wall retrofit, and we understand that these houses are all currently occupied.

We've talked about the pre-qualification process. It only applies to construction contracts of estimated value between \$100,000 and \$10 million. So I wanted to clarify that. Pre-qualification list includes 39 contractors who are pre-approved for the \$100,000-plus projects, and the invitation to join is listed and publicized on MERX. People can request to be pre-qualified at any time.

For projects below \$100,000, we use invitational bidding in accordance with the requirements under the Agreement on Internal Trade. In some cases, we have agreements, standing service agreements, for certain repetitive work scopes. So, if we have some individuals who've been providing that service for years and it's repetitive work, then we have some agreements for that. And these service agreements are of varying durations: a maximum of two to three years with an option for one to two year extensions, and we're invitationally or publicly tendered as well. So that's—I hope that answers the questions that the member had on tendering.

And, now, for the units that—*[interjection]* We do not sell large—or we have not sold large complex units. We have sold units individually to Habitat for Humanity, and they are either renovated or demolished for a new build. Vacant lots, if there's demand, they may go to programs such as the Winnipeg Housing and Renewal Corporation for infill housing.

**Mrs. Mitchelson:** So, then, there are no Manitoba Housing units, over the last number of years, that have been sold off to developers, that have been developed for rental accommodation or condo builds?

**Mr. Bjornson:** We'll certainly go back and double-check, but, no, we do not believe any large units have been sold for that purpose.

**Mrs. Leanne Rowat (Riding Mountain):** I have a few questions with regard to the tendering process. Looking at the community and a—or community development and housing strategy that was put out by your department a while ago, it speaks to hire local labour and purchase local materials whenever possible for Manitoba Housing and Community Development projects and initiatives. That was, I think, goal 1 in the multi-year action plan.

So it raises some concerns when I get a letter from a constituent or a phone call from a constituent who indicates that they're concerned about the fair bidding practices of Manitoba housing in their area, which is St-Lazare, Birtle, Foxwarren area. The question they've asked me is, if he can clarify: Does Manitoba Housing projects—does anybody that wants to do work for Manitoba Housing have to be a member of MERX?

\* (16:10)

**Mr. Bjornson:** Well, as mentioned, if it's \$100,000 or greater, MERX is the electronic bid service provider that we do use. If it's smaller jobs that the member's referring to, local managers or regional managers for Manitoba Housing will invite tenders, whether it's something as informal as telephone or email quotations. These are some of the—for services or goods—written invitations or quotations, I should say, for construction services up to \$100,000. Goods five to 25 thousand dollars would require written invitations, and we would get three quotes from local contractors or service providers, and then the choice is made accordingly.

So, if there's a particular constituent or issue, and I don't recall if I have received a letter to that end from your constituent, but we could certainly have that discussion.

**Mrs. Rowat:** Yes, I've just received additional correspondence over the weekend from this individual just asking for details. It's Fouillard Carpets Ltd. in St-Lazare, and they belong to ISNetworkld in which they have to have workers compensation, both Manitoba and Saskatchewan, safety programs like ergonomics, first aid, PPE, work alone policy, workplace violence policy, WHIMIS. So, and they also have a \$5-million liability on their insurance. So they are a fairly significant player, I guess. They've—I think she had indicated \$4 million in sales last year combined in their community of 35 employees.

So they're not just a small mom-and-pop. They're a business that have developed and grown and have to be respected for that. What they've seen is no contracts over the last 10 years, and the listing from your website does show that St-Lazare had a couple of initiatives, couple projects, one in 2012-2013 for \$7,800—or \$5,764. No process was followed, as you had just shared, which she had assumed would be the type of process that would follow, that there would be an invite put out to local,

you know, individuals or service providers, and there was nothing anywhere shown.

She also did her homework. She checked with five other individuals or local contractors, and none of them had received notice of that project. So, you know, she's providing a legitimate question here with regard to the process that is open for projects under \$100,000.

So, then, is it possible that whoever was making the decision on this tender had actually just shared it with the maintenance staff within their—within that public housing who then took it on himself to do the reno work?

**Mr. Bjornson:** As soon as the member mentioned the name, I do recall now having seen that letter. So that letter that was forwarded to me will be forwarded to the department appropriately, and we can talk to the attending officer and we can have that conversation with the company to see what the issues are and what the issues have been.

And, I'm sorry, if you could repeat the last part of your question; I missed the last part of your question.

**Mrs. Rowat:** The concern that they raised was that, you know, projects like that under a hundred thousand dollars, if they have gone to the district manager or the district supervisor, it appears that some of them—some of the projects might be undertaken by the maintenance person within the housing unit. So, you know, if that's the case, then it puts into question, really, whether an invite has been shared with the community or whether it was just shared with the one individual who actually is maintenance and repair of that facility.

**Mr. Bjornson:** Well, it's entirely possible that we would have installed the carpet with our own labour, and I will commit to you to follow up with the individual that had sent the letter. And as I said, as soon as you mentioned the name of the company, I do recall having seen that letter now a few days ago. So we will be sure to have our tendering folks contact her and we'll follow up on that concern.

**Mrs. Rowat:** If the maintenance person did put—install carpets, you would think that he would just walk down the street, which is, you know, half a block away from Fouillard Carpets, you know, to make a, you know, make an effort at least to use local supplies, local product. You know, so I'm—this is a legitimate concern. I think that what they've indicated is if they haven't received contracts in the

last 10 years, and have seen a number of projects, you know, coming into their community, for example, a, you know, Brandon carpet company coming in and putting carpet into St-Lazare public housing. You know, that raises a lot of concerns, and again, you know, you're also the Minister responsible for Community Development. Coming from Gimli, I know that if you had seen a, you know, Winnipeg vehicle coming in with a product that is available in your own community, you'd be asking questions as well with regard to the process and to ensure that they were at least given fair treatment in the bid process.

**Mr. Bjornson:** Well, I thank the member for that. And certainly, wherever possible, I do understand that we try to engage local providers and—whether it's providers of goods or services. With—or in some cases, we do bulk buys of carpet or flooring or other materials that—in efforts to save money. And if there was a bulk buy—I'm not sure if the member said that this—for this particular project it was a Brandon company that did provide the carpet. I'm not sure if we did a bulk buy with that Brandon company or not, but that's one of the things that we do do on occasion to provide—to get the best value for the dollar and save money. So—but, again, the concern being raised, we will certainly follow up, and I'll commit to that.

**Mrs. Rowat:** Thank you, the minister, for that. When you indicated you look at bulk buy, then there obviously would be a tender process for that. So I'm wondering if you would be able to provide me with some details on bulk buys for different materials such as windows, carpet, siding, roofing supplies—the list of companies that you have and the contracts that would have been awarded in 2011, 2012 and 2013?

\* (16:20)

**Mr. Bjornson:** Well, if it was a bulk buy of goods of \$25,000 or greater, that would be posted on MERX. Goods of five to 25 thousand takes three written quotations. Services or goods of \$1,000 to \$5,000 could be telephone calls or emails, as I mentioned before. So that's the process that we do follow.

If the member's asking for all of these contracts from 2011, 2012, 2013, that will take a significant amount of time to do that, given the volume of refreshes and new builds that we have been engaged in, but we will look at what we can provide for the member.

**Mrs. Rowat:** I would like, specifically, anything over \$100,000. And that's on 'merc,' you're saying?

So that's on—so then I would then also like details on the expenditures that are listed in Manitoba Housing specific to the communities that are listed, whether they would have been outfitted—I guess I'll put it this way. Foxwarren is a community that is very close to St-Lazare. It had an actual expenditure cost of \$195,615. Now, that, obviously, would put it over the \$100,000 with 'merc' unless that contract was split into different contracts. I know that that would cover six units that are in Foxwarren and they would have gotten windows, doors, siding and roof. So six units at \$195,000. That's about \$32,000 per unit. That's pretty rich.

So I would like to know if you would be able to provide me the details on the products that were used, who got the contract, the details on that, because, to me, that is a significant amount of money.

**Mr. Bjornson:** We will gladly provide the information requested on the Foxwarren project.

**Mrs. Rowat:** And if I can get a list of bulk purchases under the \$100,000 'merc'—I can do the 'merc' search—anything under \$100,000 that have been awarded for bulk purchasing in the last two years.

**Mr. Bjornson:** We'll provide the member with the information. I hope she can appreciate that this would be a significant amount of information, and it would take some time, and I don't anticipate we'll do it before you call a vote on my salary.

**Mrs. Rowat:** And anything that I've taken—that you've taken as notice, I do follow up with the departments. I haven't received my Family Services questions that were taken as notice last year yet, and I've been asking for them for several months, so I know the track record, but I'll be persistent, I guess, is what I will say. Thank you.

**Hon. Jon Gerrard (River Heights):** And I have several questions. Let me start with—the department has, I know, a goal of 1,500 homes. Now, how many of those are built and how many are yet to be built, and when will the ones which are yet to be built be completed?

**Mr. Bjornson:** Yes, with the 1,500 commitments, we have several publicly announced projects as of February 28th of 2014. A number are in progress, a number are completed, for a total approved capital funding of \$200,565,289. The list is quite extensive in terms of, I think, 14 projects alone in Winnipeg, three in Brandon, we have Camperville, Dauphin,

Gimli, Grunthal, La Broquerie, Oakbank, Portage la Prairie, Riverton, Sprague, Ste. Anne, Steinbach, Swan River, Virden, Winkler and Winnipeg Beach.

Many of these are family units, many of these are seniors units. I don't have the exact number of the units per project but I believe the total committed is—for the—this is the affordable now—or, wait—yes, so these—the commitment was two-prong, the 1,500 affordable and 1,500 social housing units. And we were at—1,242 was the number that we had earlier, I believe.

**An Honourable Member:** Mr. Chairperson, 24—1,224.

**Mr. Bjornson:** Okay, I thank the member for that; 1,224 was the number we said earlier—and others that will be in progress that we will see come to fruition this year.

**Mr. Gerrard:** The minister's provided a lot of information but without actually answering. How many are—of those are built, how many of—and when will the ones which are not yet built be completed?

**Mr. Bjornson:** Yes, there are 744 units that are complete, 332 that are currently under way and 367 that are yet to start, but they're at various stages of progress in the design and tendering stage. So that's the number.

**Mr. Gerrard:** You've answered one question, but the second one, when will the buildings be completed, you haven't answered. And, you know, while you're getting that information, the second question that I wanted was on the transitional housing program for the—which is important for the drug treatment court. What's its status currently?

**Mr. Bjornson:** We'll—with respect to when we—will the others be built, certainly, as the member knows, it's not spring yet. And, of course, the construction season is at the mercy of our weather. There are some projects that will be starting soon, I would suspect, in terms of the construction. I happened to be out in Altona the other day where the contractor likes the cold weather, and they've got the footing and foundation in, and they're ready to go on a seniors housing unit there. But, of course, it is weather dependent and it is—and there are a number of other variables that do come into effect with respect to the housing—or the construction of the housing. But I do know that I'll be cutting a lot of ribbons in the next little while with the number of housing projects that are complete.

Now, as far as the transitional housing is concerned, we have engaged a lot of community members in a strategy, talking about homelessness, and, of course, it is the ones who find themselves chronically homeless that are most susceptible to issues—barriers around employment or sustainable housing.

\* (16:30)

But I do know that, having toured the Bell Hotel recently with my colleague, the Minister of Healthy Living, I got to see first-hand a project that is extremely successful in terms of addressing those who are chronically homeless and in transition, many who are suffering from addictions issues or some mental health issues. For those tenants, we've seen significant reduction in visits to the emergency wards. We've seen one particular individual who had been a resident there who is back on his feet, took some courses, got his high school equivalency, took training and is gainfully employed in rural Manitoba right now. So it's a very good example of some of the transitional housing that we provide and an excellent model.

There are a number of other initiatives that we've undertaken, as well, I could speak to, and River Point lodge is another example and it's being developed with the AMM or AFM, Addictions Foundation of Manitoba, for supporting additional clients as well. But these are—you know, we have homelessness outreach mentors, we have community housing supports to the Canadian Mental Health Association, Project Breakaway with two outreach co-ordinators who are looking at case management for individuals. So there's a multi-faceted strategy to assist individuals who are chronically homeless, who might be for a variety reasons, whether it's mental health or addictions.

**Mr. Gerrard:** I'd ask the minister what's the status of the HOUSINGFirst program.

**Mr. Bjornson:** Yes, the HOUSINGFirst is not a program per se, but it's rather an approach, and it's an approach that involves working with a lot of different community organizations and non-profit organizations working with different health—regional health authorities. It's a program that's more of a supportive—we're supportive of the program, I should say, and we're going to be working with a number of different agencies to find ways to ensure that people are successfully tenanted and sustained as tenants—or maintained and sustained as tenants. So it's more of a approach as opposed to a program.

**Mr. Gerrard:** Yes, on page 44, the Manitoba Housing and Renewal Corporation capital program, funded under The Loan Act authority, is \$179 million. What's not shown here is the debt servicing or the interest charges on the loans that Manitoba Housing and Renewal Corporation has. Where would that interest be—or information be? And how much would the debt servicing charges be for—estimated for 2014-2015?

**Mr. Bjornson:** Debt servicing is \$67.7 million on new builds for '14-15. That includes 26.7 on original builds, 0.8 on new builds, 20.9 on betterments. That's for direct-managed housing. It includes betterments on sponsor-management housing for 3.1, 5.5 on new builds for sponsor-managed and 10.7 for original build on sponsor-managed, and this will be available in our annual report in the financial statements.

**Mr. Gerrard:** Is that the annual report of the department or the Manitoba Housing Renewal Corporation?

**Mr. Bjornson:** The financial statements are included in the annual report for the department for Manitoba Housing Renewal Corporation.

**Mr. Gerrard:** And where will that—does that appear in the budget?

**Mr. Bjornson:** Actually, if the member refers to page 33 in the Estimates, where you see housing details of subappropriation, Estimate of Expenditures, the number would be included under housing operations under the direct managed response for managed lines for expenditures.

**Mr. Gerrard:** So on this page 33, the debt-servicing costs are somehow mixed in with other costs, or is this part of what is the transfer payments to the MHRC, the 67 million that's at the bottom?

**Mr. Bjornson:** Again, if you're referring to page 33, and you look at the items A) and items B), the transfer payments to Manitoba Housing Renewal Corporation, then item B) the portable housing benefit and emergency shelter assistance, that's all that's voted off. At the end of the bottom line is seventy billion, nine hundred and two thousand, and what you see above that column is how we got to that particular number with respect to the revenues—the rental revenues versus the transfer payments. A more detailed analysis could be provided in the financial statements and we—if the member wanted to take a look at last year's financial statements and get a sense of how we derived these numbers that appear in previous expenditure Estimates from '13-14, it'd

be easier to see that picture. And, as you see in the footnote, the increase to direct managed is attributed to an increase in debt-servicing costs, grants in lieu of taxes and general operating costs. So I'm not sure if that provides any more clarity or answers the question, but the detail would be found in the financial statements.

**Mr. Gerrard:** The report for last year will provide the information for last year. Would it be possible to get a itemization of where the debt-servicing costs are in these lines specifically?

\* (16:40)

**Mr. Bjornson:** Yes, that was the numbers that I had referred to earlier with the direct-managed betterments of \$20.9 million; new buildings, 0.8; original build 26.7. So a total cost debt servicing for direct-managed properties is \$48.4 million. For sponsor-managed betterments of \$3.1 million; new buildings, \$5.5 million and original building, 10.7 for a total debt servicing of 19.3. And you add the two together of direct-managed and sponsor-managed, it's \$67.7 million.

**Mr. Gerrard:** Thank you.

**Mrs. Mitchelson:** On page 37 under Community Assistance, there's a grant assistance line of \$1.704 million. Could the minister explain what falls under that grant assistance line?

**Mr. Bjornson:** Yes, that funding of grant assistance is provided to the Manitoba Community Services Council for the grant program.

**Mrs. Mitchelson:** So that's the Manitoba Community Services Council. Could the minister explain that? I believe that that's a non-profit organization that distributes grants to the community. Maybe just if we could indicate what the Manitoba Community Services Council does. Is that money transferred directly? Is that for their administrative costs or do they have other money that they distribute out to the community?

**Mr. Bjornson:** Manitoba Community Services Council has allocated funds from bingos and other—or allocates funds and/or bingo events, as I have volunteered many times myself with different community organizations to work the bingos, and that was before we banned smoking in there but we survived.

But they provide this service to non-profit volunteer community services. They provide—or organizations—social service, recreation and

health-related organizations. Grant is 100 per cent of revenues and the MCSC has administrative cap determined by the Province which cannot be more than 12 per cent of the revenues.

**Mrs. Mitchelson:** A little difficulty following that. So the \$1.7 million is money from where? This is from general revenue that goes and what does it support at the community? Is this—it's a grant to the Community Services Council for them to distribute or is it a grant that covers administrative costs? What is it for?

**Mr. Bjornson:** Yes. The funding comes from Housing and Community Development, and the 12 per cent cap is included within that \$1.7 million, and the bingos that they administer is separate but separate from that \$1.7 million but included in their portfolio for providing that grant allocations.

**Mrs. Mitchelson:** And that number has decreased, I believe, to the Community Services Council over the years. Am I correct?

**Mr. Bjornson:** There was a reduction last year of \$300,000. The funding has remained the same this year.

One of the things that we were looking at in government was the agencies that we had had involved in providing grants—or the programs that we had involved in providing grants, such as Community Places Program, which the member is aware of. The Community Places Program was focusing on a lot of capital or community infrastructure investments, and we decided to streamline that and have one agency that would be responsible for delivering on community capital programs. The Manitoba Community Services Council's focus is on programming and equipment needs for sports programs or whatever the case might be, or community gardens, things of that nature, I believe. But the focus has been to bring infrastructure—community infrastructure programs under the roof of Community Places Program.

That said, we recognize that on occasion, emergent needs should arise where organizations would need funding to replace community assets or support—the renovation of community assets that might have suffered some type of damage or whatever the case might be, that they find themselves with emergency needs for capital investments in community assets. And the Manitoba council for community service—or Manitoba Community Services Council will still have some opportunity

to explore those options and support emergent requests because they don't fall within the deadlines of Community Places Program for applications for emergent needs. So, that was a matter of a more streamlined provision of services around capital grants. That was one of the reasons why we looked at that reduction at the Manitoba service council—Community Services Council.

**Mrs. Mitchelson:** I know this is before the minister's time, but if I look back to the annual report of March 31st, 2011, the grant assistance line was at \$5.277 million. And the footnote to that indicates that the variance is primarily the result of an allocation to the—to Manitoba's participation in the 2010 Olympics. I guess I—it sounds to me like there was maybe over \$3 million in this grant assistance line that was for the Olympics.

And I'm just wondering whether the department can explain what that has to do with the Community Services Council and why it would be in this line in the Department of Housing?

\*(16:50)

**Mr. Bjornson:** With the Cabinet shuffle, there were a few changes that occurred with respect to the Minister of Housing and Community Development and the Minister for Family Services. Minister for Family Services did also take with her the responsibilities for All Charities, United Way and Volunteer Manitoba. So, yes, the Olympic money that was spent on the—spent on the Olympics was included in that time—or, pardon me, in that line—as well, but it was not a very large number. The bulk of those dollars went with All Charities, United Way and Volunteer Manitoba.

**Mrs. Mitchelson:** So is the minister indicating, then, that there was money allocated to the Olympics out of the Department of Housing with the former minister's responsibilities from other areas besides this one line in the budget?

**Mr. Bjornson:** We'll have to do some work on that particular issue. Believe it was before the time of a few people sitting at the table here today. So we'll do some homework on that matter and get back to you on that.

**Mrs. Mitchelson:** I'm wondering, while we're looking at it, whether there could be a breakdown of the grant assistance that was provided and what the detail of that \$3 million or so was in this budget line. If we could get—undertake to get that for me, please.

**Mr. Bjornson:** Yes. The numbers that I have for the adjusted vote reflect the grant assistance for the United Way of \$3,270,000, grant assistance for Volunteer Manitoba—again to Family Services—\$61,000 and the grant assistance to the All Charities Campaign to Family Services, \$137,000.

**Mrs. Mitchelson:** I don't think that really answered my question. The footnote doesn't seem to coincide with the answers that the minister has given me. It says it was for the Olympic Games. It says clearly in the footnote in the annual report.

So I'm not going to belabour it at this point in time. I'm just wondering if the department might be able to get back to me at some point with some rationale or justification for that. And with that, I think I'm ready to go line by line.

**Mr. Bjornson:** My apologies. Yes, we will get you that information on the—that reference to the Olympics.

**Mr. Chairperson:** Now we go line by line.

**Mrs. Mitchelson:** Yes. Just one more comment before we go back to it. I just want to thank the department for the hard work that you do, I know, on a regular basis, for all of us in the Legislature and specifically, of course, for ministers. It's always a challenge when there's a new minister and a new deputy. So you've got—there's a major learning curve there. I look forward to, you know, continuing to work with you and thank you for the good work that you do on an ongoing basis. And I just wanted to put those comments on the record. Thanks for your co-operation.

**Mr. Chairperson:** Okay. Now we put the question on the resolutions.

Resolution 30.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$70,902,000 for Housing and Community Development, Housing, for the fiscal year ending March 31st, 2015.

*Resolution agreed to.*

Resolution 30.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,290,000 for Housing and Community Development, Community Development, for the fiscal year ending March 31st, 2015.

*Resolution agreed to.*

Resolution 30.4: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$141,000 for Housing and Community Development, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2015.

***Resolution agreed to.***

The last item to be considered for the Estimates of this department is item 31 point–30.1.(a), the minister's salary, contained in the resolution 30.1.

At this point, we request—the minister's staff already have left. The floor is open for questions.

**Mrs. Mitchelson:** And I just want to, at the outset, say again thank you to the minister for his endeavouring to answer questions pretty straight up and straightforwardly. I really appreciate that.

There are some issues. Obviously, we have another chance to cover everything. I think that probably, with another year under his belt and maybe a little more time as the critic, there will be some more in-detail issues that we may need to discuss in next year's Estimates.

But I just want to say that, you know, I appreciate the work that his departmental officials do on a regular basis, and all of those within the civil service that really do support us in the Legislature but do, I believe, the best that they can do, certainly, based on government policy and implementation of that policy, do implement and work hard on a daily basis.

So I, with those few comments, just would like to again say thank you. And we are prepared to pass the departmental Estimates and the minister's salary. He got away quite easily this year.

**Mr. Chairperson:** Resolution 30.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,786,000 for Housing and Community Development, Administration, for the fiscal year ending March 31st, 2015.

***Resolution agreed to.***

**INFRASTRUCTURE AND  
TRANSPORTATION**

**Mr. Chairperson (Mohinder Saran):** We have one item to correct. For Hansard purposes, I am going to redo putting the question on resolution 15.3 of the Estimates of the Department of Infrastructure and Transportation.

Resolution 15.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$53,091,000 for Infrastructure and Transportation,

Government Services Programs, for the fiscal year ending March 31st, 2015.

***Resolution agreed to.***

**HOUSING AND COMMUNITY  
DEVELOPMENT**

**Mr. Chairperson (Mohinder Saran):** This concludes the Estimates for Housing and Community Development.

The hour being 4–hour being 5 o'clock, and committee rise.

**FINANCE**

\* (14:40)

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

**Mr. Cameron Friesen (Morden-Winkler):** Yesterday, we were speaking about the C.D. Howe Institute report, showing that Manitoba is third from the top in terms of cumulative spending overruns measuring a period of fiscal years–10 fiscal years. I would also mention for the record that the Manitoba percentage average is indicated at probably what would be 22 per cent on this bar graph; it could be 23 per cent. And that was the discussion that we were in when the Estimates concluded yesterday.

I wanted to invite the minister to just speak a little bit more on the content of this report. And there was a policy recommendation towards the end that I wanted to direct her attention to. This, of course—this report is measuring how senior governments do at sticking to their budgets over time. Of course, the report concludes by saying there is much more to be done. As a matter of fact, it says, a concluding call to do better, and there are various recommendations made within the report of how to do better.

But this directly pertains to the conversation that we were having on Friday last week, when we were discussing at some length the issue of what are the financials that are available to us during the context—in the context of the departmental Estimates period. And the minister seems to have taken exception to my comment that I wanted to be able to reference our conversations against the actual spending for the

2012-13 year, and that would provide a good anchor point, a reference point, for us to have these conversations. The minister indicated that that was not information that department would have at the table. And I said, you know, in a perfect world it would be really helpful to have that information.

I was interested to note that in the report just released this week, there is—this issue is addressed by the authors of the report in a section called, Estimates should match public accounts. And in this section, basically, what the authors of this report say is that, really, it's only Ontario that presents most of its Estimates on a basis that is on a PSAB basis, consistent with its budget and its public accounts. They say that Ontario is the exception to the rule, where it probably ought to be the rule.

And I just want to invite the minister to comment on whether she thought that that would be a way that we could move, even in Manitoba, if, as this report says, it's very important for the public and legislators to have material that is comprehensible and that is consistently presented, whether it wouldn't be a good idea to move in Manitoba to a rule—to a practice whereby the annual report, volume 1, could also be considered within the context of the departmental Estimates, somehow that that wouldn't help strengthen this exercise.

**Hon. Jennifer Howard (Minister of Finance):** You know, I will take a look at any advice that helps to make things more easy to understand.

I just want to be clear with the member, though. I'm not quibbling with his ability to ask about past year's numbers. My concern at one of the past meetings was to make clear to him that the staff here prepare for what is generally under discussion at this meeting. And at this meeting, what's under discussion is the Estimates of the Department of Finance, actually.

And I think, you know, we've had a very good free-flowing, wide-ranging discussion that strayed pretty far outside the Estimates for the Department of Finance, and that's fine. I'm happy to do that. But I'm not going to have the staff here put at a disadvantage because we're bringing reports to scrutinize that really are addressed at the Public Accounts Committee. I think that, you know, we have endeavoured to answer the questions, even those questions that are kind of beyond the scope of this committee. But that was my concern. I have no concern if he wants to review the past years and have those discussions. But my point was if you want to

have a discussion about Public Accounts, probably you're going to have a better discussion at a Public Accounts Committee where those are the reports that are tabled, you have the staff there, people are prepared to answer those questions.

\* (14:50)

I do think when you look at the budget papers, you'll note at the very beginning in the forward that they are prepared in alignment with the accounting standards set by PSAB. It fully reflects generally accepted accounting principles. This is the, I think, sixth year in a row we've received a clean audit opinion on the audited statements. In the supplementary information you will have a historical picture going back some years. In the summary budget you have a historical picture I think going back to 2009-2010. So, you know, I think there is a wide range of information provided every year. We strive to provide it in a way that is more understandable and we'll continue to strive to do that.

I'm happy to receive advice in the ways that do that, but I would not accept or have on the record that the budget, the Public Accounts, in any way have not been prepared in accordance with the generally accepted accounting principles and the Public Sector Accounting Board because those things are simply not factual. They are prepared in that way and we always look for ways to improve, absolutely, and will continue to do that.

But I do believe that in this round of Estimates we've afforded the member a very wide berth to ask many, many questions and done our best to answer them and to provide that information, and there's many other places where we can also have those discussions about the financial books. I have no problem whatsoever having those discussions. I think that you would expect, I would expect, that the Public Accounts of the Province of Manitoba are available for the public and open to scrutiny, and I'm happy to answer those questions.

My only concern was that, you know, we not put an expectation on people who prepare to bring information to these committees, to the staff, to be prepared for meetings that this isn't the meeting of. This isn't the meeting of the Public Accounts committee. This is the meeting of the Committee of Supply. So I'm all for a wide-ranging discussion, as I say. I think in one—at one time we went back to the budget of '99-2000 we were looking at. So I don't think anyone can argue that we have been overly

proscriptive in trying to hold the questions to the documents that are here.

So I—you know, I take the advice if we want to find different ways to display the information, but I do think the information that is provided both in the Public Accounts documents and in the budget documents and in the supplementary Estimates has been prepared in accordance with generally accepted accounting principles. We have received clean audit opinions from the auditor. We have not, as other provinces has and has—this province did under the former government, received you know, from the auditor an opinion that says that these books fudge the numbers, that they don't present an accurate picture. We've made some strides, I think, to present a more fulsome picture, and we'll continue to look for ways to improve.

**Mr. Friesen:** I thank the minister for that response, and the fact that she is open to continue to discuss these things. I think she understands clearly what it is that I'm talking about. I'm talking about a high-level discussion about how we do report and, obviously, those concerns that I'm expressing here are not ones that are directed to her staff members. And perhaps what we'll do is we'll take up this discussion again perhaps in the concurrence stage, because at that point in time it would be a good context perhaps just to exchange those ideas of how this system could improve. But, of course, at the—in the final analysis these questions are not ones that I am raising in isolation. The key accountability questions that the authors of this report address are whether a legislator or a citizen could readily identify key revenue and spending numbers in a government's principal financial documents and whether they would be able to—what they would be able to find comparing results to intentions.

The high-level point I was making, of course, is that when we compare Estimates to Estimates in isolation, we are, of course, comparing intentions to intentions. To be able to backdrop those intentions with results would improve the exercise because otherwise we end up in a situation where we are photocopying a photocopy, where we are receiving a fax on the fax machine and we are sending out that fax. And after a time, we lose resolution, and so that was the point that I was making.

So I think with that said, you know, I would leave that conversation on this point, is that at the end of this report, clearly the recommendation to this minister as well—because the report

makes obvious that her documents present multiple revenue, spending and balance figures where they should present consistent ones. As they say this: governments should lose no time in taking this key step toward better transparency and budget. And that is, of course, what we're all in the intention of getting to.

Moving along, though, what I would do is refer the minister to page 45 of the departmental Estimates. I'm in Fiscal and Financial Management. I will actually turn the page and look under expected results on page 46.

I wanted to ask the minister a question with respect to investigations undertaken by the Department of Finance. I noticed that there are 160 files completed and 75 charges laid and 25 convictions. I had a chance to go on—to do some fact-finding and look at some of those convictions.

I wanted to ask the minister: Is that a conviction rate that is consistent with past years, lower or higher, and what would the rationale be for that?

**Ms. Howard:** So these are, of course—this is expected results for the coming year. They're based on kind of historical trends, and the actual—we report in the annual report on what the actual convictions and dispositions of the different investigations were. And I believe those annual reports are available online. I can fax you a copy, if that's how you prefer to get your information, but I haven't actually used a fax machine in probably about 25 years. I didn't know we were still doing that, but, so, yes, it would be—the actuals would be in the annual report.

**Mr. Friesen:** I was comparing the page there on page 46 under Expected Results to a Canadian Revenue Agency page that talked the same—in the same way about their completed files and charges and convictions. I was looking at some of the revenues that were generated by the federal government in terms of putting additional resources towards compliance and towards charging and seeking convictions. I'm aware of the federal initiative under way to focus on making sure loopholes are closed.

I wondered, is the minister paying careful attention to those initiatives and does her department also have an interest in moving towards directing increased resources towards charges and convictions and fines and recoveries?

**Ms. Howard:** Certainly, we follow what's going on with the CRA. And, when the CRA takes an action

to find, I guess, that someone hasn't paid the taxes that are owing, if that taxpayer is in Manitoba, because the CRA collects income taxes on our behalf, some of those unpaid taxes, of course, come to Manitoba. So, of course, we co-operate with the CRA and support them in that work.

Much of what the member will see here is a reflection of the work that we do to stop the illegal sale of tobacco, and I'm told by the people that work in that area that Manitoba has one of the highest profiles when it comes to stopping the illegal sale of tobacco. And that work is not only important in terms of taxation, making sure that we collect tobacco taxes, but often I'm—in the information I've been provided where you have the illegal sale of tobacco, you often have other kinds of crimes that go along with that, whether those be violent crime or organized crime.

\* (15:00)

So that is primarily the work you see reflected here, would be the tobacco unit, but, of course, we're interested in what the CRA is doing to close loopholes and stay informed of that and work in whatever way we can to co-operate with them.

**Mr. Friesen:** I was noting in the document that I had just downloaded a quick criminal investigations page by CRA talking about the same criminal investigations program, and I was noting that they have a conviction rate of 96 per cent. I'm seeing here that we have charges laid of 75, convictions of 25, so are we to assume that the conviction rate is about one third, 33 per cent, or is there a column that I'm missing?

**Ms. Howard:** So, first of all, I think, as I said before, these likely are slightly different kinds of cases because most of what the work here that's represented is illegal tobacco sales, and that's really what this is representing, and I'm not familiar with what kind of cases the CRA is doing. I would assume, which is probably dangerous, that much of what is in there may be unpaid taxes from individuals or businesses that they're—income tax evasion that they're going after. That is a different kind of crime than the sale of tobacco.

I am told by our officials that when these cases proceed to court, we have a—so far 100 per cent success rate with what goes to court. Often in the court system these things will be disposed of before they get to trial. There'll be an agreement between the Crown and the defence to accept a guilty plea

and provide some kind of fine or punishment. I think these are all fines that's—that—what we're able to levy.

So I wouldn't—I don't think it would probably be accurate to look at this and say, oh, you're not getting very many convictions. Those—many of those charges, when they proceed to court, there is so far 100 per cent conviction rate. Those other charges would probably be dealt with in other ways, which likely, you know, if there is a guilty plea or—I doubt those would be fined, and sometimes those fines are considerable. Oftentimes will—there will be a news release that goes out detailing what those fines are and what some of these cases are about.

**Mr. Friesen:** And I appreciate that clarification from the minister.

I'm just seeking one other clarification. I do notice that directly below the area that I was focusing on, there is an area identified as Tobacco Interdiction, and there I do see charges and convictions and fines as a result. But directly above that, there is also this other area in terms of, it says, general investigations.

Now, are both of those areas dealing with tobacco interdiction?

**Ms. Howard:** So I'm told by the officials here that the—so, in the investigations, the 75 and 25 in the tobacco interdiction, 75 and 25—they're all one. The investigations—the unit looks at all things, so it includes tobacco sales. It can also include unpaid fuel tax, unpaid sales tax. It's all one unit looking at all of those things, though I'm not sure how much more of a breakout we can give you. But, by and large, I think, the most—I don't know what the right word is—aggressive enforcement to the enforcement that most likely is going to land in court is that on the tobacco side.

**Mr. Friesen:** I'm noting on that same page, just above, in terms of the expected results that this is the area of Finance that is charged with the responsibility for the recovery of unpaid taxes through audits and investigations. I was wondering if the minister could indicate, in terms of auditors, what is the complement of staff that is maintained within this subarea of her department? I see the total salaries and employee benefits on this—on the page previous. I'm wondering what would be the subgroup that is directly indicating how many auditors that are maintained at any one time, and if she could, at the same time, indicate if there are vacancies and if those

vacancies have been maintained at a consistent rate or if they are larger or smaller?

**Ms. Howard:** We're going to try to get you some more precise information. I think I did say earlier, though, when we were discussing vacancies, there are a number of vacancies in the audit staff. There is audit—the auditors, the auditing people, do seem to be all coming to retirement around the same time. Not all, but a great portion of them seem to be coming to retirement, and there is a lot of competition for that kind of staff. And what I have been told by our officials is that we do a pretty good job of training auditors, and then they will often leave for other jobs because we're known as doing a good job of training auditors. So this is an area that we are going to focus some attention on in the coming year in terms of the human resource planning, make sure that we do have—we are addressing some of those vacancies and we are planning toward the future. I am confident that we do currently have the staff complement there to do what is required, but it is certainly an area for future attention. But we'll try to get you some more precise figures on that.

**Mr. Friesen:** Earlier in the Estimates process, the minister was answering some questions with respect to the sale of the Property Registry unit to Teranet in Ontario. I wanted to revisit that conversation and ask the minister: As a result of the sale, there was talk—I think it was a commitment made by government that said that there would be no employees let go as a result of this. How many employees actually from the registry unit went over to Teranet and then how many remained? And were those employees then absorbed into the civil service here in Manitoba or were they laid off or where did they go?

\*(15:10)

**Ms. Howard:** So we'll probably get more final numbers after the end of the month because that's the time period when the final signatures will happen, but I can give you some approximates. About a hundred transferred over to Teranet, about 16 retired, and about four were redeployed to other parts of government. But we will get you some more detailed information when it's available.

**Mr. Friesen:** I thank the minister for that response. I know she's—she'll supply the information at a later date, but I would just ask that she would also include in the information that she's supplying, then, exactly into what departments or what areas of government the four individuals who remain within government went to—where they were deployed or redeployed.

The minister used a term, independent evaluators, in reference to an outside firm or organization that was contracted to perform the analysis that led to this transaction. I don't believe the minister mentioned the name. I believe she mentioned there was a caution there, pertaining to the fact that this was a private sector group and she was a little bit concerned about mentioning it here.

Did the minister mention the name of that independent evaluator? Could she do it now?

**Ms. Howard:** Yes. The independent evaluator was Deloitte. And I think, as I said earlier, there—we are working with them to get some information on their evaluation. And what they did was to take a look to ensure that this was a fair deal for Manitobans and look around at what some of the other options were. And we're working with them to be able to get information that will be publicly releasable, because we're dealing with a private third party, we can't release information that's commercially sensitive.

So we want to ensure that we have something that doesn't violate those rules that we'll be able to publicly release that will provide some of the information that shows that this was a fair deal for Manitobans.

**Mr. Friesen:** So, by that response, does the minister mean that she would be willing to allow us to receive a copy of that report to government, or is she saying that that would prevent her from releasing a copy? Because I would be interested in receiving a copy of the Deloitte analysis.

**Ms. Howard:** What we've asked them to do is to provide us with something that we can release, that would provide that information about the work that they did in a way that wouldn't compromise the—wouldn't compromise any of the commercially sensitive information. So that—that's what we've asked them to provide. And my intention would be, once that's provided, to make it available.

**Mr. Friesen:** In the Auditor General's annual report, there's a chapter on waiving of competitive bids, and on page 421, the auditor makes a point of saying that the rules don't require that departments make public their intent to directly award a contract. And she indicates that in other jurisdictions that is done and it would improve the system to do that. I know, of course, in this case, it caught Manitobans by surprise to learn about this arrangement that he made.

Does the minister agree that it would have benefited this system to actually demonstrate at some

point along this continuum the government's intent to directly award this contract to Teranet?

**Ms. Howard:** I think, you know, in the discussions about this, one of the reasons that we brought in some independent eyes to take a look and provide us with some advice and some information that this was a fair deal for Manitobans was to make sure that we could not demonstrate just for our own comfort and peace and mind, but for Manitobans, and that's why we did that.

And I think that from everything that I've seen is when we're able to make that document available. The member will also see that this was a fair deal, that there was work done to ensure that there was no other company that was capable or interested in taking this on. And, you know, this is an agreement that, for Manitobans, meant \$75 million up front that's going to go to help provide the services that they count on. It means a continuous stream of revenue every year. It means an upgrade to the information technology for that system that Manitobans don't have to pay for, added—also in a way that assures that jobs are protected and that the costs to consumers—that there is a guarantee price that goes forward for that.

So I believe that it was a fair deal, but we also had Deloitte take a look at it and give us some advice on that. And, when we have a report that is releasable, we'll make that available.

**Mr. Friesen:** In the Auditor General's annual report, in that same chapter, Waiving of Competitive Bids, on page 425, the auditor indicates that she recommends that departments and government agencies analyze and document how the price quoted on an untendered contract represents fair market value. When the minister does report back on the Deloitte analysis, will that analysis—does it go to that area of providing a rationale and demonstrating how this sale reflects fair market value? Will that be something that'll be reported to us when the minister returns those documents?

**Ms. Howard:** So that report is something that measured the fairness, the reasonableness of the arrangement. And when that report is available, we'll make it available.

**Mr. Friesen:** Does the sale of the Property Registry unit represent the start of a trend for this government? Are there other government entities or agencies that the government is considering selling off and doing so on an untendered basis?

**Ms. Howard:** Well, I—we will not sell Manitoba Hydro no matter how many times you ask me to. We won't sell MPI no matter how many times you ask me to. We won't privatize the liquor and gaming commission no matter how many times you ask me to. So that's what I'll say to the member opposite.

**Mr. Friesen:** Well, it just seems like a peculiar response from the minister because, clearly, you know, while she tries to feign indignation, it is exactly her government that is, right now, without the notice given to Manitobans, is moving to take governments' agencies and to make unilateral decisions about getting rid of them, selling them to other entities. So I think the question is fair, even at this time.

Perhaps I'll reword it and say: At this time, have there been discussions at the most senior level of government in conjunction with the Finance Minister? Are there other entities that the government controls that they are considering entering into agreement about to sell them off or enter into some kind of a third-party delivery of service? And I'll just ask the question again.

**Ms. Howard:** Well, I will say for the member opposite, in—my belief is that this deal represented a good deal for Manitobans. It provided \$75 million up front. It provided a continued revenue stream. It provided protection for jobs. It—those folks got to move over with their benefits intact. It provided for an investment into an upgraded information technology system worth \$35 million that Manitobans don't have to pay for. And it provided for price protection into the future.

Also, we were able to ensure that we continue to have regulatory oversight of that division. So I think that was a—I believe it was a fair deal for Manitobans. And you know, we—I stand by that decision to do that.

I think there is a tremendous contrast with that decision and the decision to sell the telephone system, which, you know, I know the member opposite is probably more familiar with. In that decision, you took a Crown corporation that you had told Manitobans you were not interested in selling, and then you sold it out from—and then it was sold out from under them. And the result of that has been, well, the people that worked there only in the last year succeeded through the Supreme Court in having their pensions protected. And it's also resulted in higher rates for Manitobans.

So this is different from that, materially. And I do think that the Property Registry deal was done with fairness in mind for Manitobans, fairness for the employees who work there and, you know, has achieved for the government not only one-time revenue but ongoing revenue, plus improved service. So, in my estimation, that is a sound arrangement.

\*(15:20)

**Mr. Friesen:** Mr. Chair, I would recommend at this time we would proceed to the consideration of the Estimates for this department.

**Mr. Chairperson:** So now proceeding with the resolutions for the Department of Finance.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$30,272,000 for Finance, Fiscal and Financial Management, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,937,000 for Finance, Treasury Board Secretariat, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,239,000 for Finance, Priorities and Planning, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,842,000 for Finance, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,990,000 for Finance, Net Tax Credit Payments, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$500,000 for Finance, Capital Assets, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

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

Floor is open for questions.

**Mr. Friesen:** Yes, Mr. Chair, I would move that line item 7.1.(a) be amended and the minister's salary be reduced to \$8.

**Mr. Chairperson:** It has been moved by the honourable member for Morden-Winkler that line item 7.1.(a), the minister's salary, be reduced to \$8.

The motion is in order.

Is there any debate? Comments?

**Mr. Friesen:** The minister has missed an opportunity in this budget to repeal the 8 per cent PST that is so difficult for all Manitobans.

It is—it has become apparent through these departmental Estimates, as it was apparent before the start of these Estimates, that the costs for Manitobans continue to rise. But also the revenues of this government continue to rise. Even in a period of time that the minister was defining as a great period of economic restraint, we were able to clearly show that revenues accruing to her government were steadily on a rise.

Mr. Chair, the—we know that when it comes to this government expenditures have continued to outpace revenues. Indeed, this new C.D. Howe report released right now shows that it does over a period of 10 years to an amount of \$3.3 billion. We know that the government was entertaining a strategy to increase the PST even prior to the last election. We know that when it comes to the key rationale that they provided for hiking the PST on Manitobans, it is a false rationale, that, in fact, that even while they say it's about infrastructure, they've underspent on infrastructure to an amount of \$1.9 billion over the last four fiscal years.

In the context of these departmental Estimates, it's become clear that Manitoba has a debt that now exceeds 32 million–billion dollars, and it is particularly important to note that in this, the year when the government was supposed to eliminate the deficit and arrive in surplus, they have missed their target by about \$400 million, breaking a promise made only 23 months ago and renewed by the former Finance minister.

At the same time, when Manitobans pay more, in our discussions around issues like the land transfer tax, like the basic personal exemption, like income tax rates for Manitoba, like adjusting tax brackets to reflect the effect of inflation, this minister has made it clear that such measures will not be undertaken and so, as a result, Manitobans must pay more.

So, Mr. Chair, to sum up: Because of the lost opportunity of this budget, I make the motion to reduce the minister's salary to the point—at \$8—where it reflects that number 8, which has become so significant to Manitobans—the amount that they pay—that jurisdictions around them do not pay—PST to this government.

Thank you, Mr. Chair.

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

**Ms. Howard:** Well, I'm just going to sum up what I learned in these Estimates.

So, the one success I think I'll take from these Estimates is we started from the—when we started, the member, my critic, was a denier that there ever was a recession, had never heard of it, questioned it. When did this—what is this great recession of which you speak? This must be something that you're imagining. And, certainly, after we were able to provide evidence from Minister Flaherty who talked about the great recession, President Obama who talked about the great recession, pretty well every government in the western world that talked about the great recession, we did, at least, get a grudging admission that something, indeed, did happen to the global economy in 2008-2009, so, that is something.

Now, what remains clear to me through these Estimates is that the motion that they put forward in that year of the great recession to cut half a billion dollars out of that budget, to not do what every other government was doing—to go into deficit to provide stimulus funding to protect jobs—that is a decision they've never backed away from. In fact, that is a decision they would make today. They would make that decision today to cut deeply into the services that matter to Manitobans. They would make a decision today to suspend and cancel infrastructure projects, which are going to create jobs and pave the way to economic success. And so, they are the same people who, when the trouble hit in '08-09 thought that the answer to that was to cut, to freeze, to stop, and that would have meant Manitoba went deeper into recession, it would've meant the loss of thousands of jobs, and they haven't changed that.

And then, when they went to the electorate, the position that they presented to the electorate was that they would balance the budget in 2018, which is a full year later than what we have committed to, so that hasn't changed. That was their position now and they now feign indignation that it didn't happen sooner. But the reality is, when this member and every member over there went to talk to the public, the commitment they made was to balance in 2018.

We have laid out a path, I think, that gets us to balance responsibly, without cutting the services that Manitobans count on and without deepening and lengthening the economic recovery period. It is a process and a policy that's going to protect jobs for Manitobans; it's going to protect the services that they count on.

You know, earlier today, we heard some discussion of both the opposition parties about which one was more responsible for the pain in the '90s, and I will let them have that debate all day long. The reality is, they were both responsible. But when that—when those decisions were made in the '90s by the federal government to cut funding available, the government—the provincial government of the day had a choice, and the choice that they made was to visit that pain upon Manitobans.

\* (15:30)

And when we were faced with the recession, we made a different choice, and that will be the continuing discussion and debate. We made a choice to protect jobs, to protect services for Manitobans and get back to economic growth and a balanced budget in a responsible way. And that's a debate that has happened through these Estimates, and that's a debate that will continue, and that's the debate that Manitobans will hear, and I have no doubt that we are on the side of Manitobans in that debate.

**Mr. Chairperson:** Any chance there's more debate?

Is the committee ready for the question?

**An Honourable Member:** Question.

**Mr. Chairperson:** Oh, how about that?

Do you need me to read the motion again?

**An Honourable Member:** Sure.

**Mr. Chairperson:** All right.

The motion is that line item 7.1(a), the minister's salary, be reduced to \$8.

Shall the motion pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** I heard a no.

**Voice Vote**

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

**Some Honourable Members:** Aye.

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

**Some Honourable Members:** Nay.

**Mr. Chairperson:** I think the Nays have it.

**Recorded Vote**

**Mr. Kelvin Goertzen (Steinbach):** A recorded vote, Mr. Chairperson.

**Mr. Chairperson:** A formal vote has been requested by two members, assuming you have someone supporting you.

I'll give him the benefit of the doubt.

This section of the Committee of Supply will now recess to allow this matter to be reported and for members to proceed to the Chamber for the vote.

*The committee recessed at 3:31 p.m.*

*The committee resumed at 3:59 p.m.*

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

**An Honourable Member:** Please, Mr. Chair, tell me that this is not yet being recorded.

**Mr. Chairperson:** It is, actually, for posterity's sake.

Are we ready for the resolution? Let's try this now.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,701,000 for Finance, Corporate Services, for the fiscal year ending March 31, 2015.

**Resolution agreed to.**

\* (16:00)

Now I have to do more work; sign my name; I'm up to the challenge.

All right, you've waited for this moment, but this completes the Estimates for the ever-exciting Department of Finance.

The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Jobs and the Economy.

Shall we have a very brief recess until everyone's ready to start that? *[Agreed]*

All right. We are in recess.

*The committee recessed at 4:00 p.m.*

*The committee resumed at 4:04 p.m.*

**JOBS AND THE ECONOMY**

**Mr. Chairperson (Rob Altemeyer):** Will the Committee of Supply please reconvene.

This section of the Committee of Supply will now consider the Estimates for the Department of Jobs and the Economy.

Does the honourable minister have an opening statement? If so, please proceed.

**Hon. Theresa Oswald (Minister of Jobs and the Economy):** Mr. Chair, it is my great privilege to put a few remarks on the record today as we begin the Estimates process for the reasonably newly formed Department of Jobs and the Economy. It is a great privilege to serve as the Minister of the Department of Jobs and the Economy. Certainly, we know that this was an effort by our Premier to focus even more on one of our government's top priorities, of course, and that is supporting economic growth and working hard with our partners in the community to create conditions whereby more and more jobs can be created.

The new department does merge responsibility for a broad range of economic development goals. Mr. Chair, the core mission, of course, being to support the development of a skilled and sustainable workforce and foster trade, innovation, investment and entrepreneurship and partnership with industry stakeholders to maximize opportunities for prosperity for all Manitobans.

We welcome the Business Transformation and Technology division and the small business innovation and business development branch, formerly of the Department of Innovation, Energy and Mines.

Since taking on this new portfolio and having taken the opportunity to go out and meet with business leaders, industry leaders, entrepreneurs, stakeholder organizations, I would say, in short, I've learned a lot. But it is, indeed, one of those cases, as I think is always true when you take on a new project or a new role, that the more you learn, the more you learn that you need to learn. And so, it is with great interest I look forward to this discussion with the member opposite. I know that she has dedicated her academic studies and certainly much of her professional life in areas that are in direct interest to this department, and so I haven't any doubt that there are things that I can learn from her, and I welcome that opportunity.

In order to continue to grow our economy and create opportunities for our young people, without a doubt, we need to invest in training. That is what business leaders have told me time and time again. I would say it is the No. 1 concern of employers in our province. They do concede that the No. 1 barrier to their growth is the acquisition of even more skilled workers, and it's why our government has made a commitment to grow the labour force by 75,000 by the year 2020. I think there's a real opportunity to realize Manitoba's workforce's potential by investing in training and employment to meet this targeted goal.

Manitoba has the third lowest unemployment rate in Canada, which is a good thing. To grow our skilled workforce, therefore, we really need to work hard to reach out to people who are not in the labour force, break down any barriers that they might experience when it comes to becoming employed. We are, therefore, providing additional supports to help people who are not currently in the labour force to get those essential skills and to move into good jobs.

Certainly, we know that this budget and its \$5.5-billion investment over five years will go a very long way to ensuring that we create more and more good jobs for Manitobans. Our strategy for sustainable employment and a stronger labour 'margret'-market was publicly announced some months ago and is focused on restructuring the Employment and Income Assistance Program to help EIA participants make a smooth transition into jobs. We're working hard to help parents on EIA make the transition to jobs through a series of positive, collaborate, informal and, I would dare say, inspiring employment and training information sessions that are peer-led, Mr. Chair, which have been held across

Manitoba. Through this process, which is new, over 400 people have attended these sessions and are moving forward on their pathway to training, employment and independence, and a significant number of these parents have already closed their EIA files.

We're into the second year of the strategy, and we plan to expand this approach to include new and enhanced efforts to assist persons with disabilities and vulnerable youth to connect into skilled careers.

One of the initiatives includes introducing Manitoba Works!, which is focused on employment outcomes of EIA recipients and individuals with complex needs, partnering with industry and community stakeholders and identifying what works to help connect disadvantaged people to sustainable employment.

Our new Rent Assist program is part of a four-year plan to raise the maximum benefit levels for EIA participants to 75 per cent of median market rent, which we believe is the right target. But what's important about our approach is that the new benefit will stay with people as they make the transition from EIA into jobs. All households currently receiving EIA shelter and/or RentAid benefits and living in private rent will see an immediate increase in benefits, effective July 2014.

\*(16:10)

This increase for EIA participants will be \$70 a month for one-person households and \$50 for households with two or more persons. Also, Rent Assist will be expanded to include all income-eligible households.

We recognize, of course, that some of the most in-demand and good-paying jobs are those in the skilled trades, which is why we're focused on supporting training for apprentices. We've seen the number of apprentices in Manitoba more than double in the time that we've been in office, and we need to continue to increase opportunities for people to enter into the skilled trades.

We're working directly with industry, with our high schools, colleges, to ensure that training and programming continues to be nimble, accessible and relevant. And we're committed to continuing to support employers and apprentices by creating a new \$1,000 bonus for employers who will take on apprentices for the first time, and rewarding employers that taken on apprentices for-take on apprentices with an improved \$5,000 tax credit that's

easier to access than before, based on advice that we've received from employers. Also, we're providing a final-year apprenticeship bursary which will help assist apprentices with up to \$1,000 to help them complete their technical training, and this is based on advice we've received from apprentices themselves.

Mr. Chair, I'm proud that last session we introduced Bill 33, The Apprenticeship Employment Opportunities Act. This first-of-a-kind legislation in Canada, indeed, and it reinforces the importance of employing apprentices and will require contractors and subcontractors who are bidding on public works contracts to be employers of apprentices.

As I mentioned in the introduction, we're very pleased to bring together the Innovation portfolio under Manitoba Jobs and the Economy, and we're excited to introduce a new innovation strategy that will establish Research Manitoba, that will bring together post-secondary partners to co-ordinate efforts on intellectual property, that will improve access to venture capital for Manitoba businesses by enhancing the Small Business Venture Capital Tax Credit and will introduce new young entrepreneurs technology grants to help young Manitobans with innovative business ideas pursue their dreams right here at home.

There are plenty of things, Mr. Chair, that we will have the opportunity to speak about going forward, but we know that as we work together with people in our community, we can make an effort to make it easier for our young people to become part of our workforce and be skilled workers. We know that we can help our young people find meaningful careers and we know that we can help those with the greatest disadvantages be full participants in our growing economy.

Thank you, Mr. Chair.

**Mr. Chairperson:** We thank the minister for those opening remarks.

Does the official opposition critic have any opening comments?

**Mrs. Heather Stefanson (Tuxedo):** I just want to say that I congratulate the minister in her new role as the first, I guess, minister in Manitoba for Jobs and the Economy. And I have to say I'm quite excited about my role here, as well, and holding her feet to fire and assuring that she does create the jobs that she's saying that she's going to create, and all of those things, making sure that she's accountable for some of the goals that she's setting, and I think that

we'll have the opportunity to do that over the course of the next couple of years.

But I do want to say it's—one of the reasons that I got involved in politics is because I care so much about young people in our province, and I want to ensure that there is a future for them here. And one of the things that I've seen over the course of the last 14 years since I took office is a government that really isn't creating the kind of environment here in Manitoba that's conducive to growing our economy even more than it—like, it has grown somewhat, and we've done relatively well over the course of the last little while when it—when we—through the global economic recession, and so relative to other provinces across Canada we have done well—relatively well.

But I think we can be so much better than what we are, and I think the reason that we're not is because of some of the policies of this NDP government. And over the course of the next little while, I know through this Estimates process we'll have a chance to talk about some of those—the policies of this government and where I think—over the course of the last 14, 15 years since they've been in power, I think they've dropped the ball when it comes to where we could be with respect to other provinces in Canada. In particular, I look to our neighbour, Saskatchewan, and I remember asking questions in question period back when I first got elected and talking about young people leaving for other provinces, and at that time I asked a question, you know, do we want to be worse off than Saskatchewan because at that time Manitoba economy was doing better than our neighbour's. And now fast forward 14 years and we look where Saskatchewan's gone and we look where Manitoba has stagnated and the opportunities that have been lost here in our province.

And I have a lot of hope for the future of our province. I think we have tremendous people here in Manitoba, hard-working people who want to see our economy grow, who want to see more and more jobs created to keep our young people here in Manitoba and not seeking job opportunities elsewhere because they're not offered here in our province. And, you know, that's why I got involved, and I'm happy now to be a part of a discussion process here and perhaps a debate about the future of our province and where we can see ourselves five, 10 years from now. And I look forward to hearing from the minister what some of her plans are for developing jobs and helping to grow our economy here in Manitoba.

But one of the most important things is, of course, creating the environment here that's conducive to growing businesses here in Manitoba and creating jobs here in Manitoba, and policies like increasing taxes, taking more money away from—disposable income away from Manitobans, who, we believe, know how best to spend their money than the NDP Cabinet. But, you see, the NDP, that's the difference between us and them is that they believe that they know best how to spend people's money and we believe that people know how best to spend their hard-earned tax dollars. And so there have been some unfortunate policies that have been introduced by this NDP government over the last 14 years that have really taken us, I think, in the wrong direction with respect to the potential of where we could have been.

Particularly, they made the decision to gut the balanced budget legislation, which, I think, was incredibly unfortunate. They opened up the act five or six or seven or eight times, and each time they opened it up they watered it down further and further to—and it—I think it's really unfortunate because that shows that we have a culture here of government that, if they can't live up to the laws, they'll just—they'll change them to suit their own political agenda.

And I think it's unfortunate another policy that they introduced was an increase in the PST, which, of course, they went about doing illegally. They promised before the last election not to raise taxes. The first order of business after they came into—after the election, they expanded the products and services that were subject to the PST and expanded the PST in Manitoba, one of the highest tax increases in 25 years, since the last Howard Pawley government in Manitoba, and then subsequent to that they increased the PST from 7 to 8 per cent. After campaigning door to door that they wouldn't increase the taxes here in Manitoba, they turned around and raised the PST, and I think Manitobans won't forget about that. But it wasn't even so much about the increase in the PST itself; it's how they went about doing it, and taking away Manitobans' right to vote on that was just quite an egregious decision that was made by this NDP government.

And we think of all—you know, we debated this morning on a bill to provide driver's—or licence plates to support our troops, and it was a nice moment in the Manitoba Legislature where we all came together and did the right thing and we passed that bill this morning, and that was a bill introduced by the member for Lakeside (Mr. Eichler), and all

members were able to support that. And what we were supporting is our troops, the people, the very people that go out and fight to protect our way of life, who sacrifice their own lives and the lives of their families to protect our way of life, our democratic way of life.

\* (16:20)

And I think that that's one of the other policies within this NDP government that's really gone in the other direction is that they've stripped away the rights of Manitobans, not only to vote on the PST, but they've stripped away their rights to, you know, to—over time here in Manitoba. And that's just one of the policies that is there within this NDP government that I think is taking us in the wrong direction.

So, again, Mr. Chair, I think we've got huge potential here in this province. We have incredible resources. We have incredible people. We have great industries. Whether it's manufacturing, agriculture, there's so many great industries here in Manitoba—the mining industry, which, again, it's unfortunate in the mining industry that this government has introduced policies that have taken us in the wrong direction, taken us from being No. 1 in mining to being No. 27 now, one of the last provinces in Canada. And I think that's really—that's an unfortunate thing for an industry as important as mining is in our province and for our economy.

So we know that—and I—certainly, as I've been going around the province and meeting with various stakeholders around the province, one of the things that I've heard loud and clear is the government's policy on red tape, and that in order to do business in this province, it's much more cumbersome to be able to just do some of the same things that can be done in other provinces.

And so, when businesses are deciding to expand or locate across Canada, that's one of the things that they look at in our province is the somewhat cumbersome red tape regulatory process that's here in Manitoba, and the tax. We are one of the highest—we are the highest taxed west of Quebec, and it's just these policies are not conducive to growing an economy and creating the jobs that I believe and our party believes we have the incredible potential to do.

So with that I will leave my opening statements and look forward to the dialogue ahead.

**Mr. Chairperson:** We thank the official opposition critic for her opening remarks.

Now, under Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 10.1.(a) contained in resolution 10.1.

With that said, we now invite the minister's staff to come and join us at the table.

Now perhaps the minister could introduce her staff to members of the committee.

**Ms. Oswald:** It's my privilege to introduce to the committee Hugh Eliasson, deputy minister; Peter Moreira, director of finance and administration; Dave Fisher, executive director of Employment and Income Assistance; and Scott Sinclair, executive director of Employment Manitoba.

**Mr. Chairperson:** Thank you very much.

And now the next question for the committee to decide is, do you wish to proceed through the Estimates of this department chronologically or to have a global discussion?

**Mrs. Stefanson:** I would prefer to have a global discussion, if we can.

**Mr. Chairperson:** A global discussion has been suggested.

**Ms. Oswald:** I can't think of anything I'd rather do.

**Mr. Chairperson:** Well, I think we have a nice little bit of agreement here. It is therefore agreed that questioning for this department will shockingly proceed in a global manner with all resolutions to be passed once questioning has concluded.

That said, the floor is now very open for questions.

**Mrs. Stefanson:** I guess we're starting off to a nice spot here where we're in agreement on the first order of business. So that's always a nice way to start.

I do want to just start off—I know there's a number of areas here, it's a new department. And, I wonder if the minister can just—I know in her opening statement she talked a little bit about the various areas of the department—and, I'm just wondering if she can expand a little bit on what her vision is for this department and where she wants to see us with respect to jobs and the economy five years from now.

**Ms. Oswald:** I'm tempted to read my opening statement again, but I will resist the temptation.

So the Premier (Mr. Selinger), in his wisdom, made the decision to reset the Cabinet and have a strong focus on those things that we heard loud and clear from Manitobans in our discussions and our meeting with them. And that is, of course, ensuring that we maintain a steady economy, and that our economy continues to grow, and ensuring, of course, that we have good jobs available for Manitobans, for the young, like ourselves, for the medium, like the deputy, and even for the more senior, should they be so inclined to continue with employment. We want to have a breadth and depth of employment opportunities for the citizens of Manitoba.

As a parent of an eight-year-old child, of course, I'm keenly interested in what it is that we can do together to ensure that our young people have every possible opportunity to live and to grow and to learn and to thrive here in Manitoba, and I believe we're well on our way.

The time that I've spent in the department thus far, when not attending to duties in the Chamber, has been meeting with leaders in industry, in addition, of course, to the experts in my department, and learning about the challenges that exist out there. And I will concede the point that like all jurisdictions in Canada, we have some, and we need to tackle those challenges head on, thoughtfully, and be nimble.

But there are also a lot amazing stories right here in Manitoba of businesses that are growing and expanding, and industries that are beginning, just over the last few years, but really developing into something special and unique right here in Manitoba. In some cases, these, I think, are secrets that are too well-kept, and I certainly do view that as part of my job, to ensure that I work together with our partners to make parents aware and make young people aware of the great opportunities that are here, whether it's in aerospace, or interactive digital media, or agriculture, and so many things beyond. There are so many innovations happening here in Manitoba that have been expertly supported, may I say, by people in this department, not the least of whom is the deputy, and have also been expertly supported by the leaders in our industry.

We've worked very hard to be responsive to requests from industry on what we might be able to do on the tax credit side or what we might be able to do in partnership to create a skilled workforce that is very specific and appropriate to that industry. And we've heard from individuals, not just here in Manitoba but from across Canada that have come

here to invest in Manitoba, that our ability to work quickly and in concert with our educational institutions is a real asset. When you can see things like a classroom for Red River students right in the shop at Magellan, where individuals are working on state-of-the-art equipment, using state-of-the-art tools to be able to learn their craft and be able to walk right onto the factory floor and be able to perform those duties because they have been trained in such a state-of-the-art way. I think broadening those kinds of investments, in partnership with education—educational leaders, is critically important.

\* (16:30)

At the same time, of course, as I said in my opening statement, this department is also responsible for EIA. And I think, over time, we have seen many investments made and many programs developed in Employment and Income Assistance with the very best of intentions that have, because of the time that has elapsed, become quite cumbersome. And we have heard this from EIA advocates; we've heard from those with lived experience that while these programs may have been well intended at a time, they're difficult to access.

And so, as we endeavour to reform how individuals can receive benefits through Rent Assist, we also want to work to transform, to make those resources more easily acceptable and to ensure that they are portable. We always want to ensure that people are better off working. We don't want to create a situation where there is a trap for people from which they can never escape, where it is a disincentive for them to join the workforce. We need to ensure that the benefits that we provide can follow with those that are making that transition from welfare to work, and that's a critically important part of how we're going to be expending our energy. We want people not to have to rely on Employment and Income Assistance, but to participate in an economy that is growing.

So, certainly, over the next five years, we'll be continuing to work with industry partners, with post-secondary institutions and, indeed, high schools themselves, to make sure that students get the best possible start and have an advantage going into post-secondary education, that our young people and their parents understand that there are a lot of options for people to have good paying jobs, that the path to prosperity is not necessarily only through a university education, but through college, and that

we can ensure that those people that have traditionally been disadvantaged can participate fully in the workforce.

Steady growth, good jobs, that's my plan.

**Mrs. Stefanson:** Yes, well, I'll believe it when I see it.

I—how many people are currently on employment income assistance in Manitoba?

**Ms. Oswald:** I can inform the committee that the average monthly cases for 2013-14 is 35,536.

**Mrs. Stefanson:** And how does that compare with other—say, the last five years?

**Ms. Oswald:** I can inform the member that since 2008 and '09 there had been a rise in the number of individuals receiving income assistance, and in 2012-13 and '13-14 that increase began to level out to, you know, actually, you know, going down by half a per cent and going down by 0.2 per cent respectively.

**Mrs. Stefanson:** The minister indicated that the average number of people monthly that are on employment—on EIA was 35,536. So how does that compare—like, what's the average for the years—the numbers—the monthly average for the other years?

**Ms. Oswald:** Okay, I'll kind of concede the point that I've forgotten what you've asked me, but I'm going to try to remember.

So since, as I said, the '08-09, we saw a number, you know, and I'm, of course, focusing in on that time because, of course, it's a time when we saw the, you know, great economic challenges worldwide.

So the number at that time, 31,096, rising to 32,829 in '09-10; 34,147–35,427 in '11-12; then 35,523, then 35,536. So you know we are seeing the numbers begin to flatten, in terms—well, that was the average monthly cases, but in terms of persons, you know, we are seeing that number begin to flatten. We did, however, start, you know, going back in '98-99 at 36,850, so we did see a decline in individuals or average monthly cases through the early 2000s, but when the recession hit, we certainly did see an increase.

And the records that I have before me show that over the last 20 years or so we did see a peak time in '93-94 and '94-95 at 49,351 in '93-94 and 48,169. And I'm just looking at this sheet. I did misspeak earlier. Average monthly per cents for '12-13, 62,028, which was a 0.5 decrease from

62,332 in '11-12. I think I said that was a decrease in the averages and I misspoke there.

And then 61,905 in 2013-14 was, indeed, a 0.2 per cent decrease from '12-13. That was in '13-14. So generally speaking, we came from, at least in terms of the last 20 years' records that I have, of kind of a peak at 49,351 and drove that down in the early 2000s, saw it creep up again, but we are seeing things start to flatten now.

**Mrs. Stefanson:** Yes, and the minister mentions that when the recession hit, obviously there was some trying times in late 2008 and global economic recession hit. But we didn't actually fare as badly here in Manitoba as if we look—as compared to other provinces across Canada, and so the recession really never hit here in Manitoba.

Now, if—or if the minister would care to let me know what years there was a downturn in the economy after 2008, perhaps she could indicate that for the House. I know I believe there was one year where it was relatively flat, was 2009. It was about a 0.9 per cent decrease but the other years, I believe, and she can correct me if I'm wrong, we saw growth here in Manitoba. Can she indicate if there was a downturn or a recession here that hit in Manitoba, where there was an extreme downturn in the economy here in Manitoba and what year that was?

\* (16:40)

**Ms. Oswald:** I was reading the Hansard for the previous session, where the critic for Finance was speaking for a lot of hours, actually, on the subject of the existence of a recession. And while it's tempting, I think, to travel down that same road, I think that we could all, you know, take a little weekend reading with us and review the discussion between the member for Morden-Winkler (Mr. Friesen) and the Finance Minister and get a fulsome understanding of the fact that, you know, indeed, there was a worldwide global economic downturn. And Manitoba was not immune to that. And I'm certain that the member opposite knows that.

We know that when our, you know, major trading partners, you know, experience softness, even now, in their economy, that it puts a lot of pressure on our exporters, and there's a lot of work that needs to be done to ensure that the economy is stimulated, that people continue to work. And I would say individuals in the Department of

Finance, individuals in the former department of Entrepreneurship, Training and Trade and, most importantly, industry leaders in Manitoba all came together with a common purpose to ensure that Manitobans were able to, through a diverse economy, weather a very, very treacherous storm. And so it has been a challenge and it continues to be a challenge.

Certainly, you know, I feel very proud here in Manitoba that we did not fare as badly as some other provinces. But to suggest that there was no harm to the Manitoba economy as a result of what was going on in the rest of Canada with our major trading partner in the US and indeed with economies worldwide, I think would really be to miss the point.

**Mrs. Stefanson:** Well, the reason—the minister was saying that the reason for the increase in the EIA over the last number of years since 2008 was due to a recession in—here in Manitoba, okay; so that's why there's a—she said that that was the reason why there was an increase in the number of—in the average monthly numbers of people on employment—on EIA. So she indicated that that was because of a recession that was realized here in Manitoba. We know and recognize that there was a worldwide economic recession. We understand that a global economic recession was a result of issues and things that transpired in late 2008.

But what I asked her was: What year was there a significant downturn in the economy here in Manitoba indicating that we were in the midst of an economic recession here in Manitoba?

**Ms. Oswald:** And again, you know, I feel a little bit surprised that we're having a similar conversation that they had in the other section. I really sort of—well, I'm surprised. Let's just leave it at that.

Certainly, I did not say that the increase in EIA was—the only reason for it was the economic downturn, but certainly it was a reason for it, without a doubt, and not an insignificant one. When you take three percentage points, you know, out of the growth of your economy, it has an effect. It has a serious effect on consumer confidence, on multiple factors across the economy, which, of course, affects the workforce. And there is pressure. And again, you know, I feel very, very proud of the work that happens here in Manitoba, and that, indeed, because our economy is diversified, that we didn't take as much of a hit as some other provinces. This is something to be very proud of. But it didn't just happen. It happened because leaders in industry

and leaders in government and businesses worked together, listened to one another, made adaptations and amendments to existing policies and procedures, worked to stimulate the economy, with a real focus on ensuring that people weren't out of work and that businesses didn't suffer as deeply as we saw happen in other jurisdictions.

So, again, I would suggest to the member—and perhaps I'm misunderstanding her question—I was listening as carefully as I could—but it sounds to me like she's asking me, don't you know that there wasn't a recession. And I have to say to her, as I believe the Finance Minister said to the Finance critic, that it wasn't a secret. It was the topic 'round the globe, and recovery continues still.

Our major trading partner, the United States, still experiences softness, and that continues to impact Canada and impact Manitoba. And so whether or not you see yourself in a negative position, the loss of 3 percentage points is not an insignificant thing. And that is evident on individuals collecting EIA, it's evident on businesses that have worked hard to amend their goals and amend their plans, and it's evident in the efforts that have been made in partnership with industry—a partnership between government and industry—to work to ensure that there are programs to train individuals to find employment in new careers because that's what they need to do.

**Mrs. Stefanson:** Well, the minister has now indicated again that she—she referred to the economic downturn here in Manitoba, and I'm just simply asking her when was there a significant downturn in the economy here in Manitoba. It's a very simple question.

**Ms. Oswald:** Again, you know, we'll endeavor to get a year and a matching number for the member, but I can say broadly we went from—going from an economy that was year over year increasing by about 2.7 per cent that moved to a situation where we were at 0.3 per cent—minus three—0.3 per cent. And so when you have that kind of a swing in not that long of a time, your economy absolutely sees the effects of that.

And there are many efforts that have been made and will continue to be made as the recovery continues, to ensure that we can continue to create good jobs, keep people working. And we've seen the success stories of a number of our industries that are, in fact, working hard to expand.

So, again, I would say to the member that Manitoba was not immune to the effects of the economic downturn. Her statement that she would believe that Manitoba suffered no ill effects from the downturn, I think, is problematic.

**Mrs. Stefanson:** Well, the minister didn't answer the question. I look forward to getting her year and her matching NDP number, then, to let me know what year we realized an economic downturn, a significant economic downturn to be realized as a recession here in Manitoba, but I guess she'll endeavor to get me those numbers at another date.

\* (16:50)

I would like to move in—I do have some questions, as I mentioned in my opening statement, a couple of the main issues of concern that I've heard from businesses and from industry across Manitoba. One is, just in general, the taxation environment here in Manitoba. The other is the—is really red tape, the cost of doing business here in Manitoba, the regulatory environment here in Manitoba. We know other provinces like BC have taken the steps to move towards reducing red tape to allow businesses to prosper in their province, and I believe they even looked at something federally as well. And I'm wondering if the minister is considering any kind of a red tape review, a regulatory review, here in Manitoba to address some of the concerns of industry, because I'm sure she is hearing the same thing from the industries in Manitoba as well.

**Ms. Oswald:** And, as I've been sitting here listening to the member, you know, kind of snippy tone and all, I've had a revelation. Maybe the reason that there seems to be a disconnect between us on the issue of a global economic downturn is because the member actually doesn't believe that it happened, like the member from Morden-Winkler, and it's all coming together for me now, actually. This is, of course, the same member that, in the face of that challenge, proposed that we cut a half a billion dollars out of the budget in one year, which, you know, we know any thinking person realizes only happens on the backs of Manitobans, on the backs of nurses, on the backs of teachers, on the backs of civil servants, and, like virtually every government that is perceived to be thoughtful, rejected this kind of an approach, Stephen Harper's government included. And, I mean, we knew right out of the gate that this was a ridiculous suggestion to approach a serious economic downturn by making such a short-sighted, thoughtless, arguably heartless, I think, kind of

suggestion, that taking half a billion dollars out of an economy during a time of economic challenge around the globe would be a good idea.

And, you know, there was discussion about that this might not have been a surprising proposal from some members of the PC caucus, but, admittedly, we were surprised that it came from the member for Tuxedo, you know, given her financial pedigree. So it was shocking.

But now I'm coming to understand that, in fact, it's because she didn't think there was a recession, sort of like the member from Morden-Winkler. And, all of a sudden it's, you know, this thing that has always been quite fuzzy to me, about how anybody could have thought that these kinds of really dire austerity measures, at the worst possible time in the cycle of a global economic downturn, could be considered to be a good idea. But maybe they are a good idea to somebody that thinks that there wasn't a recession, that there wasn't a problem around the world. And so I would suggest that, you know, perhaps some clarity has been brought to this discussion.

And, on the subject of red tape, I first wanted to say to the member that she says quite often that, you know, she's hearing this all the time from business, and, you know, I don't have any reason to disbelieve that, although the idea that you don't acknowledge that there was a recession is calling that into question. But what I can tell you is when I go to speak to business, small business, large businesses, actually isn't the top-of-mind item for them. It's actually not in the top five. I'm struggling to think of on the tours that I've been on and with the individuals that I've met, you know, you know, who sat down and said, you know, by golly, gee, we need to do something about red tape. The No. 1 thing that these leaders in industry, these employers talked to me about is how important it is for us to collectively invest in developing a skilled-labour force, No. 1, without a doubt. There's the request for skilled labour, the Grand Canyon and everything else.

So I would suggest that—you know, I don't discount what the member is saying and, certainly, I read the CFIB words about the importance of reducing red tape, and I certainly do hear from various employers and young entrepreneurs about authentic and meaningful ways that we can work together to streamline processes. And so, I—you know, I'm quite interested in doing that and, you know, I would be interested in learning more.

I—you know, I understand the member's going to introduce a bill. I'm not sure if it's this slapdash, two-for-one deal that we've seen across the nation, or if it's, you know, more deep than that. I'm hoping that it is, but I think that if we can work together to provide things like a one-stop shop for businesses and entrepreneurs like we have with Entrepreneurship Manitoba where young entrepreneurs can access services and information and business support altogether in one, I think that that's a really positive step.

We've asked the Manitoba Employers Council to form a subcommittee to look very specifically at red tape reduction and there's a pilot project that has been undertaken to analyze and look for ways to streamline processes concerning the convenience store sector, and I don't have any doubt in my mind that that thoughtful group will come forward with suggestions. There's the development of a business portal which is a central access point to numerous businesses providing online services and information and resources. Our business gateways are resource centres providing information, services, referrals concerning business employment, training-related programs for rural Manitoba.

And we know that the work that has been done in creating initiatives like BizPal have been, I think, really good examples of, you know, when governments don't fight with each other, but endeavour to work together to create something that's good for all citizens. So I think those kind of concrete, authentic, meaningful kinds of initiatives where better service can be provided, easier access can be provided for businesses and information, I think that those things are worth looking at with one caveat, and that is that I don't believe in across-the-board reduction of regulation without thought. I think that when you take an approach like that to say, I'm going to reduce a certain number of regulations come hell or high water, you completely disregard really important issues concerning workplace health and safety, concerning public health, and I think you need to pay attention to that.

So I would be very interested in discussions going forward on matters that can really authentically help businesses. But to pick a magic number and say reduce this many regulations no matter who you might hurt in the process, no matter which part of the public you might not protect, yes, that's not on.

**Mrs. Stefanson:** Well, we won't talk about being snippy here, but, you know, clearly the minister is rather snippy or persnickety, or whatever it is she accused me of earlier.

But what's becoming very clear to me is that this minister does not understand the question, the question around the downturn and the recession here in Manitoba versus a worldwide economic recession, and I guess she didn't understand the question. She wasn't able to answer the question. So that is becoming very clear to me that she is not—she doesn't understand the question. So that really takes us away from that debate altogether—

**Mr. Chairperson:** Sorry to interrupt, but the hour being 5 o'clock, committee rise.

### EXECUTIVE COUNCIL

\* (14:40)

**Mr. Chairperson (Tom Nevakshonoff):** Order. This section of the Committee of Supply has been dealing with the Estimates of Executive Council.

Would the Premier's staff and that of the Leader of the Official Opposition (Mr. Pallister) please enter the Chamber.

Floor is now open for questions.

**Mrs. Heather Stefanson (Tuxedo):** I do have a few questions just regarding the Cora restaurant located in the CCFM. And just I'm not sure if the Premier is aware—I'm sure he is, it's in his riding—about what is—what has happened there. It's—the Cora restaurant's been there for nine years or so, and it seems that the CCFM is not allowing them to bid on a contract to be a part of—to continue on. And their contract, I believe, expires in the fall of this year.

Is the Premier aware of this issue, and can he indicate what he is doing? As I understand, there's some—there's upwards of 40 jobs that are on the line here, and I'm wondering if he could indicate for the House what he's doing to help those jobs remain in his constituency.

**Hon. Greg Selinger (Premier):** I'm aware that the restaurant is in the CCFM and I'm aware that there's some discussion about this—the board of CCFM trying to determine what is the best service to offer in their building as they go forward. And then, after that, I'd have to get the member details about what the status of all of that is, but I understand that there's some consideration by the board as to whether they want to look at other service providers in that area,

and I don't have any details beyond that. But that's what I understand is the discussion at the moment.

**Mrs. Stefanson:** Who's on the board? Is that—is the board—who's on the board of the CCFM now?

**Mr. Selinger:** Those are appointees recommended to us by organizations in the community, such as the Société franco-manitobaine. They represent a broad cross-section of people from within the community, appointed by Lieutenant Governor-in-Council.

**Mrs. Stefanson:** Okay, I appreciate if the minister could get back to me and let me know. The issue was brought to our attention just by the proprietor of Cora, I believe the franchise owner, I think it's a franchise. And they're obviously very concerned about the tender process which is taking place here. And it seems to be just when we're looking at the Auditor General's report, there are a number of issues around tendering with various contracts to do with the provincial government. And this is one that I know is particularly affected because it's in the Premier's own riding, and I know—and I'm sure that he'll want to try and protect the jobs in his riding and want to ensure that there's proper due diligence and that's there's proper—the proper procedure is followed when it comes to tendering out the contract for that particular space within the CCFM. And it seems to me that this restaurant's been there for nine years, and they should've been given at least the opportunity to put in a bid to continue moving forward. And it seems to me, from various correspondence we received from them, that they're very concerned that they've been shut out of this process.

I'm sure the Premier—is the Premier aware that they have been shut out of this process?

**Mr. Selinger:** I'm not aware of any particular details the member has raised, whether they're accurate, whether they're inaccurate, whether they're, in fact, the case.

**Mrs. Stefanson:** Well, again, it's of—it's a concern to me because, you know, and certainly around some of the questioning with respect to the Auditor General's report, when there's contracts upwards of over \$300 million worth of contracts that have gone untendered in the province of Manitoba specifically to do with the government of Manitoba or arm's-length organizations to do with the provincial government, and there seems to be a bit of a culture of perhaps not wanting to or not, you know, not tendering in the province of Manitoba and

perhaps maybe on a more general level I'll get away from the Cora restaurant for a little bit.

But if the Premier could comment on what—why it is that there are upwards of over \$300 million worth of contracts that have gone untendered?

**Mr. Selinger:** Again, on Cora—I understand—from what I heard from the member from Tuxedo was—that there was a tender. But she was raising issues with respect to whether or not everybody could apply for the tender competition, and we'll have to find out what the specifics of that are.

On the broader issue of whether there should be more frequent tenders, as the member knows, there are some provisions for urgent tendering or sole-source tendering, if there's not another service immediately available to fill that need, and in some cases that is acted on. If that's the case, it should be properly documented and justified, and I believe the Auditor General indicated that documentation wasn't in place all the time. And that's something that needs to change, if that was, in fact, the case. The Auditor General also indicated that there needs to be a review of the threshold for some of these purchases that the threshold is about 17 years out of date and it's—it currently exists in that out-of-date fashion at around a thousand dollars, and I believe the Auditor General was suggesting we take a review of what the appropriate threshold is for when tender should be let. The other factor could've been during the course of this investigation was also that very difficult period when a lot of goods and services were needed rather urgently in the context of the flood and the recovery from the flood.

So that may have been a mitigating factor, as well. But, broadly speaking, I think that we do want to follow the proper tendering policy to ensure that we get the best value for the money from providers of services when there are more than one provider able to put that service in front of the person that's put the tender out there, and in our case the government of Manitoba or one of its agencies. So I don't disagree with the auditor recommending that we take a look at these things and making sure that, if there's going to be any exceptions to tendering, that there's good justification for that and proper documentation to support that. And also I take account of her recommendation to take a look at the threshold to see if that needs to be modified to make sure that the due diligence that goes into a tendering process is warranted with respect to the amount of goods and services being purchased.

**Mrs. Stefanson:** Well, as I understand, and under The Financial Administration Act, that any contract that goes untendered needs to be reported to the Minister of Finance within a month of that contract being untendered, I guess, and being given to a group or an organization. In many instances that didn't take place according to the Auditor General's report and, in particular, the one with respect to STARS, that was never reported to the minister of Finance's office at all. But, as I understand, and maybe—the Premier, I know he was minister of Finance prior to this as well and has sat on Treasury Board—for the approval process of tendered contracts do they—is it part of the process that any tender contract or untender contract go to Treasury Board for approval?

**Mr. Selinger:** Departments have guidelines as to what they can purchase in terms of contracts and certain thresholds that they can act on their own discretion, and those discretionary levels for acquiring goods and services vary according to the level of authority that they have. So there'd be one threshold where the deputy minister can act, up to a certain amount of money, another threshold where an ADM can act, or a director, or perhaps other officials as well, as designated by the department.

So there are various thresholds that allow for sourcing of goods and services without going to Treasury Board. And there are other thresholds above which Treasury Board approval is required. So delegated authority can vary by department to department and by—within the department depending on the types of goods and services that are required.

So there's always a requirement to try and provide services and goods in a timely fashion to get things done that government has undertaken to do and at the same time to be accountable for doing them in an efficient and effective manner.

So these are constant relationships between Treasury Board officials and departmental officials to identify what thresholds are reasonable for having approval of Treasury Board or not having approval of Treasury Board and allowing delegated authority to be sufficient authority to make that decision.

**Mrs. Stefanson:** Just to go back to Cora just briefly here. As I understand, there was a petition that was delivered to the Premier's office with more than 3,200 names on it of people from his constituency, the surrounding area of people who want to—Cora to remain in the location in the CCFM. And, again, they indicate that there's potential job loss of 40 jobs there, and clearly this is a very important issue

within his own constituency. And I'm wondering if he could just indicate what he plans to do to—from here, what steps he plans to take to ensure that proper process was taken place here.

**Mr. Selinger:** Again, as I indicated earlier, I'll look into the matter and find out what is going on. And it seems that the member has acknowledged that there is a tendering process but that the current tenant in the facility doesn't feel that they're somehow able to apply as part of that tendering process. I'll have to see what they—what the facts on the ground are and get the departmental—or the organization's response to that. And then we'll see whether there's anything amiss and whether anything needs to be corrected.

**Mrs. Stefanson:** The people from Cora have tried to reach your office and tried to get a meeting with your assistant, but they said they've left voice mails and they haven't had their calls returned. Wondering if the minister would—or, sorry, if the Premier would agree to have his—one of his staff members at least meet with them about this?

**Mr. Selinger:** I won't necessarily agree to that right now because I'd need to know the circumstances of whether there's a tender process out. And normally we don't interfere in tendering processes. So I'd need to know the circumstances around which the request was made and whether it's appropriate to meet with those people depending on those circumstances. So, no, I won't make that commitment.

**Mrs. Stefanson:** Okay, well, this is—I mean, it's a pretty important issue of concern to people in his community, and, you know, I would hope that he will follow through on this to ensure that those jobs are protected, taken seriously in his community.

It seems to me that they feel that they've been shut out of the tendering process, where they weren't given—and all they're asking for is fairness in the process. So I'm hoping if there is some indication that there has not been fairness in the process, that the Premier will agree to meet with these individuals or at least get back to them and let them know that he's looking into them right now, so that they have some indication that he is looking into it. Will he have his office at least contact them to let them know?

**Mr. Selinger:** What I said I would do is find out what the status of the tendering process is and the specific circumstances. And once I know that, we'll decide what the next steps would be, but the member, I hope, is not suggesting any behaviour that

would compromise a tendering process and—without knowing the facts on the ground. I hope she's not suggesting that, and I won't agree to that until I know the specific circumstances.

\* (14:50)

**Mrs. Stefanson:** Just would like to ask a few questions around—as I understand, the Premier has—with respect to the Manitoba Property Registry sale to Teranet, can the Premier indicate what process took place with respect to the sale of that Crown asset?

**Mr. Selinger:** I'd have to get details for the member on that. That was—that transaction was under the authority of the Finance Department.

**Mrs. Stefanson:** So would that not, and again just looking at procedure and process here, this is a sale of a Crown asset, does that not get discussed at Cabinet or a Treasury Board? Did that not come across the Premier's desk for consideration?

**Mr. Selinger:** Again, I said I'd get the member the information with regard to that, and whether or not it is a sale or a lease arrangement.

**Mrs. Stefanson:** Okay, well, if the Premier could endeavour to get back to me on that. It's—it just seems to me that what did transpire is that it was a sale for \$75 million with a royalty attached to it, and it just seems to me, I mean, if you're looking at, and your government is looking at, a sale of a Crown asset that they'd want to look at all the options out there to ensure that Manitobans are getting the best value for the sale of that particular asset.

And, you know, to me, this is a pretty significant asset for Manitoba. And it seems to me that this should have, you know—I would think that there would have been fairly lengthy discussions around the Cabinet table with respect to the sale of a Crown asset. I'm surprised that the Premier doesn't remember the details when it comes to the sale of this asset. But I guess if he doesn't, he's not prepared to move any forward—move forward on that.

But, if he could indicate and get back to us what the proper process was that took place—or what process—what the process was that took place with the sale of that asset—will he endeavor to get back to us on that?

**Mr. Selinger:** Yes, I said I would look into it and see what the process was.

**Mrs. Stefanson:** Could the Premier get for us the—a list of current Cabinet committees and who sits on them?

**Mr. Selinger:** Yes, we can do that.

**Mrs. Stefanson:** Can the Premier indicate—and I'm just sort of jumping around for a few things here because I know there's some questions that have been, perhaps, asked but haven't been answered.

And I'm wondering if the Premier could indicate what the criteria are for the Public Utilities Board's appointments?

**Mr. Selinger:** Yes, before I do that, I do have the membership of the various Cabinet committees and I'd be happy to read them into the record for the member, if she wishes. And it would start with Treasury Board, chairperson being the Honourable Jennifer Howard, the vice-chair being the Honourable Stan Struthers—

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

For the information of the Premier, he is to refer to individuals by their titles or their constituencies not by their names.

**Mr. Selinger:** The chair is the honourable Minister of Finance (Ms. Howard); the deputy chair is the honourable minister for municipal affairs and the Minister responsible for Manitoba Hydro (Mr. Struthers); the—another member is the Minister for Jobs and Economy; another member is the Minister of Justice (Mr. Swan); an additional member is the Minister of Housing and Community Development (Mr. Bjornson); another member is the Minister for Agriculture; another member is the Minister for Conservation and Water Stewardship; and the last member is the Minister responsible for Family Services.

The planning and priorities—priorities and planning committee of Cabinet is composed of the Premier; the Minister of Finance; the Minister of Infrastructure and Transportation (Mr. Ashton); and the minister of energy and mines; and the Minister of Conservation and Water Stewardship (Mr. Mackintosh); the Deputy Premier (Mr. Robinson), Minister responsible for Aboriginal and Northern Affairs; the minister of municipal affairs and responsible for Manitoba Hydro; the Minister for Jobs and the Economy; the Minister of Health (Ms. Selby); and the Minister of Education and Advanced Learning (Mr. Allum).

The Aboriginal Issues Committee of Cabinet is composed of the Premier; the Deputy Premier, the Minister of Aboriginal and Northern Affairs (Mr. Robinson); the minister for energy and mines; the Minister of Conservation and Water Stewardship; the minister for children and youth; the Minister for Family Services; the Minister of Education and Advanced Learning; the Minister for Healthy Living—responsible for Healthy Living; the Minister of Agriculture; the member for The Pas (Mr. Whitehead), the MLA from The Pas; the MLA for Flin Flon; and the MLA for Wolseley.

And the Healthy Child Committee of Cabinet is composed of the minister for children and youth; the Deputy Premier, the Minister for Aboriginal and Northern Affairs; the Minister for Education and Advanced Learning; the Minister for Family Services; the Minister for Health—of Health; the Minister of Healthy—for—responsible for Healthy Living; the Minister of Housing and Community Development; the Minister of Jobs and the Economy (Ms. Oswald); the Minister of Justice and the Attorney General (Mr. Swan); the Minister for Labour and Immigration; and the Minister for Tourism, Sport, Culture and the Crown—Liquor & Lotteries Crown corporation.

**Mrs. Stefanson:** So, just going back to my last question, what are the criteria for Public Utilities Board appointments?

**Mr. Selinger:** To get a broad—I mean, I don't have them in front of me; I'll check the specific criteria—but to get competent people that are interested in the public, making sure that the utilities that are under the jurisdiction of the Public Utilities Board are providing—they have the ability to analyze those utilities and be able to make reasoned judgments with respect to rate applications.

**Mrs. Stefanson:** Is there any kind of a nominating mechanism for people who might be interested, or people—for the appointment process—to the Public Utilities Board?

**Mr. Selinger:** I believe there—and I'll check this—but I believe there is a website that anybody can put their names forward for public service on any of the boards and commissions, which, as the member might remember, we've shrunk them by 20 per cent. We've reduced the number of boards and commissions. But, for those remaining, people have the ability to put their names forward and to be considered.

**Mrs. Stefanson:** Just going back to the tendering process and the Auditor General's report, and I was asking earlier about what the process was for tendered and untendered contracts of, how it works, going back through Cabinet or Treasury Board for approval. And the Premier indicated that there's certain levels, and perhaps it could be different between departments.

Is there—is it a plan now, given what sort of come out with the report and some of the recommendations of the report, to do an overall review of what some of the criteria are, or the levels are, of what comes to Cabinet or what doesn't, or comes to Treasury Board? Is that part of—is there going to be some sort of review so that it's more—it's uniform across government departments?

**Mr. Selinger:** Treasury Board, on an ongoing basis, reviews delegated authorities. And I'm sure they will carefully read the Auditor General's report and take that into consideration as they do their ongoing review of delegated authorities.

It may make sense to do some—have some greater uniformity, but it may also require some approaches that where one size doesn't fit all, depending on the types of activities that are being undertaken by specific officials and specific departments that have mandates. For example, some mandates may require a certain level of delegated authority in order to be very, very timely in their responses, in the matter of—in the case, for example, of an emergency, or a natural disaster, or life or limb is being threatened, and particular services being provided.

\* (15:00)

But I'm sure Treasury Board will review the Auditor General's report and take a careful look at what the findings are and what the recommendations are.

I do have some information on the Public Utilities Board, if you're—on the Public Utilities Board, the responsibilities are: represents and/or determines the public interest in the approval and/or establishment of fair and reasonable rates and other matters with respect to for regulated utilities and Manitoba Public Insurance. Regulated utilities include natural gas and electrical energy, water and sewer, and with respect MPI, basic compulsory automobile insurance.

Administers legislation governing pipeline safety in Manitoba, and licenses and oversees

privately owned cemeteries, crematoriums and pre-arranged funeral service providers and natural gas brokers. The board also sets the maximum rates that can be charged for the cashing of specified provincial government or government enterprises cheques and provides recommendations to government generally following tri-annual reviews of the rates charged by payday lenders.

Hears appeals regarding Highway Traffic Board, Manitoba Water Services Board, 911 operator decisions, as well as natural gas, propane and water service disconnections. Licenses natural gas brokers and sellers of pre-arranged funeral plans. Approves, denies or varies certain public transportation and related agreements involving the City of Winnipeg. Acts as a regulator with respect to MISO's requirements of Manitoba Hydro with respect to electrical reliability. Holds public processes, issues public notices and decisions and operates a website.

The desirable expertise for a member appointment to PUB are: have a—individuals have a good grasp of the various aspects of the public interest; capable of understanding complex issues involving legal, accounting, engineering and economic matters; fair and impartial; must have no conflicts of interest; experience in financial systems, legal frameworks, evidence-based decision making, processes of administrative tribunals, technical and consumer issues. The membership of the board should include at least one lawyer, one professional accountant and one member that is fluently bilingual. The board has established position descriptions for members and the chair, and as well has enacted a code of conduct for rules of practice and procedure, posted on the board's website—that's the Public Utilities Board.

With respect to who can apply or be nominated for an appointment, the government invites all Manitobans to consider submitting an application or nomination to serve on an agency, board or commission. There's a website that provides—with links to the agencies, boards or commission within each department, where there are detailed descriptions of the responsibilities, skill requirements, membership composition, the estimated time commitment, the location of the meetings and the remuneration rate where applicable, are provided.

So Manitobans wishing to be considered for an appointment are asked to submit a copy of their

resume, along with a completed copy of the application nomination form available on this site to the ABCs office. The questions on the application nomination provide you with the opportunity to express what you feel are most skilled—what you are most skilled and most interested in at this point in time. It also provides information on your availability and whether you wish to be considered for specific agencies, boards or commissions. You can use the nomination form or application form in the place of a resume if you wish.

Mr. Chair, the government is committed to ABCs, or agencies and boards and commissions, that reflect the public they serve. Civil Service Commission equity groups are recognized within the agencies-boards-commissions process, and we encourage all members of equity groups to complete the voluntary self-declaration for equity groups included with the application nomination form.

So that gives you some indication of both the process and the requirements or desirable expertise that's looked for. And there is some training provided, as well. All individuals appointed to an agency, board or commission are required to take a half day or evening orientation session on your roles and responsibilities as a member of a public sector board. Each agency, board or commission will also provide new board members with an orientation specific to the work of their agency, board or commission, and sessions on board governance are also available for all board members on an ongoing basis.

Those that sit on quasi-judicial tribunals are also required to attend a one-day session on the roles and responsibilities of the administrative tribunals and their members, essential elements of the hearing process and post-hearing deliberations and decision making. That's all I have for you right now.

**Mrs. Stefanson:** I thought there might be another phone book or something underneath there you'd start reading from but—

Can the Premier indicate how many resignations, if there have been any, from the Public Utilities Board in the last 12 months?

**Mr. Selinger:** I'll undertake to check the record for you on that and see if I can get you that information.

**Mrs. Stefanson:** And could we just get the names of those individuals who resigned or who left?

**Mr. Selinger:** Yes, I'll attempt to get those for the member.

**Mrs. Stefanson:** So, back to the tendering process. Just again in the report and trying to figure out how the procedure works here and the process within this government, when a \$150-million contract comes forward in the Department of Health that's untendered, at some point that would have gone past through Cabinet or through Treasury Board for approval, would it not?

**Mr. Selinger:** I have to check the specifics of that particular case that the member's asking me about to give her accurate information.

**Mrs. Stefanson:** But in general, if there is a—I mean a \$150-million contract is pretty significant, especially when it's not been tendered, and I would think that that would be something that, you know, the Premier would remember coming across the Cabinet table or Treasury Board or even his own office as Premier of Manitoba. It's a very significant, sizable contract within the province of Manitoba, and I guess I'm just asking— maybe not in this specific instance—but if there is a 150-, 160-million-dollar tender that goes out in the province of Manitoba, what is the process that takes place with respect to that tender?

**Mr. Selinger:** Again, I said I would get the specifics with respect to this particular situation. It has been pointed out in the House already that in some circumstances, when it is in the public interest to do so and when there is only one qualified proponent, government may enter into a contract without a tender, and that was the view and the circumstances with respect to STARS. And other circumstances are reviewed on their own merits within the framework of the policy when it comes to tendering. And, as I said earlier, depending on the threshold of the services that are being acquired, there are certain approvals, and they can vary from department to department depending on the goods and services. And so I'd have to have specifics to let her know which processes are required for those types of acquisitions.

**Mrs. Stefanson:** So there is no general rule across the board that if there is an untendered contract over, you know, \$100 million say, use that as an example, is that not something that the Premier believes should come to Cabinet for a decision or for discussion?

**Mr. Selinger:** There are delegated authorities put in place and larger contracts usually require a higher level of approval, often from Treasury Board with a recommendation to Cabinet, but we need to know the

specific circumstances that the member—and situation and type of service that the member is asking about, and as I've said earlier, there may be specific times when a tender is not necessary when it's deemed to be in the public interest. And even under those circumstances, depending on the level of goods or services acquired, there are different levels of approval. So, clearly, the larger the contract or untendered acquisition of services, the higher level of authority is required. That's the general principle and then you have to look at the specifics to see how high that level of authority goes.

\* (15:10)

**Mrs. Stefanson:** So it would be common practice, then, for this to—for this type of a contract out of the Department of Health for \$160 million—the process under normal circumstances would go to Treasury Board. Is that correct, and then a recommendation from Treasury Board to Cabinet?

**Mr. Selinger:** As I said earlier, I'll get the specifics on this particular set of circumstances for the member.

**Mrs. Stefanson:** Well, the specifics are sort of laid out within—or some of the specifics are laid out within the Auditor General's report, and she indicated in her report, of course, there are four key exceptions when waiving the competitive bid process with respect to a tender and coming forward with an untendered contract. One is, of course, the urgent requirement, which she stated in this case, when it came to the STARS contract, that this—that there was no urgency with respect to this because there was a report that had been done prior to 2009 that stated that there should have been a plan put into place with respect to the helicopter emergency medical services. And that plan, as I understand, was not put together as a result of the recommendation of that report.

And so from that, this—I guess they did contract out to STARS on two occasions in a—more emergent situations, but the specific one that I'm talking about is a 10-year contract which was not an emergency situation and an urgent situation, and the auditor does say that.

The other one is the single source, which she also argues that, you know, there was no documented evidence to conclude that only one supplier could meet the operational, technical or performance requirements. So that was another criteria that, again, did not apply for the specific case. And another was the sole source, where it said there is no documented

evidence to conclude that only one supplier was permitted to provide these goods and services, and the last being that there was an emergency situation. But, given that the government announced in 2010 its intent for a new ambulance helicopter program and the SPA wasn't signed until February of 2012, there was clearly enough time to conduct an advance planning and proceed to tender, but no documents showed that Health had met the emergency criteria in this case with this contract.

So clearly, this tender did not—it should not have gone untendered and the Auditor General makes her claim for that in her report.

So I'm wondering if the minister—or, sorry, if the Premier could indicate why this would not have fallen—why this would not have followed the regular competitive bidding process.

**Mr. Selinger:** I wonder if the member could just tell me what page she was referring to when she was reading out her comments.

**Mrs. Stefanson:** I'm reading on pages 169 and 170 of the Auditor General's report.

**Mr. Selinger:** Is the member asking under what grounds they ordered the contract, or?

**Mrs. Stefanson:** Why was it untendered when it didn't meet these criteria?

**Mr. Selinger:** My understanding is it was the view that there were not other services available immediately to provide this service, that, I think, if we look on page 170 under the single source note, the—there was some preliminary contact with Ornge, which is the service in Ontario, and Helijet, which, I believe, is the service in British Columbia, and apparently they were not interested in providing us service.

Now, it goes on to say there was no formal documentation of needs, requirements and potential timelines. But, as you've heard earlier, the belief was—is that this service had been—the STARS service had been very effective during the '9 and '11 floods. And, even though the most dire circumstances of the '11 flood had passed, there were still many communities that were under states of emergency and many people that would benefit by having this service. So there was a strong desire to have continuity of service for the purposes of ensuring people that needed a helicopter service would have access to it.

So that was the rationale under which Health operated when they believed that it was necessary to continue to offer the service from the STARS organization.

**Mrs. Stefanson:** But, you know—and if you look under the single source, as well, it says that there was no formal documentation of needs, requirements or potential timelines, and because Health did not tender, it could not gain a full knowledge of potential companies in the market.

So there could have been other—is it not true that there could have been other companies within Manitoba or outside of Manitoba, aside from the Ornge and the Helijet companies, that could have met the criteria if that criteria had been placed out there?

**Mr. Selinger:** And the department believed that there were not other available service providers.

And I think it's important to acknowledge here that it wasn't just a helicopter service they were looking for. They were looking for a full air-ambulance service provided with a helicopter. So they were looking for a service that had a helicopter as the technology, in terms of flight, but also trained staff and equipment and technology and experience. And STARS had in '9—during the flood of '09 and in the flood of '11 had performed admirably well and had a good reputation for the work they'd been doing in Alberta. And so there was a belief that they needed to continue to offer that service.

In—when the STARS was announced in June of '11—I think the member may have inadvertently said it was announced in June of '10—it was announced in June of '11—and after it was announced in June of '11, of the eight months subsequent to that, over a hundred patients were flown by STARS. So it did provide that continuity of service where there was an apparent and obvious need that was demonstrated by a hundred people using the service.

So tendering would've meant ending that relationship and there were no other immediate providers available to step in and take up that role.

**Mrs. Stefanson:** Well, it actually says, the government announced in 2010 that it wanted a permanent helicopter emergency medical services plan in—medical services in Manitoba, but that that SPA was not signed until February 22nd of 2012, so there was ample amount of time to come up with—or

to go through a regular tendering process, according to the Auditor General.

Does the Premier agree with that or disagree with that?

**Mr. Selinger:** I'm simply saying that it was in June of '11 that the government announced—yes, my note says June of '11, and the auditor's report says, in 2010, so we'll just have to see whether both were happening or only one happened. So I'll undertake to check and verify those dates.

I—but I take the member's point. She's reading out of the Auditor General's report on page 170 under the emergency sourcing clause.

\* (15:20)

**Mrs. Stefanson:** Also, on page 170, under section 1.1.2, Untendered contract not reported, and this goes back to The Financial Administration Act, where it requires public reporting of untendered contracts—that the minister of Health was responsible for providing the contract information to the minister of Finance, but, as we understand and as the auditor went to the Department of Health, they indicated they didn't have any such information or any documents to provide it and that the Department of Health went on to say that it had not reported the contract to the minister of Finance. That's a pretty significant breach of an act.

What kind of—how does the Premier deal normally with ministers within his Cabinet who breach acts in such a respect?

**Mr. Selinger:** It's not a—clear here that the minister was necessarily aware of this non-reporting by her officials. But, even more pertinently, that contract has now been tabled in this Legislature and made available, and I'll find out when it was first made available to the public. But, we've now tabled that contract in the Legislature. But, it's correct that the Auditor General's report says that Health did not forward that to Finance so that there could be a public disclosure of that. And if—that's something that needs to be corrected and not—should not be occurring.

**Mrs. Stefanson:** Yes, well, the contract was signed February 22nd, 2012, and now the Premier's indicating that it was tabled in this House. Well, that's not—that has nothing to do with the act and the way that the act reads, where the contract has to be provided to the Minister of Finance within one

month of the signing of that contract if it's untendered.

And, it clearly states in the Auditor General's report, and I quote, the minister of Health was responsible for providing the contract information to the minister of Finance within the one-month date. So, clearly, she was responsible for getting that to the minister of Finance, but she did not comply with The Financial Administration Act. Is that correct?

**Mr. Selinger:** The auditor's report says that and, again, I'm saying it's not entirely clear whether the minister was aware of the fact that the contract had been not provided to the Finance Department and the Finance Minister. So the reality is, is that if that's the requirements of The Financial Administration Act, that's something that the Auditor General has identified as a shortcoming in the process, and we will take very serious note of that and ensure that there's a higher level of compliance in the future.

**Mrs. Stefanson:** Well, this is a pretty sizable contract. We're talking about \$160-million contract that, you know—there's many, sort of, parts of this where the minister was not in compliance with various acts of—and the laws of our province, and this being one of them. But there was also The Government Purchases Act, as well, and that component of the act was breached when she circumvented that law. And, so, it's not only one instance of breaking the law with this particular contract but the other, where it was deliberately broken.

So, I mean, what does the—does the minister have any—or does the Premier have any comments on, you know, a member of his—a senior member of his Cabinet who has breached two acts of—and two laws in the province of Manitoba?

**Mr. Selinger:** Which other legislation is she saying was—or policies were not followed? I want to be clear on that.

**Mrs. Stefanson:** The Government Purchases Act and The Financial Administration Act.

**Mr. Chairperson:** The honourable member for St. Paul. Sorry. *[interjection]* He had his hand up so I recognized him.

**Mr. Ron Schuler (St. Paul):** Oh, thank you very much, but I think the Premier first wanted to answer the question. So, then, I have a question after that.

**Mr. Selinger:** If the member's referring to The Government Purchases Act where it identifies a single sole-source emergency and urgent requirements as reasons in the public interest not to have a tendering process, the—it has—there was a strong belief that this was in the public interest to do this because there was not another proponent available to provide that service in a timely fashion, to provide continuity of service. And so, the Auditor General may disagree with that, but that was the genuinely held belief of the department at the time, that there needed to be this service continued, based on its success during the '11 flood and the ongoing states of emergency and urgent need for helicopter service throughout Manitoba, as they were going through the recovery period from the flood.

So it was provided based on the view that there was only one qualified proponent, not just to offer a helicopter program but a full air ambulance program using a helicopter, and that STARS had performed well during the '9 flood, during the '11 flood, and had a very strong reputation for the service it provided in Alberta.

And the view was is that in the interest of continuity of service, in the interest of saving lives—which was identified as one of the benefits of having a helicopter service, that it could save somewhere between 35 and 50 lives a year—that the public interest in terms of providing timely health-care paramedic service was the dominant reason or rationale for continuing to have this service provided by STARS.

**Mr. Schuler:** It's always a pleasure to be in committee and be able to ask questions of the Premier.

It's no secret to this Chamber my love for youth sports and the fact that I think it's very important that we have young people involved in sports. I have, over the years, mentioned the fact that my children play a lot of sports. I've spent many, many hours in gymnasiums, in fields, in basketball courts and soccer pitches and volleyball courts and the like throughout the city and, in fact, throughout the province—in fact, the nation and internationally.

I very much believe that we should be concentrating on youth sport as a health issue, as an issue dealing with youth crime. We are facing a demographic coming at us of youth obesity and diabetes not seen before in the history of humankind. And one of the ways that we can deal with that is through youth sport. In fact, I was allowed to go to a

conference, a parliamentary conference, at which I presented a paper termed government involvement in youth sport. And I do believe that there is a role that government can play, especially with our health-care system and the costs and the like.

I would like to ask the Premier, as I have for many years—I've been a very strong advocate for the northwest indoor soccer pitch or field house. It's not just meant for soccer. We know that ultimate Frisbee is one of the fastest growing sports in the province and across the country. They use it. Baseball, football, even hockey uses the indoor field house to train on. Most sports have the opportunity to go in their beautiful facilities. In fact, the University of Manitoba facility is used almost around the clock.

I'd like to ask the Premier how it is going with the northwest indoor soccer pitch. I've made the pitch—pardon the pun—that it should be at Gateway Community Centre, Seven Oaks community centre. We use both terms, I think, interchangeably. I don't even know what the true name of it is. I think we just call it the Seven Oaks soccer pitch. I think that's the real name of it. And I've misspoke, myself—it is—that is the title of the club.

Could the Premier tell us how is the northwest indoor soccer pitch doing?

**Mr. Selinger:** With the patience of the current questioner, I'd like to just give a little more information to the member from Tuxedo.

Tendering rules, including when no tender is done, doesn't require contracts to be made public. They do have to share them with the Minister of Finance, and then the Finance Department can determine which information should be publicly disclosed. So it's not a requirement that the full contract be made public. It is a requirement to share it with the Minister of Finance, which the member has properly pointed out.

And then, of course, for STARS, the disclosure was done in October of 2013. And then a few weeks ago, it was made public—available publicly, the entire contract. So it went beyond the requirements to make it fully available to the public.

The member also asked what resignations there were on the PUB board, and I'm aware of three: Art Mauro, Mel Lazareck, and I understand that they decided not to continue in that role because the large number of sitting days for the NFAT were more than they were able to undertake, given their time. And then an additional member left, a person named

Robert Warren. There's no reason here, but if I recall correctly, I think he spent a period of employment outside of the province, which may not have made him available to serve. But I don't have a specific reason here. I'm just speculating on that, just based on a little bit I know about that individual. So I provide that information to the member in a timely fashion, because I know she likes to get this as soon as possible.

\* (15:30)

With respect to the member for Springfield—

**An Honourable Member:** St. Paul.

**Mr. Selinger:** St. Paul. Thank you—formerly known as Springfield. Formerly known as Prince could be one term that we use, but we'll say St. Paul.

I don't have specific information on that right now, but I'll undertake to get it for him. I know he's very interested in that, as am I and as many of us are. And I just want him to know that we're pursuing it. I think there's—I'd have to check the details, but I think there's some sharing of costs with the City that it's probably being discussed as they work these matters through. But there is a great desire to continue to put that facility in place for the benefit of people, and I'll check the name, whether it's Gateway, Seven Oaks, we'll find out about it—Garden City. I mean, there's—it's—the member has made the point many times that he thinks he needs to—it needs to be located up in that quadrant of the city, where there is not sufficient facilities and a high number of young people that are playing a sport, particularly soccer. So I'll try to get some more information for him.

**Mr. Schuler:** I should clear up the record. It's the Seven Oaks soccer pitch which is within the Garden City Community Centre, and I misspoke myself. And I know we're not allowed to go back and correct Hansard, so it is not Gateway—Gateway—it's on the northeast side of the city, and so I stand corrected.

The issue that I do want to raise is about this facility and that it was a commitment made by the NDP in the last election. We also, as the Progressive Conservative Party, made a lot of commitments to a lot of different fields and venues, and the people of Manitoba decided that we would not be the majority of the seats in this Legislature. In fact, it would be the NDP party and, thus, they are government and it's going to be their plan that is going to be put forward. And, thus, I think it's important people be held to account of the commitments they made, and I watched this one with great interest.

I am a very big supporter of youth sport, and not just soccer but all youth sport. In fact, there are certain sports that are really germane to certain demographics. I know the Filipino community absolutely loves basketball and it's almost a cultural thing. They love getting into tournaments and they do just great things, and I was impressed to go to these events and watch the kind of athleticism and the kind of camaraderie, the kind of friendships that are built when young people get together and play sports, and, unfortunately, the venues aren't that readily available.

We've gone through probably one of the, I think it's the 11th, most harsh winters in the history of Manitoba. And I know now, by this point in time, we'd already be looking at practising for a lot of sports outdoors, and that's not going to happen for at least a couple more months. And teams are scrambling for facilities and the like, and I think we, you know, we're going to have look at investing not just in indoor soccer pitches. And the University of Winnipeg should almost be done. It's another one of those that I've been advocating for long before it became a popular thing. And the same thing with the northwest indoor field house.

I would just like to come to the Premier and I—straight up. This was a commitment of the Premier's in the last election, and I just feel it's important that he should be held to account for it. And I know a lot of individuals are looking forward to this kind of facility. Again, we had made a similar commitment. Unfortunately, we didn't win the election; the Premier did. And so I think it's important to hold the Premier to account for that facility. And can he assure this House that it is something that he is still committed to and that he will see to it that it will come to fruition preferably before the next election?

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

The Chair recognizes the honourable member for Wolseley (Mr. Altemeyer).

### Report

**Mr. Rob Altemeyer (Chairperson of the section of the Committee of Supply meeting in room 255):** Thank you, Mr. Chairperson.

In the section of the Committee of Supply meeting in Room 255 considering the Estimates of the Department of Finance, the honourable member for Morden-Winkler (Mr. Friesen) moves the

following motion: that line item 7.1(a), the minister's salary, be reduced to \$8.

Mr. Chairperson, this motion was defeated on a voice vote. Subsequently, two members requested that a counted vote be taken on this matter.

**Mr. Chairperson:** A recorded vote has been requested. Call in the members.

*All sections in Chamber for recorded vote.*

### Recorded Vote

**Mr. Chairperson:** Order, please. In the section of the Committee of Supply meeting in room 255, considering the Estimates of the Department of Finance, the honourable member for Morden-Winkler moved the following motion: that line item 7.1.(a), the minister's salary, be reduced to \$8.

This motion was defeated on a voice vote and subsequently two members requested a formal vote on this matter.

The question before the committee, then, is the motion of the honourable member for Morden-Winkler.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 16, Nays 31.*

**Mr. Chairperson:** The motion is accordingly defeated.

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**Mr. Chairperson:** The sections of the Committee of Supply will now continue with consideration of the departmental Estimates.

Order, please. Once again, I invite the staff for the Premier and the Leader of the Official Opposition (Mr. Pallister) to enter the Chamber.

Order. The floor's now open for questions. The honourable First Minister to reply to the member of St. Paul's question.

**Mr. Selinger:** In the interest of clarity, I would ask that the member restate his question.

**Mr. Schuler:** Well, what I was saying to the Premier before the vote was held that during the last election campaign he did commit to a indoor soccer pitch. In fact I think he committed to several of them, and one of those was supposed to be for the northwest quadrant.

\* (16:00)

And, again, I pointed out to the Premier that after the final votes were counted, the NDP ended up with more seats than the Progressive Conservatives so I guess for the next four years it's his way, and I think there should be an accountability measure and I was wondering if the Premier could tell us will the northwest indoor soccer pitch be built before the next election? Is it imminent? Is he going to live up to his commitment, and I think we should all be held to account for our words. It was something the Premier had committed to and my question is is he still planning on living up to that commitment?

**Mr. Selinger:** I thank the member for St. Paul for that question. And we are proceeding to work towards fulfilling that commitment.

**Mr. Schuler:** And the Premier will probably remember there used to be an individual that worked in this Legislature by the name of Rory Henry, and he was a great, great supporter of soccer and youth sport. In fact, I would often meet him in the hallways when there was a big issue brewing in sports, and he had the ability to make things happen and he made sure that things got fixed. There were things that often were coming off the rails, and I am being told by the member for Steinbach that it actually was Rory Henry, the senior Rory Henry, because, interestingly enough, we have another Rory Henry in this Chamber who happens to be one of the pages, And, yes, they are related. Actually, I think it's the son of the senior Rory Henry and great to see Junior working in the Chamber—and great respect for his father. He crossed political lines and was just an outstanding individual here—and appreciated all the times I had an opportunity to work out issues. We were able to do that without it getting political.

And one of the things that was committed to in the last election also was approximately 10 artificial soccer fields. Again, these soccer pitches, the outdoor artificial soccer pitches, aren't necessarily used for soccer. They're used for a lot of sports. They take a lot of wear and tear and they don't wear like natural turf. In fact, it's sort of where a lot of sports is going. It's easier on the knees and easier on the legs. I was wondering if the Premier is still committed to the 10-plus artificial soccer turfs that he had committed to in the last election.

**Mr. Selinger:** I do thank the member for the question because we do believe that adding additional high-quality soccer facilities, both indoor and outdoor, is a real plus for recreation and youth opportunities in Manitoba. The member will know

that he's identified himself, that we're well along the way with the facility at the University of Winnipeg. It's coming along quite nicely. And investor group, the Investors Group Field, or—at the University of Manitoba will let us bring FIFA Women's World Cup here. We could—it looks like we'll have an exhibition game between Canada and the USA in May, so that facility will provide excellent opportunities for soccer at a very high level of competition to be played here, world class level.

And we'll continue to work on these fields, both indoor and outdoor, as we go forward and try to make as much progress as possible with our partner, the City, in many of these ventures.

**Mr. Kelvin Goertzen (Steinbach):** Mr. Chairperson, for the Premier, in the whole discussion around the actions for the member for Riel (Ms. Melnick), and the Premier's knowledge of those actions, he's given a few different dates in terms of when he became aware that it was the former minister of immigration who directed her deputy minister to invite civil service and service providers to the Legislature to a political rally. He's indicated that he became aware of it either in the spring, summer or fall of 2012, I believe. But, regardless of whatever that time frame is, that left a number of months where there was incorrect information on the record of the Legislature, that he was aware that the Legislature had been misinformed about the actual events and how they transpired.

Why did he not make an effort to ensure that members of this body of the Legislature were made aware of the correct information?

**Mr. Selinger:** This question has come up. As you know, the Ombudsman had commenced a report, and our standard practice is to fully co-operate with the Ombudsman when they are conducting an investigation and to respect the due process that's involved in that. And, when we became aware that the minister had played a role in directing civil servants to invite members to the Legislature, we expected that the minister would fully co-operate with the Ombudsman, which the minister did, and then, subsequent to that, took responsibility for her behaviour both publicly and in the Legislature here and apologized for that.

But, again, it's—we were co-operating with the Ombudsman's procedures on doing an investigation.

**Mr. Goertzen:** The minister has made—has indicated in public comments that he removed the member for

Riel (Ms. Melnick) from Cabinet at least in part because of the knowledge that he had that she had directed the deputy minister and, in essence, had not been truthful to the Legislature.

So he didn't wait until the Ombudsman's report came down to take action on her in terms of her ministry, and yet he did wait to not advise this Legislature of the actual actions that had happened. Why the contradiction?

**Mr. Selinger:** Yes. Again, nobody anticipated that the Ombudsman's report would take as long as it did, and so when the fall of 2013 arrived and it was mid-term Cabinet reset time, a number of factors came into play as we made a decision to refocus the government on the jobs and economy theme, which is very important to the future prosperity of the province, and decided to make some Cabinet changes to go along with that refocusing.

**Mr. Goertzen:** Yet the difficulty that I have is that, on the one hand, the minister says that he didn't advise the Legislature and all the members of this House about the contradiction or—and I would say the lie that was on the record for a year and a half because he says he was adhering to the process of the Ombudsman, and yet he removed the minister from Cabinet before that process was complete.

So, obviously, in his mind, he'd settled in to the fact that it was serious enough to remove the minister from Cabinet, and yet he—despite the fact the process wasn't completed, but he didn't think it was enough of an offence in terms of the record that was here at the Legislature to correct that at the same time or before that.

**Mr. Selinger:** I've explained to the member why we took the decisions we did.

**Mr. Goertzen:** There's sort of an axiom or more than that in law that the lawyers who are before a court are—while they represent individual interests, either their client's or the Crown, they are officers of the court, and if they hear somebody who's perjuring themselves in a court environment, they're not allowed to—and they know that, they're not supposed to allow that to persist, because they are, first and foremost, officers of the court.

Does the Premier not feel that he had some obligation to bring forward the information to this Legislature and the 56 other members, as opposed to allow the misinformation to remain on the record for more than a year and a half, and not only to remain on the record but to be repeated repeatedly over that

time, when he knew specifically that the information was being provided that was incorrect? Did he not feel that he had some ethical responsibility, if not a legal responsibility, to clarify the record for the Legislature over that year and a half?

**Mr. Selinger:** Again, as I indicated, the Ombudsman had commenced the report. We expected the member to fully co-operate with the Ombudsman's report. And there is a matter of due process when an Ombudsman is conducting an investigation to let them complete their investigation and consider all the factors necessary during that investigation, and we wanted to respect that process.

Unfortunately, that process took a very long time, and other events overcame that and we had to make some—I had to make some decisions with respect to refocusing the government and the people that needed to be involved in that refocusing.

**Mr. Goertzen:** So, then, in the hierarchy of decision making, the Premier felt that it was more important to remove the minister from Cabinet, what I'm not disagreeing with, but that had a higher priority than ensuring the Legislature had the correct information before it.

**Mr. Selinger:** As I've said earlier, there was an Ombudsman report that was under way and there is a—normal requirements are to respect that process and to give it a full chance to do its job and the due process requirements involved in that.

**Mr. Goertzen:** So the Premier stands by his decision and he would, in a similar circumstance or a circumstance that was somewhat similar, he would do the same thing. He would wait for months at a time even while something that he knew was wrong was continually repeated on the record, either by his members in the Legislature—he would do the same thing and sit quietly and not correct the record.

\* (16:10)

**Mr. Selinger:** Again, in—each set of circumstances have their own unique characteristics and have to be considered on their merits. The Ombudsman is an independent officer of the Legislature with the full authority to proceed with their investigation. But we consider each thing on their merits and take account past experiences.

My hope, though, would be that these kinds of events wouldn't occur again, because one of the Ombudsman's recommendations was to put guidelines in place with respect to the relationship

between public officials and elected officials in events that could be 'ceived' as having a politically partisan nature to them. And we've asked the Civil Service Commissioner to shape up recommendations with respect to what those guidelines could look like.

**Mr. Goertzen:** Would he not agree that most Manitobans would believe and probably expect that the Premier, if he knew that falsehoods were being put on the record—and repeatedly—in this Legislature, that there would be an expectation that he would correct that record?

**Mr. Selinger:** Again, I think there's an expectation that we support the Ombudsman in conducting an investigation and allowing that investigation to examine all dimensions of the specific circumstances that were under review, and to report on that and give their views on that with recommendations that flow from that, and we did respect that as long as we possibly could. And, at the same time, we also have to do the business of government and move forward with the government, and we did that as well.

**Mr. Goertzen:** But it's a qualified respect, so he's saying that at some times he'll believe that it's important to follow a process like the Ombudsman's report to its conclusion, but other times not. So in the times—in the case of a Cabinet shuffle, we didn't think it was the right thing to do to wait until the report came down, but in the terms of ensuring that the Legislature was dealing with factual information, he was more than satisfied to wait. So he will be the judge in terms of when is the right qualifier, is that what he's suggesting?

**Mr. Selinger:** No, I'm saying that the Ombudsman had started an investigation. We became aware the—of new information. We expected the member to fully co-operate with the investigation, which the member did. The member normally—anybody who's under investigation usually has an understanding that they're going to get due process in that and let that investigation come to a conclusion. The investigation took longer than anybody anticipated, and other events overcame that, and decisions had to be made with respect to resetting Cabinet and moving forward on a specific agenda for the best interests of Manitobans.

**Mr. Goertzen:** But he didn't allow due process to take its course in terms of the Cabinet shuffle. He said he removed the member for Riel (Ms. Melnick) in part because of what he already knew to be a falsehood, so that due process didn't play itself out in terms of the Cabinet shuffle. But he was more than

willing not to allow the record to be corrected and to allow, in fact, his own members to repeat the—what turned out to be a falsehood—he allowed his own members to repeat that falsehood over those 16 months on the record here.

**Mr. Selinger:** Again, the Ombudsman report identified the behaviour of the senior civil servant as non-partisan. And many of the requests that came of that senior civil servant were requests from organizations that were impacted by the federal government's changes in the Immigrant Settlement Services, and they did not perceive the request to attend the resolution discussion at the Legislature as partisan. That's in the Ombudsman's report. So there was a wide perception out there that this program was broadly supported in Manitoba by all sectors of our community, including the opposition, who were involved in the early days of bringing the program to the province. And so the Ombudsman's report did identify that there was a very strong perception in the community that there were non-partisan activities taking place with respect to the resolution.

We expected the member to fully co-operate with the Ombudsman's investigation, which the member did. The member took responsibility for their behaviour, put an apology on the public record and in the Legislature. And we try to respect due process.

However, we're in the business of providing government to the people of Manitoba, and that government—as a government, we decided that it was necessary to refocus our agenda on the priorities of Manitobans, which are a steadily growing economy and good jobs for young people. And, as part of that process, we restructured Cabinet to meet that agenda objective and bring some new people into Cabinet to allow that to move forward.

**Mr. Goertzen:** But the Premier's setting a new standard, though, because he's suggesting now that somehow the perception of the third party who's been invited is what the standard is about, whether or not that there was actually a conflict or—involved. I don't think that that's the bar that's used. I mean, the fact that a third party may not—may or may not see it as political probably depends on what the invitation says, but it doesn't mean that the invitation is still coming from a source to another third party that would indeed put it in a conflict. That's not the standard, I think, that the—those used by the Ombudsman, nor do I think it's the standard that would be typically used by a government.

On page 319 of the auditor's report, in the section dealing with the ethical environment within government, the auditor writes that the main responsibility for setting an ethical tone within any workplace rests with senior management. And I would argue, and the minister can disagree if he chooses, that in this context, the ethical tone is not just set by senior management within the civil service, but it's set by those who are in Executive Council and within government.

Does he agree that, in fact, government also sets a tone for ethical conduct for those within the civil service?

**Mr. Selinger:** I think everybody who's a member of the Legislature and in public office has a responsibility to set a tone in terms of ethical conduct. And as I said earlier, with respect to the former situation, there's a question of following due process, and at the same time, being accountable to the Legislature. And the right trade-off on that is something that has to be carefully considered with respect to specific circumstances. And I'm pleased to say that the member did take responsibility for their behaviour. But I also identified that the Ombudsman found that the civil servant had not done anything unethical, was operating in a non-partisan fashion, and that many members of the community perceived that behaviour as non-partisan—the invitations from that particular individual were perceived as non-partisan by many members of the community who themselves were asking for that information prior to the invitation because they needed to know what was going on.

So, with respect to page 319 of the report, the main responsibility for setting an ethical tone within any workplace rests with the senior management—I've answered that question. We all have a responsibility to do that. And prior to us coming into government, there were no ethical guidelines for civil servants. This was the government that worked with the Civil Service Commission to bring those guidelines into play and to put them on the record and to provide opportunities for people to be familiar with them, to understand how they could apply to their specific work situation. And there was no whistle-blower legislation in this province prior to this government bringing that legislation in. And that legislation provides for anonymity; it provides for protection from reprisals.

The auditor's report suggests that there needs to be more information about how that process works.

And there needs to be a clearer identification of who the individual is within a department that needs—that acts on whistle-blowing complaints or whistle-blowing concerns. And we think if the auditor says that those things could be followed up on and strengthened, that those are totally reasonable requests and recommendations to make by the Auditor General. And we'll take them seriously and follow up on them.

**Mr. Goertzen:** The First Minister indicated early in his response that there was a finding that the member for Riel (Ms. Melnick) did nothing unethical. Why did he remove her from Cabinet if she did nothing unethical?

**Mr. Selinger:** Sorry, could I get that question again, please?

**Mr. Goertzen:** The Premier indicated early in the response to the question I had asked previously that the member for Riel did nothing unethical. Why did he remove her from Cabinet if she did nothing unethical?

**Mr. Selinger:** It's always a mistake for the member opposite to try to quote somebody inaccurately. The member took responsibility for her behaviour. She fully co-operated with the Ombudsman and put an apology on the public record. That's a higher standard than any member opposite has ever met in this Legislature.

**Mr. Goertzen:** I'm happy to go back in Hansard and we can review that point of disagreement. And there are some times the echoes in this Chamber make things hard to hear, but I'm willing to review Hansard on what the minister said previously and we can review that point at another time then.

He's indicated that he does agree that the ethical tone for within the civil servants is largely set by this body, and I would say, in particular, the government, who deals most directly with civil servants, Mr. Chairperson. Can he indicate—maybe give us an assessment—does he think that his government has done a good job of setting an ethical example through its actions for the civil servants?

\* (16:20)

**Mr. Selinger:** Again, if a member has a specific incident or circumstance he wants to review, I think he should bring it forward. It's a very broad question. I think all members in this Chamber try to act honourably. I think government ministers and MLAs do their best to act honourably and ethically and

set a proper tone. I think this government was the government that brought in whistle-blowing legislation. No previous government had ever done that. This government brought in ethical guidelines for public servants. That hadn't been done before. We brought in an ethics commissioner. That had never been done before. So we've made very specific legislative and policy initiatives to strengthen ethical conduct in government at all levels.

**Mr. Goertzen:** I don't think it was an overly broad question or a trick question or a difficult question. I was just simply asking the Premier—he must have an opinion—about whether or not he thinks that his government has acted in an ethical fashion to set the tone for the civil service.

**Mr. Selinger:** Just answered that question.

**Mr. Goertzen:** Actually, the Premier's refusing to answer the question. I'm kind of mystified why. I would think that he'd want to say whether or not he believes that his government has acted ethically and set the tone. We—he's agreed with me that the—what the Auditor General lays out is correct—that it is senior members of government, in this case the government, Executive Council, who sets a tone for ethical behaviour.

And I'm just asking: Does he believe that his government has set the tone—to use the Auditor General's words—for ethical behaviour?

**Mr. Selinger:** I answered the question. I said that the government had brought in whistle-blower legislation, which sets an ethical tone, provides specific mechanisms for people to make complaints. I said the government brought in an ethics commissioner with respect to all the members of the Legislature having access to that for advice and reporting. And I also said that we brought in ethical guidelines which hadn't existed before. So I answered the question. Perhaps the member could listen to the answer.

**Mr. Goertzen:** Well, we disagree on whether that was an answer or not, but maybe I can phrase it another way. If he was grading himself on ethical behaviour or his government on ethical behaviour—not him individually—how would he grade himself? Would he give himself an A, a B, a C? How would he grade himself on how his government has acted on an ethical basis?

**Mr. Selinger:** Again, that's not the way we do business. We conduct the business of government in a fashion that meets the public interest. And we do

that with everybody over here—and everybody, I believe, on the other side tries to do that to the best of their ability and as ethically as possible. But, if the member wishes to pass out grades, he should start with himself and members of the opposition, and then he can then judge others.

**Mr. Goertzen:** In some ways, I've given the member sort of a—I would consider it a softball question, a bit of an easy pass. I was giving him the opportunity to give himself a high mark for ethics and setting the tone. He agreed with me that it was important and agreed with the Auditor General that the tone is set from government, and he seems unwilling or—I don't think it's modesty; I suspect it's probably something else—about why he won't simply tell us how he feels that he's done on the issue of ethics.

I remember his predecessor, Gary Doer, in this House saying that he, Gary Doer, would be the ethics officer for the NDP party and that he would ultimately be judged on that, so I don't know if he doesn't feel the same way as his predecessor because he's not willing to give us any indication about how he feels he's done in leading a government in terms of ethical behaviour.

**Mr. Selinger:** Just answered that question.

**Mr. Goertzen:** I'll take the non-answer as an answer.

On page 312 of the same portion of that report, the Auditor discovered that 37 files, which represented 28 per cent of the files that were examined, did not contain any conflict-of-interest declaration forms for those who were required to file those forms. Is that concerning to the Premier, that those conflict-of-interest forms—that level wasn't filed?

**Mr. Selinger:** Yes.

**Mr. Goertzen:** And, you know, I hearken back to a time when—it wasn't that long ago—when there was a debate about conflict-of-interest forms here in the Legislature and—in regards to Jets tickets. And I believe that the minister, the member for Kildonan (Mr. Chomiak) and the former Finance minister, the member for Dauphin (Mr. Struthers) were told to—by the Premier—that they were going to apologize for not declaring Jets tickets on their conflict-of-interest forms. I have not heard an apology from the member for Kildonan yet. I did hear an apology, such as it was, from the member for Dauphin. Does he find it concerning that those conflict of interest forms were not filled out correctly?

**Mr. Selinger:** Again, the member will remember during that incident that there was an apology made on behalf of all members by myself who may have taken those tickets without any declarations—with respect to that, a new policy put in place that nobody should take tickets for professional sporting activities.

**Mr. Goertzen:** But, in the answer to the previous question, he was concerned, and I think he should be, that there was a 28 per cent non-compliance rate on the conflict of interest forms of the—within the civil servants but he's not as concerned, it seems, or didn't say he was concerned, about the actions of his two ministers. Would he not be as equally concerned about the non-reporting by the two ministers as he is by the 28 per cent within the civil service?

**Mr. Selinger:** I regret to say that I don't think the member heard the answer to my question, that there was an apology made for that and a new policy put in place to correct that type of activity from not occurring again.

**Mr. Goertzen:** Did I miss the apology from the member for Kildonan (Mr. Chomiak) or was it apology that happened between—within your caucus or Cabinet or between the two of you, because I don't remember an apology from the member for Kildonan on the record?

**Mr. Selinger:** The member might have heard me say that I apologize on behalf of all members who had taken tickets and the practice was discontinued in the future. There was a new policy put in place for nobody to take tickets from professionals for professional sporting events.

**Mr. Goertzen:** But then, in relation to setting a tone for ethical behaviour, and the Premier began this Estimates by agreeing with the Auditor General that it is, in fact, this body and in particular the government that sets a tone for ethical behaviour. Can he not see how the conduct of those ministers, in not having properly filed their conflict of interest forms, then sets the tone within the civil service to also have issues with conflict of interest forms? Can he see the relation between the two, in terms of setting the tone and how it trickles down within our organization?

**Mr. Selinger:** Again, I put on the record how we handled the situation with respect to professional sporting tickets, set a new policy, made an apology and went on the public record that this kind of

behaviour was not to be practised in the future, and that sets a tone.

**Mr. Goertzen:** Why did you require a apology from the member for Dauphin (Mr. Struthers) but not the member for Kildonan? What was the distinction in his mind between those two issues?

**Mr. Selinger:** Again, the member did—perhaps is ignoring the fact that I put on the record that an apology was made on behalf of all individuals who had taken hockey tickets.

However, we have never heard from the opposition, whether they were prepared to admit that they'd received free tickets, and we've never had a declaration in that regard. And we've certainly never seen an apology in that regard. We've just saw them completely ignore the request for information and not put anything on the record. That's unfortunate.

**Mr. Goertzen:** Yes, and I think that the issue of taxpayer-funded tickets for the Jets is one that the minister is sensitive about, and I'm not aware that Crown corporations were involved with any tickets for other members. I think the point that I'm trying to draw is the linkage between had members who improperly had filled out, knowingly or unknowingly, but seemingly knowingly, conflict of interest forms and we have the issue within the civil service, and there's an issue of setting tone and that is ultimately what it's about.

Within the report also, the Auditor General found that 29 per cent of those who were surveyed felt that they had experienced some form of retribution or retaliation as a result of reporting misconduct within the department. Does that concern the Premier?

**Mr. Selinger:** Again, we take all the recommendations in the auditor's report very seriously, but I have to say I think he's missed the point I was trying to make to him with respect to receiving free tickets from corporations.

We've seen no declaration, an admission that members opposite received any free tickets from corporations, public, private or otherwise. They've completely been unaccountable for their own behaviour and because they're unaccountable, there's been no apologies. There's been no policy set. We've seen nothing out of them on that. They've just tried to ignore the issue entirely. That's not setting a tone for anybody.

\* (16:30)

On the other hand, we did set a tone. We put a policy in place that there will—tickets will no longer be available to politicians, government officials or board members of Crown corporations. And we put those guidelines in place to ensure that MLAs and government officials shall not accept complimentary tickets to professional sports event. We await the policy of the members opposite with respect to free tickets they've received in the past from corporations.

**Mr. Goertzen:** I quoted for the Premier a statistic from the report, and I think he can find it on page 327, I believe. But of 29 per cent of those surveyed within the civil servants felt that they had experienced some form of retaliation as a result of reporting misconduct within their individual departments.

Is he concerned by that high level of individuals who felt that they had received some sort of punishment, for lack of a better word, for reporting misconduct? Does that concern the Premier?

**Mr. Selinger:** Certainly, this is why the whistle-blower legislation was put in place, and that whistle-blower legislation is to provide for the first time in the history of this province protection to people from reprisals and provide them anonymity and different access points to making a concern known. If they do not feel comfortable making it known within their department, they can go directly to the Ombudsman's office and report it, which has never breached anonymity with respect to any complaints they've received. And, so, that has been addressed in the whistle-blower legislation.

But what has not been addressed by the member opposite is what their policy is for receiving free tickets from corporations and what they—whether they should have received them in the past and whether they should have apologized for receiving them in the past. The member's doing everything he can to avoid addressing that issue, and that does not set a proper tone for members of the Legislature. I ask him to address that now.

**Mr. Goertzen:** And we certainly agree and adhere to and follow the conflict-of-interest guidelines as are set out within the conflict-of-interest laws, and I'm more than happy to have a discussion about the current conflict-of-interest guidelines. I have some questions for the Premier in terms of how he views those and also the role of the conflict-of-interest officer. But we support and adhere to and follow those conflict-of-interest guidelines even if his ministers haven't.

Now, the issue of the 29 per cent that felt that they would in some way experience retaliation or some sort of retribution if they reported a misconduct, the minister—or the Premier indicates that the whistle-blower legislation was designed exactly to protect that. And yet, if he looks at page 327 in the same survey conducted by the Auditor General, she found that only 29 per cent felt that they would be protected if they reported something under the whistle-blower protection legislation.

Why has it failed so badly in giving confidence to civil servants that there would actually be protection?

**Mr. Selinger:** Yes, the—I note that bullet on page 327. I also note the bullet that follows that. When asked to whom they would most likely make a disclosure under the public interest disclosure or whistle-blower protection act, 58 per cent said they would likely make it to their supervisor, 21 per cent said they'd likely make it to their designated officer, and 21 per cent indicated that they would likely make it to the Ombudsman's office. And, as I said earlier, if they're not comfortable making it to either their supervisor or designated officer, they certainly have the right to make it to the Ombudsman's office where there's never been a complaint about lack of protection for somebody that raised a complaint with them.

But, again, I have to say to the member opposite, he's done a very good job of avoiding declaring where he stands on taking responsibility for receiving free tickets from—to professional sporting events from corporations. He's completely ignored dealing with that and taking responsibility for that and what their policy is on that. I can only conclude from that that they think it's fine to take tickets from corporations and not declare it and ignore the questions related to that. So I just want to give him an opportunity again to address this Legislature right here and now on what his policy is on taking free tickets from corporations for professional sporting events.

**Mr. Goertzen:** We continue to follow the law as it is outlined in the—I know that's a foreign concept for a government that has broken the law in tendering, that's broken the law on elections rules in terms of having press conferences during elections, but we have rules that are in the Legislature, conflict-of-interest rules. Those are rules that are reviewed here in the Legislature and they are

'revealed'—reviewed at the LAMC body as well. And, if he has a concern with those rules, or he wants them amended, then he should state that.

Now, he uses the report, or the lines after that that the Auditor General asked, who you'd be most likely to report a disclosure to, and he stated it correctly, in terms of who the individuals, who responded to the survey, they said that they would most likely report to a supervisor, or to a designated officer, or to the Ombudsman's office. But it doesn't change the fact that only 29 per cent feel confident that they'd be protected. So those are the individuals that they would report to, if they felt confident in reporting, but when only 29 per cent feel confident in reporting, without—and don't feel that they'd be protected from reprisals—they're not going to report to anybody, because the vast majority don't feel that they're going to be protected.

So does he not see that there's a problem with the whistle-blower legislation when the vast majority of those who are supposed to be protected by it, don't feel that they're protected by it?

**Mr. Selinger:** Again, I think that the Ombudsman's report identifies that some—that 29 per cent of people—less than a third—29 per cent—felt confident that they would be protected from reprisals. The Public Interest Disclosure Act, the whistle-blower legislation, does protect from reprisals. We've never had a complaint from the Ombudsman's office about somebody reporting an issue there in terms of their anonymity being protected or from reprisals. We've never had a concern expressed to us about that, or to anybody, about that.

So this is a question this issue has raised here, where, obviously, it requires more information to be provided and education to be provided about how whistle-blower legislation works, and how it could be—how they can have assurance that they will be protected. And, if they're—and the way the legislation was designed—so, it was designed so that if people felt uncomfortable with reporting it, say, to a supervisor, they could go elsewhere. If they felt uncomfortable reporting it to a designated officer, they could go elsewhere. And the final place for them to go is the Ombudsman's office, which we've had no complaints on.

But I do have to say that the member opposite said that he would follow the law. He started this conversation today talking about ethics, whether they're in law or not, and he still hasn't declared himself on the ethics of receiving free

tickets from corporations to professional sporting events. He hasn't acknowledged that those tickets have been received by members opposite. He hasn't acknowledged whether that is the ethical or proper thing to do, and he hasn't acknowledged whether there needs to be a policy on that, on behalf of the members of his side of the House. I look forward to him to declare himself on that.

**Mr. Goertzen:** Further down, on page 327, below the portion that the minister had referenced, the auditor indicates, I believe, that an independent reviewer was contracted in the fall of 2013 to provide recommendations related to the whistleblower protection act, and that the report is expected to be finalized in February of 2014.

Has the government received that report?

**Mr. Selinger:** Could the member just tell me where that reference is again? I didn't hear that first part.

**Mr. Goertzen:** Sure. It's at the bottom of 327, there's the shaded box, and the last part of that box, we note that The Public Interest Disclosure (Whistleblower Protection) Act, is currently under review.

An independent reviewer was contracted in the fall of 2013 to provide recommendations related to the act. The report is expected to be finalized in 20— in February 2014.

So the question was, has the government received the report?

**Mr. Selinger:** I'd have to check on the status of that report and where it's at, and whether it's been received or not.

I do have to say, though, that in terms of our caucus, every member of our caucus disclosed every Jet ticket they received as a gift from a company. Members opposite did not.

Did the member for Steinbach receive tickets? Could he just tell us yes or no whether he did?

**Mr. Goertzen:** Did he commission the report through—would it have been the minister who commissioned this report—the responsible for the act.

**Mr. Selinger:** I'd have to check who commissioned the report and the status of the report, and get back to the member on that.

But, I was wondering if the member could answer the question: Did he receive any free tickets from corporations?

\* (16:40)

**Mr. Goertzen:** I'm glad the minister is practising for questions. He may have an opportunity, who knows, in a few years to ask questions. He may not, I don't know what—I always like to leave these things to the will of the people, of course.

The—does he know what the terms of reference were for that review or could he provide what the terms of reference are for that particular review?

**Mr. Selinger:** Again, I'd have to get information about that review. I have not seen the terms of reference for it, but I'd have to undertake to get information for him on it and what the status of it is.

And the member says that I may be practising for answering questions, but he certainly seems to be practising avoiding questions. And I wondered if he wanted to take the opportunity to just declare yes or no, whether he has received any free tickets from corporations to professional sporting events.

**Mr. Goertzen:** I wouldn't need any practice. I would just review Hansard from the last 13 years, if I needed to avoid questions, but that certainly wouldn't be what I'd be looking to do.

The 29 per cent that felt that they would experience some form of retaliation or retribution—I note that there was an article about a gentleman, and I don't know the gentleman personally, not spoken with him personally—Jack Dalgleish. I don't know if I'm pronouncing that correctly, but I'm sure Hansard will correct the name if I'm pronouncing it incorrectly. But he declared himself as a Crocus whistle-blower, and there's an article written in December 18th, 2012, in the National Post, where he indicates that after he raised concerns about Crocus when the fund was still operating, he says everyone in the government knew that it was about to blow, everybody who was involved with the file knew it was going to blow, and the NDP government was promoting it 18 months before it blew. He said he was then assigned to what he describes as a non-job, where he spent, I think, upwards to four years doing not much of anything, by the looks of it. And he saw that as punishment. I mean, is that the sort of thing that, you know, might cause those in the civil service to think that if they raise issues, that they might be punished?

**Mr. Selinger:** Yes, I—the member seems to be quoting from a document. I wonder if he would be so kind as to table that in front of us so we can examine what was actually said.

**Mr. Goertzen:** Yes, I'm certainly willing. I think the Clerk could, if he wanted to, do a photocopy of the document, the article from the National Post.

He's aware, I'm suppose, though, of the allegations by Mr. Dalgleish? I think I'm pronouncing, I hope, correctly now. I'm advised by those who might know the pronunciation better than me. He's aware of the allegations of Mr. Dalgleish, though?

**Mr. Selinger:** And I would ask him to table the document so I can see what he's referring to and what the specific comments by the individual were, and then that would help me better respond to the question that's being put forward.

But the member still could take the opportunity, if he wished, to answer the question whether or not he's received free tickets from corporations for professional sporting events, and go to the question of ethics instead of trying to avoid it.

**Mr. Chairperson:** Just for the record, the Clerk's—one of the pages is making copies of the document the Premier referenced.

And I recognize the member for Steinbach.

**Mr. Goertzen:** Yes, and I thank the page in the Clerk's office for doing that.

I was a little caught off guard. I would've thought the Premier would've been aware, and remember that story. I don't think—well, maybe it happens often, I don't know, that civil servants who raise concerns about things, where they get relegated to a non-job and get paid for up to four years where they just read books, maybe that's a broader occurrence than I would've expected. So I'll give the Premier some leeway there. I'm not sure; I suppose it might be something that's not all that unusual.

But would he consider that to be a punishment, though? I mean, obviously this individual who was in the civil service, he saw it as a punishment. He raised concerns about Crocus. I don't know the exact nature of his concerns, but obviously there were problems with Crocus because it went belly up and a lot of people lost a lot of money. But he saw it as a punishment, sort of being put into this non-job, where you'll see from the article, he describes reading, I think, 150 books during that time because he really had no job because he was moved to a non-job. I mean, would he not see that as a reason that, you know, 29 per cent of the—of those surveyed, only 29 per cent would feel protected by the

whistle-blower protection act and the rest wouldn't feel protected?

**Mr. Selinger:** Again, I'd have to see the article. I'd have to verify whether the facts in the article are accurate. I do note that, if anybody's dissatisfied with their job circumstances, they have the right to take that concern to the Civil Service Commission. They could also take it to the Ombudsman's office. There is recourse for those—there is recourse for those individuals to address a problem that they believe that they are experiencing as an employee.

I've got the article now. I'm just taking a quick look at it. And, if the individual did not believe he was providing value for the money or having the opportunity to provide value for the money, there are specific measures he could have taken to correct that, and one of them could have been to take it to the Civil Service Commission or his supervisor, or his Civil Service Commissioner or the Ombudsman's office.

So, again, there are measures and there are steps that could be taken. And there are measures the member himself could take if he wanted to just flat out let us know whether he's received any free tickets from corporations for professional sporting activities. There's still time for him to come clean on that today.

**Mr. Goertzen:** So is the Premier telling me that this is the first time that he's heard of this particular individual and his allegation that he was put into a non-job for four years where he read a 156 books because he blew the whistle on issues within Crocus? This is the first time he's heard of this, or did he not remember it or is there some undiagnosed disease I'm not aware of?

**Mr. Selinger:** None of the above, but the member could take the opportunity to let us know, yes or no, whether he's received those free corporate tickets from corporations and whether he thinks that's ethical or not.

**Mr. Goertzen:** Would he feel that it's a form of punishment to be placed into a non-job, you know, and sort of left there for four years? I imagine there might be some people who would look for such an arrangement but somebody who's a skilled accountant or financial adviser—and I think this individual was—would that not be, you know, tantamount to a punishment for bringing forward information? And, of course, I mean, for the record, I mean, the minister of Finance was the minister responsible for Crocus at that time who assured

Manitobans it was strong, but that's a side note. The—would he not consider that to be tantamount to a punishment?

**Mr. Selinger:** Again, the member is making a number of suggestions based on an article that I've now had a chance to look at least a portion of the article. I haven't had a chance to review it all, but I can say to him, this individual, if he felt that he was not being used to his full potential, to serve the public, had recourse that he could have exercised in that regard. He could have reported it to his immediate supervisors and asked for more work that would allow him to make a greater contribution. He could have reported it to the Civil Service Commission in terms of the tasks he was assigned or not assigned. He could have taken his concerns to the Ombudsman's office, who's in charge of investigating impartially on behalf of the Legislature whether public administration is properly being carried out in the public interest in Manitoba.

All of those things are possible, and it's also possible for the member to just flat out let us know whether or not he thinks it's ethical to receive tickets from corporations to professional sporting events when he's an elected politician.

**Mr. Goertzen:** Does the minister not think that, you know, somebody would notice a fairly highly paid civil servant making \$95,000 a year, spending four years reading books? And, from what I understand, he was kind of vocal about the fact that he wasn't really doing anything and was assigned to a non-job after, in his mind, blowing the whistle on Crocus. Is there not—does he not find this strange, that nobody would notice, he's got an office, a computer, a desk and he's just reading novels all the times and doesn't seem to have a job. Is that not something that the Premier, who was the Finance minister at the time—is not surprised that somebody wouldn't have brought that to somebody's attention?

\* (16:50)

**Mr. Selinger:** Well, again, I do note that the selection of books indicated here seems to be very diverse, many books that are considered some of the classics in the Western canon of literature, so that's interesting information. If, in fact, they were all read on the job, or read otherwise, I would have hoped that many of these books would have—he would have had the opportunity to read in his leisure time, outside of the workplace, and that his energies in the workplace would have been dedicated to serving the public, and that if they—if he wasn't given sufficient

amount of work, that he would've sought out opportunities to increase his workload through the measures—through the venues that I've discussed, the avenues that I've discussed, including talking to his supervisor, talking to the supervisor of the supervisor, and onward up through the chain of command within his department, but also through the Civil Service Commission, who have independent oversight of the public service, have a board of civil service commissioners that are appointed for life and can operate without fear or favour in terms of any determinations they make about how an employee is being treated. He—I don't know whether he was in scope of a union or not; he may or may not have been. That might have been a possible avenue for him to express concerns as well. But also the Ombudsman's office would have been another avenue that he could have pursued.

So, again, the member opposite doesn't have to go to the Ombudsman's office. He could just let us know whether he thinks it's appropriate for elected members of the Legislature such as himself to receive tickets for professional sporting events. And he could just flat out let us know whether he's received any, instead of trying to avoid the question.

**Mr. Goertzen:** If the Premier looks at page 297 of the auditor's report, it notes that only about half of the respondents of those who were surveyed within the civil service perceive that those who violate ethical standards will be subject to appropriate consequences. So more than half feel that those who violate ethical standards won't be subject to appropriate consequences. Could he indicate, just by way of example—the now Minister of Jobs and the Economy (Ms. Oswald) has been found to be in violation of tendering laws in the province and previously in breach of an election law, what were the consequences that flowed to her as a result of those actions and whether or not he thinks that they'd be perceived to be appropriate consequences?

**Mr. Selinger:** Yes, I'm going to ask the member to repeat the last part of that question again, if not the whole question. Just—I wasn't catching all of it.

**Mr. Goertzen:** Yes, sure. I'm happy to do that. Just then, in relation to the quote that half of the civil servants perceive that those who violate ethical standards would not be subject to appropriate consequences: In relation to his minister for now Jobs and the Economy who previously was found to have breached an election law and now, more recently, to have been in violation of tendering laws

in the province, does he feel that appropriate consequences have flowed to her as a result of her conduct?

**Mr. Selinger:** Again, the minister and the government acted in the public interest by providing this important air ambulance service to Manitobans, which has flown hundreds of missions and was understood, even—I believe the auditor's report actually reported on this on one of the pages in there, that 35 to 50 lives were considered to be savable by providing this service in Manitoba. So I believe the minister was acting in her—in what she believed to be the best interests of the public by having a service that could save up to 35 to 50 lives a year and has flown hundreds of missions.

And the member opposite could still, before we run out of time, let us know whether he's—thinks it's appropriate for him to receive free tickets from corporations and whether that's ethical.

**Mr. Goertzen:** A few years ago, the government—the NDP party, I should say—was found in violation of the election laws for union bundling, for essentially taking donations from union members, and then the union bundled those donations, collected essentially on behalf of the NDP party, donations that were then forwarded to the NDP. I think that the Premier was—he was elected, he was Finance minister, I think, at the time. And his predecessor, the premier, acknowledged that that was an improper practice under the current election financing laws of no union or corporate donations which, you know, included the bundling of union donations for a political party. What consequences flowed to the NDP party as a result of breaching that portion of the elections finance act?

**Mr. Selinger:** Again, you know, I have to say I'm very proud of the fact that this government brought in legislation to ban corporate and union donations in Manitoba. I believe it was only the second province that has done that. I believe the federal government subsequently brought in not quite the same legislation, but put limits on the value of union and corporate donations that could be made in the context of a federal election. I believe it was the Liberal government that brought that in.

So this is important legislation, because we always have to look for ways to improve the ability of democracy to function on behalf of all the citizens of Manitoba, and one way to do that is to limit the influence of people that may have deeper pockets than others. And so the banning of corporate and

union donations was an important part of that process.

I do note that the members opposite were opposed to that legislation and still remain opposed to it. We've never seen them reverse themselves on that and declare themselves in favour of that legislation, which is very unfortunate. But it is legislation that, I think, has made a difference in terms of democracy in this province of Manitoba.

**Mr. Goertzen:** I understand the Premier's proud of a law that he broke—that his party broke in terms of the union bundling, but the question was specific and it relates to setting the tone—setting the tone—in the civil servants where half of those in the civil service don't believe that there'll be appropriate consequences that flow from breaches of ethical standards.

He's already indicated that there were essentially no consequences for the Minister of Jobs and the Economy (Ms. Oswald), or at least you didn't cite any. I'm just trying to get him to focus on what consequences the NDP party and his government faced for breaking the elections finances law by doing the union bundling of donations.

**Mr. Selinger:** Again, I would have to check all the facts that the member's put on the record, but the reality is is that when we brought in the law against corporate and union donations being allowed in Manitoba, the members opposite opposed it. They thought it was fine to have large corporations make very large donations to the democratic process. What tone does that set? And what tone does the member set now by refusing to answer the question of whether or not it's proper for him to receive corporate tickets for professional sporting events? What tone does that set?

**Mr. Goertzen:** Back in—I think the first time that the Premier ran for provincial office, he was involved, along with his party, in an election rebate scheme—some might say fraud—in terms of getting illegal 'lection' rebates by claiming expenses that were actually not refundable expenses. The Premier at that time, when this issue came up a few years ago, indicated that he got a letter from his party absolving him of any responsibility, but the letter, he indicated,

had gone missing—couldn't be found—just was—simply disappeared. Is he able to—has he been able to find that letter in the last little while that he received from his party absolving him from the election rebate fraud?

**Mr. Selinger:** Again, we've canvassed this issue in the past and I put on the record what happened there. The member opposite has pursued this on many occasions, but he has never taken the opportunity to declare whether he thinks it's appropriate to receive tickets from corporations for professional sporting events. He's never taken the responsibility for the tickets he's received. He's never indicated whether or not there should be an ethical standard related to that. And we, on this side of the House, have identified any corporate tickets that were received by our—by members of this side of the House and said that they should not be received in the future.

So, you know, if the member wants to set an ethical tone, he could start right now and do it here in this session of the Legislature and let us know where he stands on that and set a proper tone for future activities in this regard that should not be allowed in terms of elected officials receiving those kinds of perks from corporations, and that would be extremely helpful if he did that.

**Mr. Goertzen:** Can the Premier indicate what consequences his party or the government faced when they received more than \$70,000 in illegal and, some would say, fraudulent election rebates after the first time that he ran? He also was part of the—claiming those funds. I understand he demanded and perhaps received—although he's never been able to produce the letter that he says absolved himself. Can he indicate what consequences he got for breaking the law at that time, Mr., Sir, Chairperson?

**Mr. Chairperson:** Order. The hour being 5 p.m., committee rise.

Call in the Speaker.

#### IN SESSION

**Mr. Speaker:** Order, please. The hour being 5 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow afternoon.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 25, 2014

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