

**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
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WISHART, Ian	Portage la Prairie	PC

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Monday, April 7, 2014**

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

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

Good afternoon, everyone. Please be seated.

**ROUTINE PROCEEDINGS**

**Mr. Speaker:** Introduction of bills? No bills.

**PETITIONS**

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

**Provincial Sales Tax Increase—  
Effects on Manitoba Economy**

**Mr. Cameron Friesen (Morden-Winkler):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

(1) The Premier of Manitoba is on the record calling the idea of a hike in the PST ridiculous.

(2) Economists calculate that the PST hike has cost the average family \$437 more in taxes after only six months.

(3) Seventy-five per cent of small businesses in Manitoba agree that provincial taxes are discouraging them from growing their businesses.

(4) The Canadian Restaurant and Foodservices Association estimates that a 1 per cent increase in the PST will result in a loss to the economy of \$42 million and threaten hundreds of jobs in that sector.

(5) Partly due to the PST, overall taxes on new investment in Manitoba recently stood at 26.3 per cent whereas the Alberta rate was 16.2 per cent and the Ontario rate was 17.9 per cent, according to the Manitoba Chambers of Commerce.

(6) The Manitoba Chambers of Commerce are concerned that the PST hike will make an already uncompetitive tax framework even more unattractive to job creators in the province.

We petition the Legislative Assembly of Manitoba as follows:

(1) To urge the provincial government to reverse the job-killing PST increase.

And (2) to urge the provincial government to restore the right of Manitobans to reject or approve any increases to the PST through a referendum.

And this petition is signed by S. Froese, L. Unrau, S. Klassen and many other fine Manitobans.

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

**Provincial Sales Tax Increase—  
Reversal and Referendum Rights**

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

The background to this petition is as follows:

The Balanced Budget, Fiscal Management and Taxpayer Accountability Act is a law that guarantees Manitobans the right to vote on a referendum—either approved or reject increases in the PST and other taxes.

(2) Despite the fact that the right to vote enshrined this legislation, the provincial government hiked the PST to 8 per cent as of July the 1st, 2013.

(3) The Progressive Conservative Party of Manitoba has asked the courts to rule on whether or not the government broke the law failing to address the referendum requirement before imposing the PST tax increase on Manitoba families.

We petition the Legislative Assembly of Manitoba as follows:

(1) To urge the provincial government to reverse the PST increase.

(2) To urge the provincial government to restore the right of Manitobans to vote in a referendum on increases to the PST.

This petition is submitted on behalf of A. van Solkema, D. Robb, C. Thomas and many other fine Manitobans.

**Mr. Speaker:** Any further petitions?

Seeing none, we'll move on to committee reports?

### TABLEING OF REPORTS

**Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Development):** I'm pleased to table the following report: Manitoba Agriculture, Food and Rural Development Supplementary Information for Legislative Review for 2014-2015. Thank you.

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

### ORAL QUESTIONS

**Mr. Speaker:** Seeing none, I have no guests to introduce at this present time, so we'll move directly to oral questions.

#### Pediatric Cardiac Surgery Program Health Minister's Comments

**Mr. Brian Pallister (Leader of the Official Opposition):** Parents shouldn't outlive their children, Mr. Speaker, certainly not grandparents either, but that's what happened at the Health Sciences Centre in the early '90s. And an inquest was called. Extensive research was done. Murray Sinclair led the inquest over a three-year period. Thousands of pages of research and documents were examined.

The Health Minister's unfortunate comments in respect of that inquest, and in respect of her accusations made, served no one here well. They're thoughtless; they're thoughtless comments. They're thoughtless to the caring people who work in those facilities. They're thoughtless to—certainly to members of other political parties. But they're thoughtless most of all to the families who have suffered enough and who buried—who have buried their own children and who carried the burden of that and will for the rest of their lives.

So I'd ask the Premier if he would make comment on that.

**Hon. Greg Selinger (Premier):** Mr. Speaker, the tragedy that occurred at the pediatric facility in the 1990s was truly a horrific tragedy that should never occur again.

And one of the outcomes of that was a change in the way we do business in the health-care system in Manitoba, a move towards critical incident reporting as standard practice, a process whereby any serious event is investigated in an open way, and that there's a culture of learning that comes out of that and a culture of correcting errors that have been made so that they won't occur again.

This was not the case before that. Before that, these matters were not dealt with in an open and—way that allowed for learning and growth to occur.

So the critical incident reporting culture that we've now instilled in the health-care system and which has been widely embraced was one of the positive outcomes of that very serious tragedy, and we have to be very vigilant to ensure that those kinds of things don't happen again, and critical incident reporting will help us do that, Mr. Speaker.

**Mr. Pallister:** That was pathetic, Mr. Speaker, an attempt to distract from the issue at hand, and the issue is a false accusation of culpability placed by a senior Cabinet minister on a previous government that they were culpable in the deaths of children in this province is not to be soft sold or dealt with in that manner.

A question was given in Estimates about the age of a helicopter, and a response was made that the party that I represent was culpable in the deaths of children in the province, and that's just wrong, Mr. Speaker. That's just wrong, and it is pathetic, and it is excessively partisan, and the Premier should know that and the Premier should deal with that.

\* (13:40)

So let me ask him, if that is his response, I have to ask him: Does he truly have confidence in the ability of his Health Minister to deal with the massive and important areas of public policy she is charged with?

**Mr. Selinger:** Mr. Speaker, the very important role of the health-care system in this province is without question. When it's 43 per cent of your budget and there's thousands of Manitobans that count on it every single day, and many decisions that are made in the health-care system are life-and-death decisions, and when one of those decisions results in a tragedy, particularly with respect to children but for anybody that loses their life in the health-care system, we need to have a process that deals with that.

This minister, as well as previous ministers, have been very forceful in insisting that the critical incident reporting culture that we put in place and the processes that we put in place will serve the interests of Manitoba patients, Manitoba citizens, by identifying what the issue was, having a way of learning how to improve it, making sure that it doesn't happen again. That is fundamentally important. This minister supports that.

This is the first government in the history of Manitoba that brought critical incident reporting into public policy and made it a requirement of daily operations in our health-care system. That was not done prior to that, Mr. Speaker. We've—I do think the minister is very supportive of that. I know she's very supportive of that, and I know she will follow through and ensure that it happens not only today but in every incident that may occur in the future.

We do want to reduce the number of incidents—

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

**Mr. Pallister:** Mr. Speaker, the 'pediac' cardiac surgery inquest report was the result of three years of work and 50,000 pages of transcript evidence, none of which found any culpability on the part of the previous government whatsoever. Yet the minister on the opposite side accuses the previous government of being culpable in the death of babies in our province.

And the Premier does nothing about it. The Premier says he will do nothing about it, and he tries to obfuscate and divert attention away from the real issue. And the issue is when comments like that are made by any of us and they reflect in a damning way—and they do—on previous governments, they are false comments not supported by 50,000 pages of evidence, it is on the Premier that those comments were made if he refuses to take action against those comments.

And I give him the opportunity again to do so today in this place and make sure that he does not run away from his obligations to protect the integrity of all who are here and all who have been here in the past.

**Mr. Selinger:** Mr. Speaker, it's fundamentally important how we respond to tragic incidents. The members opposite had the opportunity to do something about that with respect to critical incidents; this government was the one that did. This government took the direct action to ensure that

there's a culture of investigating incidents called critical incidents, ensuring that we learn from that, putting corrective measures in place within the health-care system, including training and better procedures, so that those things don't happen again. This is the government that did that. This minister supports that, will continue to support that. Previous ministers have supported that.

And I do make the point to the Leader of the Opposition, if he wants to be indignant about that, ask himself the question: Why did they not put in place critical incident reporting procedures in this province, Mr. Speaker?

### **Pediatric Cardiac Surgery Program Apology Request—Minister of Health**

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, I would remind the Premier (Mr. Selinger) that we supported the legislation for critical incidents, and it was also our government that called the inquiry into the deaths of those babies.

Mr. Speaker, one week ago, this Minister of Health crossed the line when she accused MLAs of allowing babies to die. Her comments were meant to be a potshot against the opposition in order to score political points. Instead, she opened painful wounds for the families whose children or grandchild died.

So I'd like to ask the Minister of Health if she will stand today and apologize to those parents and grandparents.

**Hon. Erin Selby (Minister of Health):** My family has had the experience of the emotional toll that pediatric cardiac surgery can take on a family, and I would wish that to no other family. And while my experience in my family has so far been a positive one, I am also a mother, and the thought of losing a child is the greatest fear I have. I think I can speak for everyone in this House when I say that I am so sorry for the tragedy that these families have suffered, for the loss that these families have suffered.

And it is because of these tragedies—it was one of the driving forces of this government's decision to move our health-care system away from a culture of secrecy and blame towards a culture of safety and learning. These parents—

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

**Mrs. Driedger:** Mr. Speaker, many in the public are slamming this Minister of Health for her over-the-top

accusations. She showed extremely poor judgment, and I just want to read for this House a comment that somebody made on CJOB: The judgment she has shown by making these statements tells she doesn't have what it takes to be a Health Minister in this province. She doesn't think clearly. This is a horrible, despicable thing for her to do.

She did not clearly apologize to families for her comments of a week and a half ago, and I wonder if she would stand today and unequivocally say she's sorry.

**Ms. Selby:** Well, Mr. Speaker, I can't say that I know exactly what these families have gone through, but I've certainly held my sister's hand as her baby went through many, many cardiac pediatric surgeries and will continue to have some, although, in our case, we're very lucky that he is now 21 years old. He has been through several open-heart surgeries, and although we've had some scary times as a family, he has gone on to be a very strong and remarkable young man.

And so I don't know the tragedy that these families have experienced first-hand, but I have seen my sister when she was asked if she wanted her baby to have last rites performed, and I honestly don't even remember what her answer was. But I know we didn't have to face that because, thanks to medical intervention in a hospital in Montreal, Sebastien is alive, and—

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

**Mrs. Driedger:** Mr. Speaker, the people she's accusing of killing babies are parents as well, and it is a painful situation.

Fifteen-month-old Ashton Feakes was one of those babies who died. His grandparents are in the gallery today, and this minister has torn open a wound for them.

I will ask her to stand in her place today and tell Mr. and Mrs. Feakes and all the other families that she's sorry for bringing this painful, painful situation back to the forefront of politics in Manitoba.

**Ms. Selby:** Mr. Speaker, I would welcome any opportunity to meet with families. I would ask my office to arrange it because I am sorry for what they went through, and I can't imagine the pain that they have felt. It is, as I said, as a mother, it is my greatest fear to imagine losing a child.

But I do think that patients and their families want their health-care system to investigate when something happens, and when medical errors happen, we owe it to those families to learn from it and prevent it from happening again. And that is exactly why, when we came into office, we brought in critical incident legislation so that we wouldn't blame, we wouldn't hide when things happen, but we would look at the problem and make sure it doesn't happen to other families.

### **PST Increase Revenue Projections**

**Mr. Brian Pallister (Leader of the Official Opposition):** So the end of March, Mr. Speaker, the Premier did an interview on CTV. It was reported also in the Winnipeg Sun, and he said: I haven't seen any estimates on the revenues that could be raised by hiking the PST.

But according to the Canadian Press this morning, he did. He did see revenue projections for 9 per cent.

So I want to give him the opportunity to correct the record and put the facts on the record in his place.

**Hon. Greg Selinger (Premier):** I've made it clear in the past that options are brought forward by the department for comparative purposes. No recommendation was brought forward to increase the PST to 9 per cent and, in fact, 9 per cent was not brought in as a budget measure.

There was an increase in the PST dedicated towards infrastructure in Manitoba, critical infrastructure. Manitobans told us that they needed infrastructure to protect communities from floods, better roads, sewer and water, Mr. Speaker, with the attendant jobs that come out of that, over 58,900 jobs over the next five years. That was the measure we brought forward and that was the measure that was acted upon based on recommendations.

**Mr. Pallister:** None of that corrects the record, and the Premier had the opportunity to do so and failed to.

Now, he claimed that he didn't see figures projecting a 9 per cent revenue increase—9 per cent PST hike. But the facts are contrary to that, so it's one or the other. It's not both.

\* (13:50)

Now, the Premier ran in the last election promising, we know, that he would not hike the PST, and we know now that he actually broke that promise and did. He deliberately misled the public and he continues to ride that same horse now. And I've asked him to consider dismounting, because when the horse you're riding dies, it is time to get off, and the reality is that the facts show that the Premier did see projected revenue for a 9 per cent PST hike when he claimed he did not.

So I'll ask him again to correct the record. Which is it? Did he or did he not see the projections on revenue from a 9 per cent PST hike?

**Mr. Selinger:** Mr. Speaker, I've made it clear. There was no recommendation to look at a 9 per cent PST hike in Manitoba. The recommendation that was brought was to consider an 8 per cent hike with the 1 per cent increase, 1 cent on the dollar, dedicated to infrastructure, critical infrastructure.

Just prior to the budget coming out, Mr. Speaker, we had a report from an independent committee recommending up to a billion dollars of expenditure just for flood protection alone around Lake Manitoba, Lake St. Martin, through the Assiniboine valley all the way through to Brandon. Those measures were very expensive measures. They mounted on top of the 1 and a quarter billion we had already spent fighting the 2011 flood. That was a factor that was considered.

There were many demands from the opposition members to pave roads and streets. They will recall that prior to the budget that year they were on their feet every single day asking for infrastructure investments in Manitoba.

The difference was this, Mr. Speaker: We brought forward a recommendation focused on infrastructure and good jobs in Manitoba. Members opposite asked for the infrastructure, but refused to vote for it in the budget.

#### Future Increases

**Mr. Pallister:** The Premier needs to go for a hike to Truthtown, Mr. Speaker. He is not going to get this one spun across to the people of Manitoba if he continues with that approach.

First, he claimed his government was not planning to increase the PST; now we know that they were. Then during the election he claimed he wasn't

going to raise it; then he did. And now he says—well, he doesn't.

He doesn't admit what the facts say. The facts say he looked at revenue projections for a 9 per cent PST hike, and the fact of the matter is we've learned now that that's the truth even though the Premier won't admit it.

So I guess I have to ask the Premier, who claimed when we advanced the idea that he might raise the PST that it was nonsense, to give a no-nonsense answer for a change and simply answer this question: Will he at least guarantee the people of Manitoba that he will not hike the PST again?

**Mr. Selinger:** We bought—we brought forward a 10-year increase in the PST to address critical infrastructure needs in Manitoba, nine years left on that. We're proceeding with a very aggressive plan, a 5-and-a-half-billion-dollar investment in infrastructure in this province. We're ramping that up as we speak. It should generate about 58,900 jobs in Manitoba.

Mr. Speaker, many options were brought forward. The former minister of Finance under the former government that the Leader of the Opposition was a member of brought forward a report to harmonize the PST with the GST. That was a report that was brought forward. We did not act upon that report. We did not act on any report that indicated that there should be a look at 9 per cent. There was no recommendation in that regard.

Mr. Speaker, there have been many comparative reviews done inside of Finance and outside of Finance in Manitoba. The recommendation came from the minister. The minister's recommendation focused on infrastructure and good jobs for Manitoba. We're following up on that for the next nine years.

#### PST Increase Finance Minister's Knowledge

**Mr. Cameron Friesen (Morden-Winkler):** Mr. Speaker, the facts are these. The Canadian Press filed an information request for any documents pertaining to the possibility of the NDP hiking the PST to 9 per cent. Now, the Ombudsman now confirms the existence of two such documents that discuss a 9 per cent PST. The government won't release the documents, but it's clear, regardless, that the former Finance minister would have seen them.

The problem is the former Finance minister said last fall he never contemplated a 9 per cent PST nor did he receive information, briefing notes or other documents about a 9 per cent PST.

My question today, Mr. Speaker: How could Manitobans arrive at any other conclusion other than the Finance minister lied?

**Mr. Speaker:** Order, please. Order, please. Members in the Assembly here are very, very experienced and I'm sure they're all familiar with the rules with respect to parliamentary and unparliamentary language.

I'm going to start with a caution to the honourable member for Morden-Winkler. He used a word that can be declared as unparliamentary, but I'm going to caution him on this instance and ask him to be guided by that in his future questions.

**Hon. Jennifer Howard (Minister of Finance):** I want to start by being clear that what the Ombudsman's report says, that this is a mandatory exception to freedom of information, not releasing documents that are prepared as advice, and that it doesn't say that we have decided not to release it; it actually says we're obliged to refuse disclosure to those documents. That's what the Ombudsman's report actually says.

I want to say on this matter, though, I expect that the officials in the Department of Finance can do math. I expect that they can tell you what one point is, what two points are, what minus one is; I expect that. I expect that information is done, those calculations are done. I expect that that's what they do.

The decision that we made was to raise the PST by one point in order to invest in the critical flood protection infrastructure, in order to invest in the critical transportation infrastructure, in order to create jobs and set this province on a path towards economic prosperity. That's the decision we made.

But information is prepared and provided by—

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

**Mr. Friesen:** Mr. Speaker, let's be clear. The decision of this government has been to perpetrate deceit on Manitobans time and time again.

Mr. Speaker, the Premier (Mr. Selinger) said that when he was the Finance minister, it was standard practice to study these things and he saw those kinds

of scenarios. But the former Finance minister was asked last fall if he ever dealt with or saw documents about a 9 per cent sales tax, and he said, no, that was not something that we considered.

Mr. Speaker, today's information makes clear the Finance minister knew; he saw the documents, he would have read them.

Will the Finance Minister admit today that this is just another attempt by serial deceivers to deceive Manitobans?

**Ms. Howard:** Mr. Speaker, if the former Finance minister said it wasn't considered, it wasn't considered. Can somebody on a calculator tell you what it would be? Yes. I would expect that people who work on the Finance Department can do math and would tell you that.

But let's see. Let's see what was considered by the members opposite. If that is the test, let's look at the report. So the report that they commissioned by their former Finance minister, I guess also they were considering raising the PST, because that's one of the recommendations that they got. Were they considering that? It also recommends to do away with property tax credits. Was that something that was under consideration when members opposite sat around the Cabinet table? It also recommends to harmonize the GST and PST. Is that what we would have seen had they been re-elected in 1999?

**Mr. Friesen:** Oh, Mr. Speaker, now that's rich. They say if it wasn't considered, then it wasn't considered. This is the government that went to Manitobans in the 2011 election and said, we would not raise taxes, and then they did.

Mr. Speaker, it is clear that this spenDP government is out of ideas, they are desperate and they are willing to do and say anything to keep the cash register ringing. It is clear that they were studying a 9 per cent PST at the same time that they were denying it.

Will the Minister of Finance admit that in the same way that the spenDP misled all Manitobans about their plans to hike the PST to 8 per cent, they're misleading this House now, and Manitobans now, about the fact that they did study a 9 per cent PST? When are they going to enact a 9 per cent PST?

**Ms. Howard:** Well, Mr. Speaker, I would be happy to disclose the mathematical formula that you use to

compute percentage points if that would help the member opposite, if that's what is a mystery.

But by his logic, if we're going to take his logic, then he has to admit that when his friend the Leader of the Opposition was sitting around the Cabinet table, they must have been discussing raising the PST, because their former Finance minister recommends it. They must've been sitting around discussing doing away with property tax credits, because their former Finance minister recommends it. They must have been sitting around discussing harmonizing GST and PST, because their Finance minister recommends it.

Information is prepared. It is shared. Calculations are done. We made a decision to invest in the critical infrastructure in this province to protect people's properties, to create jobs. That's the decision we made, Mr. Speaker, because that was a decision that we felt would—

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

#### **PST Increase Impact on Small Business**

**Mrs. Heather Stefanson (Tuxedo):** I'm not hearing members opposite deny the fact that they're looking at increasing the PST to 9 per cent, Mr. Speaker.

Mr. Speaker, businesses are already realizing the negative impact of an 8 per cent increase by this NDP government, and imagine what they will realize with a 9 per cent increase, Mr. Speaker.

Connie Hall of Peppertree Fashions already expressed concern about the problems her company would face with a PST increase to 8 per cent.

My question for the Minister for Jobs and the Economy: What will this government say to Connie when they increase the PST to 9 per cent?

\* (14:00)

**Hon. Jennifer Howard (Minister of Finance):** Oh, my goodness, Mr. Speaker, we are through the looking glass here.

As I have said before, the Finance Department, I am sure, can do simple mathematical equations and they provide that information.

The decision we made was to raise the PST by one point, and we did that because we had a report that showed us that we needed to invest a billion dollars in flood infrastructure. We also knew that we

needed to invest in transportation infrastructure, many of those investments that you hear about and will see taking place today.

And we made those decisions because we know that was the path to creating jobs in Manitoba, that was the path towards a better economic future, and that is why we made that decision. That is the decision that we made and that is the decision that we are talking about here today, not some mythical decision that the members opposite want to paint.

**Mrs. Stefanson:** Well, Mr. Speaker, the decision that they made was one to break their promise to Manitobans after the last election.

Tammy Jensen of Jensen's Nursery also expressed concern about the PST hike to 8 per cent at that time.

What does this Minister for Jobs and the Economy, because this will have a significant impact as it already has on jobs and the economy in Manitoba, what does she have to say when she increases the PST to 9 per cent?

**Ms. Howard:** I know members opposite are well practised at saying something that isn't true over and over again and hoping that that makes it true. I know that's what they're used to doing.

But it's—I want to say it again clearly. The decision we made to increase the PST by one point, we did that because we believe that making those investments in infrastructure, without taking away from critical services like health care and education, were important to create jobs.

And since making that decision, we've received from the Conference Board of Canada a report that shows that those investments will create jobs, not only jobs today but jobs well into the future so we can position Manitoba to be some—a province that has increased economic prosperity.

That was why the decision was made and that the decision we made was to increase the PST by one point. No matter how the members opposite want to now try to portray it, that was the decision that was made.

**Mrs. Stefanson:** Mr. Speaker, just like members opposite said over and over again prior to the last election that they would not raise taxes in Manitoba, they said it was ridiculous, that it was nonsense, and what did they do?

Terry Lakusta, owner of Vain Hair and Body Studio is my constituent—in my constituency, expressed his concern about the NDP hike to 8 per cent and the negative impact that it has had on his business.

What does the Minister for Jobs and the Economy have to say to Mr. Lakusta about her government's PST hike to 9 per cent?

**Ms. Howard:** Well, I would hate for the member opposite to vary from the script. I don't want to test her in that way, so I know she's going to continue to put inaccuracies on the record.

But, very clearly, the decision that we made was a decision that we felt was necessary in order to make those investments in critical infrastructure, in flood protection to protect people's properties, in transportation infrastructure, in those things that are important to the economic future of this province, but not to do that in a way that would create cuts to those services that Manitobans depend on, to not take the advice of members opposite to lay off teachers and nurses, to not do it in that way. So we took a decision to raise, for 10 years, the PST by one point, by 1 cent on the dollar.

That's the decision we made, not the mythical fantasyland decisions that the members opposite want to talk about.

#### **Immigration Agreement Resolution FIPPA Request—Email Correspondence**

**Mr. Kelvin Goertzen (Steinbach):** The decision they made was to lie to Manitobans. That's the decision that they made.

Speaking of, Mr. Speaker, in the spring of 2012 there were questions being raised in this House about the involvement of the former minister of Immigration in inviting civil servants to the Legislature for a political rally.

Now, because we couldn't get straight answers from this government—that will come as a surprise to Manitobans—we had to file a FIPPA asking for all the electronic, all the email transmissions related to that invitation. So we got a response back and the government said, that's all, that's all the emails there are.

Now, we found out last week, actually, there was one that was missing, and the one that was missing was the email that directly linked the former NDP minister of Immigration to the invitation to civil servants to the Legislature.

Why won't this government admit it was just another cover-up in a long line of cover-ups?

**Hon. Erna Braun (Minister of Labour and Immigration):** I thank the member for the question, and the deputy minister has been clear that the email should've been included in the 2012 response but was inadvertently missed in the original search. He also was clear that it was an error made at the department level and that it was later sent to the Ombudsman.

**Mr. Goertzen:** Well, the NDP would want us to believe this is some sort of a clerical error. But this was covered up for two years, and it wasn't just an innocuous email. It was the smoking-gun email, Mr. Speaker, that linked the former NDP minister of Immigration to this government inviting civil servants to the Legislature.

Now, when I look at the email, it wasn't just sent to one person. It was copied to one, two, three, four people. This email was in the box of six different people. Even for cover-ups, this is pretty sloppy.

Why won't they just admit it was a cover-up? It sat in the email of six different people. You didn't want to release so you covered it up.

**Ms. Braun:** I think I would like to repeat to the member opposite that it was clear that the email should've been included in the 2012 response, but it was inadvertently missed. It was an error and that error was rectified sending it to the Ombudsman.

**Mr. Goertzen:** Well, just a few days after we received our package of information that didn't include the missing email, a couple of days later, the government actually found the email. Now, did they come to us and tell us that there was a mistake and that they didn't include the email? No, they waited for almost two years, and then only when it was discovered that they didn't include it did they actually come clean on it. Why would they sit on it for two years?

Now, this is a government that lied about the 8 per cent increase. It's the government that lied about looking at the 9 per cent increase. It's a government that uses babies' death as a political tool, Mr. Speaker, and it covers up information for two years.

Have they come to the conclusion that other Manitobans have come to, that it's a government that doesn't have the integrity and the honesty to govern the good people of this province?

**Ms. Braun:** Mr. Speaker, as was indicated, the email should've been included. It was an error made at the department level and the Ombudsman did receive that email for the report.

### **Employment Numbers Manitoba Economy**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, Manitobans have become very concerned about the Premier—how the Premier is mishandling the provincial economy.

Last week's Labour Force Survey shows that the number of people employed in Manitoba has gone down. In fact, compared to last year, employment has fallen each month for the last five months, as this data I table indicates. It suggests a very serious problem for our province.

From raising the PST to misquoting job creation numbers, the Premier is hurting our economy.

I ask the Premier: Is it his intention to lead Manitoba into the next recession?

**Hon. Greg Selinger (Premier):** Mr. Speaker, it's—since the recession started in 2009, we've added 25,000 jobs in the private sector in Manitoba—25,000 jobs. The Manitoba economy has performed better than the Canadian average during those years.

Now we have a program, Mr. Speaker, a program the member opposite has voted against, to lift the economy another \$6 billion, to invest in critical infrastructure, to generate 58,900 new jobs in Manitoba. The member opposite, if he wants to support the economy, should have supported for the budget, should have supported for the innovation strategy we have, should have supported the kinds of things that will generate good jobs for young people in Manitoba.

**Mr. Gerrard:** You know, Mr. Speaker, the problem is that no matter which way you look at it, the facts remain the same. Here's StatsCan data, similar but slightly different, but shows exactly the same trend: poor unemployment figures and employment figures in Manitoba for the last five months.

\* (14:10)

It's not just about the number of people employed. The number of people unemployed has risen. The participation of—rate of people in the economy has decreased. Employment for youth is going up in Canada but down in Manitoba. Business

owners are saying they're seeing a decline in business. There's a problem.

Can the Premier tell Manitobans why it is that the economic indicators for Manitoba are going in the wrong direction?

**Mr. Selinger:** Mr. Speaker, we have the third lowest unemployment rate in Canada. We have one of the highest participation rates in the economy among working-age population.

It is true that the global economic recovery has been slower than anticipated, which is why we've put this emphasis on building infrastructure and creating good jobs for young people in Manitoba. Manitobans have told us that's where the focus should be. There should be focusing on good jobs for young people, should be focusing on critical infrastructure which will strengthen the economy in the future, including projects like CentrePort. We've invested in CentrePort Canada; CentrePort way was just opened up. We've invested in Highway 75. We've invested in the Perimeter. All of those investments will make a very large difference in the ability of our exporters to move goods to market.

Now that the Canadian dollar has dipped down to 91 cents compared to the American dollar, we are seeing very good forecasts for the future. The American economy didn't generate as many jobs as they wished, but we are seeing very optimistic prospects for the future.

We will be there with good infrastructure and good jobs for young Manitobans, Mr. Speaker.

**Mr. Gerrard:** Mr. Speaker, the changes in Manitoba are occurring at the same time as the numbers for all of Canada are going in the other direction. In Canada as a whole, there's more employment for youth and for all Canadians. Canada is improving while Manitoba is getting worse for months and months and months.

The results suggest that the Premier's increasing the PST last year had a very negative impact on the Manitoba economy, and still the Premier keeps giving untendered contracts to companies in other provinces, like STARS and Teranet, while ignoring Manitoba companies.

Why has the Premier managed the economy so poorly that the number of people employed in our province continues to go down?

**Mr. Selinger:** Mr. Speaker, the number of people working in Manitoba is at a historic high,

25,000 more jobs in the private sector. Over the last five years during the recession, Manitoba has actually outperformed Alberta and Saskatchewan in terms of its economic performance. We now see a period where we need to focus on good jobs and infrastructure as the next step forward in making sure the economy continues to grow; that's exactly what we're doing.

We're going to have a skills agenda, 75,000 more skilled workers over the next eight years, major investments in infrastructure, major investments in flood protection which will allow those communities to have a renaissance and the certainty that they will be safe in the future. All of those things have set Manitoba on a course for prosperity, and I haven't even talked about hydro, Mr. Speaker. The hydro investments will be good for the Manitoba economy now and ensure we have a supply of clean, affordable energy in the future.

Members opposite are against all of those initiatives, Mr. Speaker. If we followed their advice, there would be another recession instead of the steady growth and good jobs that we have in Manitoba.

#### **Northern Manitoba Infrastructure Highway Upgrade Announcement**

**Mr. Frank Whitehead (The Pas):** Mr. Speaker, in this House there are clearly two visions for northern Manitoba. The vision of members opposite across—is across-the-board cuts that would put the North's core infrastructure and economy at risk. That is why I am proud to stand with a government that invests in the safety of northern Manitoban families and the steady growth of northern businesses through historic investments in core infrastructure.

Can the Minister of Infrastructure and Transportation update this House about yet another core infrastructure investment to upgrade important transportation links that will increase safety and build northern economy?

**Hon. Steve Ashton (Minister of Infrastructure and Transportation):** Mr. Speaker, I was very excited to join the member for The Pas in announcing \$55-million investment on Highway 10, Highway 283, highways 373 and 374 in northern Manitoba.

We're particularly proud of our record in terms of highways in northern Manitoba, Mr. Speaker, unlike the members opposite, who spent as little as 5 per cent of the capital program in the 1990s in the

North. What you campaign on, cutting highway spending in the North—they defined that, by the way, as north of Riding Mountain. We're investing in northern Manitoba.

But, Mr. Speaker, I want to stress one thing. We're a party for all Manitobans, because tomorrow we're making announcements in Ste. Anne and Steinbach. This is the NDP, a government for all Manitobans.

#### **Elder Abuse Reduction Strategies**

**Mr. Cliff Graydon (Emerson):** Mr. Speaker, seniors abuse is a growing concern. More and more seniors are reporting what—are reporting when people have been done wrong, and they're reporting when they have been mistreated.

Mr. Speaker, what are the minister and the NDP government doing to combat seniors abuse?

**Hon. Sharon Blady (Minister of Healthy Living and Seniors):** It's a pleasure to rise in the House today, and this is actually the day that we've launched the Seniors' Guide.

Looking after seniors is a priority for this government. The guide in itself includes a number of resources. It's a one-stop shop for not just seniors but those of us who have seniors that we love in our lives. And the supports that we have in place and the recommendations that we get from wonderful organizations like the Manitoba Council on Aging make sure that we stay in touch with the seniors of this province to ensure that everything from the elder abuse line is working for folks to, again, the guide.

And I ask—I would recommend to the member opposite that maybe he pick up a copy of the guide. I know that we had 2,000 advance requests for the guide before its release today because I know that it's a valuable tool for all Manitobans.

#### **Government Policies Impact on Seniors**

**Mr. Cliff Graydon (Emerson):** Well, Mr. Speaker, one of the forms of abuse is lying to seniors, and very specific kind of abuse. Nobody likes to be lied to. Seniors are the ones who have built our society to what it is today, and they deserve respect.

But what they've got is a government that lies to them every chance they get. Seniors were promised no tax increases: a lie. Seniors were promised no PST increase: another lie. Seniors were promised no

school tax on their property; the NDP government lied to them again.

When will this minister and this government stop abusing the trust of the seniors in this province?

**Hon. Jennifer Howard (Minister of Finance):** Well, I wonder what the seniors of this province would have thought if they knew that their former Finance minister from that party had prepared for them a recommendation to do away with the homeowners' tax assistance, the property tax credit that so many seniors rely on, the property tax credit that we have seen go up from \$200 to \$700 up to \$1,100. We now have a document that shows, according to their own logic, that they had a plan to cut that. Had they been re-elected in '99, those seniors would have had much more difficulty holding on to their homes and paying their property taxes.

That was their plan for seniors. Our plan has been to increase those property tax credits and protect them.

**Mr. Speaker:** Time for oral questions has expired.

#### MEMBERS' STATEMENTS

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

#### Jaring Timmerman

**Mrs. Myrna Driedger (Charleswood):** I rise today to congratulate a Winnipeg centenarian, Jaring Timmerman from Kirkfield Park, on his many accomplishments as a swimmer, and I welcome him and his family to the gallery today. He started competitive swimming at the age of 79. His wife, Gladys, persuaded him to enter a swim meet in Phoenix after she saw an ad in the newspaper. After three weeks of convincing him, he finally agreed to take the plunge and he won a gold medal in the 200-metre event. He liked winning medals and he now has about 150 to his credit from numerous swim meets. He went to the World Masters meets in Germany, Denmark, Montreal, Edmonton and Toronto.

He presently holds 24 Canadian Masters swim records. He also has four world records in the 100-to-104 age group. On January 24th of this year he set two new world records in the 105-to-109 age group. Previously, there were no world records in that group. No one in the world had ever done this before. Mr. Timmerman competed in the 50-metre freestyle and 50-metre backstroke events.

Ironically, Mr. Timmerman almost didn't survive his childhood. He almost drowned as a child. At four years of age he was in his father's boat on the Rhine River in the Netherlands when he heard a band playing on a passing boat. Not knowing that it would be dangerous, he jumped into the river so that he could follow the music. Fortunately he was saved by a sailor on another ship. This incident obviously did not have a lasting effect on him, as he is still swimming over 100 years later. Shortly after that incident, Mr. Timmerman came to Canada with his family. He worked in the grain business all his working days, ending his career as president of the Grain Insurance and Guarantee Company.

Mr. Timmerman, a navigator for the Royal Canadian Air Force during the Second World War, has a weekly fitness plan that includes swimming twice a week and riding a stationary bike for almost one hour every day. He talks to seniors groups about his secrets to a long, healthy life. He stresses his GEDS principle, which stands for genes, exercise, diet and spirit.

\* (14:20)

He was recently awarded an award of a different sort: the Order of the Buffalo Hunt in 2010, the highest honour awarded by the Province to individuals who demonstrate outstanding skills in the area of leadership, service and community commitment. He has been the subject of a documentary and has done countless interviews.

And on behalf of all of us in this Chamber, we would just like to thank Mr. Timmerman for all his great years of service in swimming and in public life and welcome here today.

#### Honouring Aboriginal Musicians

**Mr. Frank Whitehead (The Pas):** Mr. Speaker, on March 29th I had the pleasure of welcoming many Juno-nominated Aboriginal artists to Manitoba on behalf of the provincial government. The event, sponsored by Aboriginal Peoples Television Network, and held at the Government House, celebrated all those nominated for the Aboriginal Album of the Year award.

I was thoroughly impressed with the number of talented Aboriginal artists who were present at this event. His Honour Philip Lee and his wife, Her Honour Anita Lee, were our gracious hosts, and they welcomed many, many prominent Aboriginal musicians, performers and dignitaries to their home.

Mr. Speaker, it can be overwhelming to witness the amount of talent in Aboriginal communities. I am proud to have welcomed each of these incredibly talented artists, from country, pop and folk to traditional Aboriginal and electronic music. These musicians show us the extraordinary diversity of talent in our communities across Canada. I'm also very proud of the work APTN has done to sponsor this event and of these Juno Awards. Their fantastic work promotes Aboriginal cultures and heritage to millions across Canada. Their support means that Aboriginal musicians receive the publicity and celebration they deserve.

I would like to congratulate nominee Desiree Dorion, a young country star from Dauphin, Manitoba. I'm proud to say Desiree is both Cree and Ojibwa, and has family ties with my own Opaskwayak Cree Nation, which made her nomination even more special to me. Desiree's third album, *Small Town Stories*, was nominated for Aboriginal Album of the Year and is a tribute to her young daughter, Grace. When she's not performing, Desiree is also a full-time practising lawyer. Desiree is a fantastic role model for any young Aboriginal musician.

It was such a pleasure to hear these artists perform and hear of the amazing contributions Aboriginal musicians are making across Canada. It made me think of all those future musicians who might be unknown to us today but who we'll certainly hear of soon.

Congratulations to all present and future nominees for their—for your amazing contribution to Canadian music. Thank you.

#### **Lois Fowler Team**

**Mr. Reg Helwer (Brandon West):** Mr. Speaker, I rise in the Manitoba Legislative Assembly today to honour and congratulate the Manitoba senior women's curling team from Brandon, who captured the Canadian Senior Women's Curling Championship on Saturday, March 29th, 2014, in Yellowknife, Northwest Territories. Team Fowler includes Lois Fowler at skip, Maureen Bonar at third, Cathy Gauthier at second and Allyson Stewart at lead. They have had much success in the past but winning this national title has elevated them to a new level.

Mr. Speaker, the Fowler team finished the round robin with a 10-1 record, which advanced them straight through into the finals, where they defeated

Lorraine Arguin's team from Saskatchewan by a score of 5-1.

The Fowler foursome, who are proud to play out of the Brandon Curling Club, are only the second Manitoba-based team to win a senior women's championship. The only previous team was also from Brandon, led by Mabel Mitchell in 1983.

Mr. Speaker, the dream team, as they became known, have had many successes in the past but the friendship and chemistry came together this year and resulted in a very memorable season. Now the Fowler team will set their sights on the international title, as they represent Canada at the 2015 World Senior Curling Championships.

Mr. Speaker, on behalf of all members of the Legislative Assembly of Manitoba, I congratulate this fine team on their fantastic showing and their newly minted title. As well, I wish them the best of luck in the 2015 World Senior Curling Championships.

#### **World Autism Awareness Day**

**Ms. Melanie Wight (Burrows):** Mr. Speaker, every year the world marks Autism Awareness Day on April 2nd. This is a time when we strive to raise awareness about autism and encourage early diagnosis and early intervention.

Autism can pose enormous challenges to families. I'm so proud that our government is continuing to build support services that will help children and their families succeed.

We are proud to be working with St. Amant to deliver a new parent support service which helps parents address their children's challenging behaviour and teach them new skills. Because each individual with autism is unique, the support service will work directly with up to 100 Manitoba families to provide assessment-based programming and learning opportunities.

We are also investing in two more early intervention specialists that will serve 30 additional families in rural and northern Manitoba. This gives more children the opportunity to learn the games, skills and techniques that help them overcome any limitations they experience connected to their autism.

Evidence shows that early intervention can dramatically increase positive outcomes for children with autism, and, Mr. Speaker, since late 2012, we have hired five new autism specialists to serve rural Manitoba. These initiatives stem from Thrive!, our

government's five-year strategy for the development of services for Manitobans affected by autism spectrum disorders.

World Autism Awareness Day is also a time to celebrate the unique talents and skills people with autism possess. One of the biggest challenges many Manitobans face is people's tendency to define them only by their disability. By welcoming and embracing individuals with autism into our communities, we all benefit and can accomplish so much together.

Mr. Speaker, I encourage all Manitobans to take this opportunity to learn more about autism and about the role we can all play to support and learn from those affected. Thank you.

#### **Renal Health Unit at Seven Oaks Hospital**

**Mr. Mohinder Saran (The Maples):** Mr. Speaker, dialysis can be a vital part of renal patients' daily routines. If you or a loved one has advanced kidney disease, it changes your whole life. I am proud that the new expanded renal health unit at the Seven Oaks hospital helps patients quickly get the care they need so they can then focus on the rest of their lives.

Our government invested \$3 million in capital funding to build a new eight-station renal health dialysis unit at Seven Oaks hospital. The unit opened on March 17th, 2014. This now brings the hospital's number of dialysis stations up to 50.

Here in Manitoba, dozens of people receive treatment for kidney disease every day. Seven Oaks hospital can also now give dialysis treatment to 48 more patients a year, bringing their total at 300 patients annually.

Many people who suffer from diabetes, cardiovascular disease, also have kidney concerns, so they benefit from having a stronger renal health-care system as well.

Whether it's introducing new methods of detecting kidney disease, improving the triage systems or putting the organ donation registry online to improve access to life-saving transplants, this government is focusing on what matters most, our families' health.

Thank you to all the doctors, nurses, health-care aides and co-ordinators who already work so hard to help patients with kidney disease. I hope this new unit helps you give your patients even better care. Thank you.

**Mr. Speaker:** Grievances?

## **ORDERS OF THE DAY GOVERNMENT BUSINESS**

**Mr. Speaker:** Seeing no grievances, we'll move onto orders of the day, government business.

### **House Business**

**Hon. Andrew Swan (Government House Leader):** First of all I'd like to announce the Standing Committee on Legislative Affairs will meet tomorrow, Tuesday, April 8th, 2014, at 6 p.m., to consider the appointment of the Children's Advocate.

**Mr. Speaker:** It has been announced that the Standing Committee on Legislative Affairs will meet on Tuesday, April the 8th, 2014, at 6 p.m., to consider the appointment of the Children's Advocate.

\* \* \*

**Mr. Swan:** Mr. Speaker, can you please canvass the House to see if there's leave for the Committee of Supply for the Estimates for Healthy Living and Seniors to be considered concurrently with the Health Estimates now ongoing in room 254?

**Mr. Speaker:** Is there leave of the House to have the Committee of Supply for the Estimates of Healthy Living and Seniors to be considered concurrently with the Health Estimates in room 254? *[Agreed]*

**Mr. Swan:** And on that, Mr. Speaker, can you please call Committee of Supply?

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

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

## **COMMITTEE OF SUPPLY (Concurrent Sections)**

### **HEALTH, HEALTHY LIVING AND SENIORS**

\* (14:40)

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

This section of the Committee of Supply will now resume consideration of the Estimates for the newly renamed Department of Health, Healthy Living and Seniors. As previously agreed, questions for the department will proceed in a global manner.

The floor is now open for questions.

**Mrs. Myrna Driedger (Charleswood):** There's some outstanding questions from the first day we

were here in Estimates, and I wonder if the minister could tell us if she has determined yet if we would be allowed to have a copy of the 2009 feasibility study.

**Hon. Erin Selby (Minister of Health):** Yes, and I have—I think there might be a couple of outstanding questions that I have some answers for the member on.

During the last Estimates meeting, of course, the member asked for a copy of the 2009 helicopter EMS feasibility study that was referenced by the Auditor General. I can confirm that this information from the document was provided to the Auditor General in her capacity as a independent officer of the Legislature. However, as it was advised to the minister and is not a public document, I am not at liberty to provide the member with a copy. And I can confirm that the references to the study published by the Auditor General in her recent report that helicopter EMS is not something that just came up, of course, in 2009. Certainly, the flood experience and historical floods like, of course, the one in 1997 did lead us to take another serious look at our capacity and our need for helicopter EMS. We saw the good work that they did during that flood and other subsequent floods.

But, following the 2009 flood, the minister of Health requested the EMS branch to review the potential benefits and provide a high level estimate of costs of establishing a helicopter air ambulance program in Manitoba. The Manitoba Emergency Medical Services rotary wing feasibility study was conducted in 2009 and received by the deputy minister and minister in late January of 2010. In November of 2010 the government's Speech from the Throne announced the intention to pursue the air ambulance helicopter, and while the department was investigating the potential helicopter-based air ambulance service providers, a major event, of course, hit: the flood of the century.

As we had in the floods of 2009 and 2011, Manitoba did contract with STARS to provide helicopter emergency medical services during those times. And I'm sure the member would remember that there were significant road closures during—in Manitoba during that flood of 2011, and the medical transportation co-ordinator centre was able to monitor and maintain ambulance response times across Manitoba; STARS was an important part of that. In fact, we know that STARS transported over 50 patients during the flood, including cardiac,

trauma, stroke and other very serious cases requiring rapid specialist care.

During the flood of 2011, Manitoba Health followed through on the government commitment to implement a helicopter air ambulance. Because no Manitoba commercial provider does offer this type of service, the options that were primarily reviewed were contracting with an existing ambulance helicopter provider from another province or developing our own. In some circumstances, and when it's in the public interest, where there's only one qualified proponent, government may enter a contract without of tender.

And, knowing that it would take 18 to 24 months for another option to be available in Manitoba, in June 2011 we did announce that it was our intention to enter a long-term contract with STARS, who at that time was the only provider who was able to offer helicopter-based air ambulance service at that time to parts of Manitoba.

We believe this was the right call for this life-saving service. We know that the opposition doesn't agree with this, but this is the path we chose.

\*(14:50)

**Mrs. Driedger:** Can the minister just clarify—I understand that briefing notes to ministers are documents that normally wouldn't be released to the public, but I'm not quite sure and I don't think the minister's answered it—why would that feasibility study not be available to the public?

**Ms. Selby:** It did come as part of a briefing note to the minister. It was a draft of advice and it was not a public document.

**Mrs. Driedger:** Can the minister just indicate, did the government ask the department to do that study?

**Ms. Selby:** Yes, as I said earlier, the minister of Health at the time requested the EMS branch to review the potential benefits and to provide a high-level estimate of costs and of establishing a helicopter air ambulance program in Manitoba.

**Mrs. Driedger:** If the government asked for the feasibility study, if the minister asked for the feasibility study, can—and considering what was in that feasibility study in terms of the prediction of how many lives could be saved, can the minister—and maybe, you know, this was before her time so it may not be a fair question, but why would the minister then, considering the content of that study, have put

it on a shelf for—well, put it on a shelf and not really use it? Why would that have happened?

**Ms. Selby:** And I can just go through the timeline with the member again. So, of course—and I'm sure the member's aware that this isn't something that just came up in 2009. Certainly, experience of floods and historical floods that we saw as in 1997 did have us take another serious look at the capacity and the need for helicopter EMS.

So that is why, following the flood of 2009, the minister of Health did request the EMS branch to review the potential benefits. The study was conducted in 2009, it was received by the deputy minister and the minister in late January of 2010, and then in November 2010, the government's Speech from the Throne announced the intention to pursue an air ambulance helicopter. While the department was investigating potential helicopter-based air ambulance service providers, that's when the flood of the century hit. Just like we did in 2009, in 2011, with that flood, we contracted STARS to provide that helicopter emergency services and thankfully, that happened, because there were some major road closes—closures during 2011.

So, Mr. Chair, it was during the 2011 flood that Manitoba Health followed through on the government commitment to implement the helicopter air ambulance service. There wasn't a Manitoba commercial provider available at the time, so our options were to contract with someone existing outside of the province or to build one internally on our own. But we had a concern about the time that there would be in between that and that, at the time, STARS was the only one that could provide that service.

So again—just to say it again—we do believe it was the right call to make on a life-saving service. I do know the member doesn't agree with it, but this is the path that we chose.

**Mrs. Driedger:** Mr. Chair, while certainly not wanting to plow old ground, but I would dispute a number of the comments that the minister made and ask her how would she know—and I think she's tried to answer this one before—but how would she know that there weren't any qualified services out there if she didn't tender the contract? I mean, the only way you're really going to find out if there were other entities out there that would be capable of carrying out this service—the only way you'd really know is to tender the contract. But how can you unequivocally

say that there wasn't anybody out there when that contract wasn't even tendered?

**Ms. Selby:** As I'd said earlier, at that time, when the department was investigating potential helicopter-based air ambulance service providers, it was at the time when the flood of the century did hit. At that time, they did—they were investigating potential, and there was not a commercial provider able to provide this particular service. Likely, service providers who could transport patients, but I think the member's aware that what the STARS helicopter has is very specialized, in terms of the ability to critical care—to do critical care in a helicopter.

I'm just wondering if the member is aware of any potential service providers at the time that were capable of that, because the Department of Health is unaware of any commercial provider in Manitoba at the time that could offer that service, but perhaps the member is aware of one.

**Mrs. Driedger:** And, certainly, the government would have been aware of some if they had tendered it because there certainly may have been others in Manitoba and elsewhere in Canada that might have actually wanted to take a crack at that tender. And, as far as this 18 to 24 months, you know, that's a bit of a red herring, because as we learned in the last set of—or last time we were in Estimates—was certainly that the government had an opportunity for an interim contract. So that interim contract with STARS could have certainly been renewed and extended while the government then actually did the tendering.

\* (15:00)

So that argument doesn't fly anymore, because we now know that the government didn't even offer STARS the opportunity for extending the contract, so—and as the auditor herself said that, you know—and actually the auditor would dispute all the things the minister is saying because basically the auditor said there was no justification not to tender. So I think, certainly, we take the auditor's word at it.

That feasibility study looked at known risks to a helicopter EMS program. Now, while the minister won't provide a copy of the feasibility study, can she tell us what those known risks to a helicopter EMS program—what are those risks?

**Ms. Selby:** Let me just go back to the first thing that the member said there. She was referring to the OAG report, and I did also want to point out that OAG report also talks about the fact that we had—at that time when we were doing the investigating of

whether there was somebody locally who could provide—a local commercial provider who could provide the service, the department also had discussions with Ornge and Helijet as well, as to whether they'd be able to provide the services. Neither were able to provide the services immediately to rural Manitoba, unlike STARS that was already operating in rural Manitoba, which is why we chose to go with them, not wanting to have that break.

Certainly, as this member knows, there is risk with any element of emergency medicine. From what the folks in the field tell me, that critical care medicine, emergency medicine, is the most difficult, is the most challenging. And thoughts and decisions have to be made very, very quickly. It's exactly why now we have established the clinical oversight committee with Dr. Postl in charge so that we have a number of people around the table with experience in this exact kind of medicine to provide us with their medical advice of how to make sure we are providing the best service.

As I said, it is not a public document and I'm not at liberty to provide the member with that copy, but we can certainly agree that critical care emergency is some of the most riskiest emergency settings, medical settings that there are, which is why I think it is so important that we've got the advice of the professionals around that clinical oversight committee now to guide us back to full service of STARS.

**Mrs. Driedger:** I know the minister refuses to give us the feasibility study, but she must be able to put on record the components of that feasibility study that identified risks for a helicopter EMS program. I'm just asking if she can articulate what those specific risks are or would she be willing to table, you know, a list of what those risks are. I don't know why that part of it wouldn't be a—publically available information.

**Ms. Selby:** I can look into that and see if we can come back with a list of those risks.

**Mrs. Driedger:** Thank you. I'd appreciate that.

The feasibility study indicated—or recommended that government air services provide aviation services. Does that mean that at the time of that feasibility study that the department thought it should have its own air ambulance services run by the department and part of the department and not using an outside agency?

**Ms. Selby:** Certainly, at that time Manitoba Health was investigating the potential of having a helicopter-based ambulance service provider whether that be an internal or an existing commercial provider. It was determined there was no one in Manitoba—no commercial provider—who would be able to do that, and that the time it would take to establish one would be 18 to 24 months in order to get one up and running on our own, and at that point it was decided that we didn't want to have a gap in service. It's why we went with STARS after preliminary discussions with both Ornge and Helijet who were unable to provide immediate rural care, which is exactly, of course, what we were looking for for STARS and that STARS had successfully done through a couple of flooding incidents in Manitoba. And that is why that we did decide to go with STARS, because we knew there would be a gap in time if we went with either building one from our own or waiting for one to be available. It wouldn't be able to provide that continuous service that STARS was able to provide.

**Mrs. Driedger:** The feasibility study recommended the creation of a special operating agency. Can the minister comment on what exactly they were looking for when they made this recommendation? Because when you're setting up a special operating agency—it appears that they might have been looking at running their own helicopter and not bringing an external one in and setting up an agency arm's-length from government to do it. So it does not look like they were looking at an external service provider, but something inside as indicated by their creation of a special operating agency. Can the minister just clarify that and expound on that a little bit?

\* (15:10)

**Ms. Selby:** Mr. Chair, well, I can confirm for the member all that was in the OAG report, as related to this report but that, in the end, the decision we made was to go with STARS, and I recognize that the opposition doesn't agree with it. We felt it was an important, life-saving service they were providing and this is the path we chose.

**Mrs. Driedger:** Can the minister indicate: Is there bad blood between the EMS branch of Manitoba Health and STARS?

**Ms. Selby:** I can tell the member that Manitoba Health, EMS, STARS have worked together throughout their time here, that—I mentioned earlier that we have the Clinical Oversight Panel, headed by Dr. Postl, with representatives from all areas working

together, because patient care and patient safety is the No. 1 priority for the Department of Health. I know it is for STARS, I know it is for EMS as well—and that is why we've brought this group of people together, under the direction of Dr. Postl, to ensure that we're doing everything we can to make sure we're providing the safest service, and people are sitting at the table co-operatively working on a goal that I know they all share. I've heard them—I've heard STARS say it, I've heard the folks at EMS say it and I certainly know here, the folks at Manitoba Health, patient safety is their No. 1 priority.

**Mrs. Driedger:** Patient safety is an absolute paramount issue, but the minister didn't answer the specific question, and the question is: Is there bad blood between the EMS branch of Manitoba Health and STARS?

**Ms. Selby:** I can say quite confidently that EMS branch and STARS both act very professionally. They keep patient safety at the core of their focus.

It was not that long ago that I sat next to the CEO from STARS while she committed to follow through with all the recommendations of the Wheeler report. We've been working co-operatively with the folks at STARS, with the department and, as I said, once again, it's why we've brought together the Clinical Oversight Panel, with Dr. Postl leading that up, because everybody wanted to make sure—was on the same page of making sure that patient safety is our No. 1 priority, which is why the Clinical Oversight Panel has come together with expertise from all areas, with representatives from all areas, to talk about what we can do to make sure we are providing the safest service.

So I've certainly no—in my dealings, when I sat at a press conference not long ago with the CEO of STARS, I heard her commit to follow through with all the recommendations on the Wheeler report, and I'm happy to say that the clinical oversight committee, with Dr. Postl, continues to give us the best medical advice that we can get.

**Mrs. Driedger:** Well, Mr. Chair, the minister doesn't seem to want to answer that specific question.

I'll ask her then: Are there turf wars being fought over air EMS?

**Ms. Selby:** Well, I did point out, of course, that the groups all get together at the clinical oversight committee with Dr. Postl. Of course, they work together to provide a full and modern EMS service in Manitoba. It's not about competition; it's about

providing the right provider, the right care at the time. It's the people in the front line, of course, at our 911 call dispatch in Brandon that make the decision of which is the best to go, whether it's a helicopter, whether it's a life jet, whether it's a land ambulance. Sometimes it's both; sometimes there are cases where they work together in order to provide the fastest service for somebody in an emergency situation. If the member has any specific information, I'd welcome her to bring it to me.

We are committed to working with STARS, that's why we have the clinical oversight committee. It's why we've got everyone around the table and it's a way, I think, that can provide a full, modern EMS service to Manitobans. We want to be able to get to people where they are and provide the best service.

I mean, we know that medical professionals are going to have a place at the table at the clinical oversight committee to bring together their professional opinions. It's not about having a turf war; it's about getting together, sharing wisdom, sharing experience, sharing that expertise to make sure that we are providing the best care.

There's going to be different opinions. I think that that would be true in most medical situations, and particularly from what the experts in the field tell me critical care, emergency care, there is always going to be some differences in opinion just because of the nature of the stress and timeline in difficult situations that people work under. But that's exactly why we've brought all those people around the table, because we want to hear that various opinions and expertise so that we can provide the best care.

I can tell you that, while we've been calling it the clinical oversight committee under Dr. Postl, the STARS CEO has been calling it the wise persons panel, and I think she's probably got that right, that we've got some of the most experienced and most knowledgeable medical minds around that table to make sure we're providing the best care to Manitobans.

**Mrs. Driedger:** Would the minister not admit that if they had proper oversight in place in the first place when they rushed to get into the STARS contract, that that wise panel, had it been there before and the government had done its job and got its ducks in a row, would that have not prevented some of these issues in critical incidents and other problems? Where was that Clinical Oversight Panel right from the beginning?

And we've asked those questions when the government rushed into this contract, and we asked where is the clinical oversight, where are those safety measures? And maybe the minister could tell us why it took all this time and all these critical incidents and other problems before the government recognized it needed to have a clinical oversight program in place.

\*(15:20)

**Ms. Selby:** I should point out that the OAG report, of course, says that we reacted appropriately when concerns were raised, and that we have always followed medical advice. When incidents were brought to light, when concerns were raised by our medical professionals, we acted on them. We brought in a number of measures to address the concerns that they had, including temporarily suspending the service when our medical advice came to us that we should.

We did, of course, want to work with those medical professionals to make sure we had STARS up for emergency service. It's why we have worked with them, so that it is back in the air for those areas that we just couldn't get to otherwise. And we thought that was very important. We know that Manitobans depend on that in rural Manitoba, in isolated areas. It's why we've brought together the Clinical Oversight Panel under Dr. Postl, is so that we can work together to bring up that full service as well.

But I point out again that STARS has an excellent track record in Alberta, a very good reputation. We worked very well with them during the 2011 and 2009 floods. And the OAG has said that we acted appropriately when concerns were raised, and I can say that we have always followed medical advice and always acted on medical advice every step of the way, including now as we work with the oversight committee to enable us to resume to full service of STARS.

**Mrs. Driedger:** Some of these questions, I don't know if they're going over the top of the minister's head or what's happening here, but the clinical oversight would have been something that should have been in place right from the beginning. We asked the questions right from the beginning because we were concerned that that clinical oversight wasn't there. We were concerned about patient safety measures, you know, because, you know, for a lot of the reasons. And the minister really isn't giving an answer here that I find useful at all.

She indicates, too, that—and she's saying that this government has always acted on medical advice. So I would like to go back to, then, May 22nd, 2013. A letter from the air medical director to the executive director of EMS noted specific cases of medical concern. And the letter also said—and I'm quoting from the auditor's report—and I quote, "the number of concerning cases that I am hearing about is growing daily." It concluded that: 'I recommend grounding the STARS vendor pending a complete review of all of the above-cited cases. I believe that there is enough evidence of serious patient concerns and infractions to justify such an action.'" That was May 22nd, 2013.

If the minister is saying that they always act on medical advice, this recommendation of grounding came in May 2013, and the government didn't follow medical advice. So can the minister, then, explain—because her comments are not in line with the decisions that were made—why, at that time, then, did this government not listen to that person and ground the ambulance, air ambulance, as it was recommended?

**Ms. Selby:** I can tell the member that advice to ground STARS never, at that time, came to the minister's office. When that advice was given, we did act immediately. And remind the member, as well, that the OAG said that when we acted 'reappropriately'—Manitoba Health acted appropriately when concerns were raised. It's also why the membership of the Clinical Oversight Panel includes those who were present from the onset, as well as others, including medical directors, STARS and EMS branch, MTCC and, of course, all under the—under Dr. Postl who is chairing the clinical oversight committee.

**Mrs. Driedger:** Is the minister saying that her office was not informed about that May 22nd, 2013, letter recommending that STARS be grounded? Is she actually saying that the minister's office was not given that information?

**Ms. Selby:** I'll refer the member to page 16 of the Auditor General's report where it says overall Health has reacted with an adequate plan to assess quality of patient-care concerns. Certainly, when concerns were raised, they were addressed. The OAG report does say that Manitoba Health acted appropriately. But, yes, at that time the minister's office was not told to ground the service. The department acted to work through concerns that were raised.

**Mrs. Driedger:** I find that stunning, actually, Mr. Chair, that something as serious as a letter from a

doctor to the executive director of EMS, with the doctor indicating a number of serious concerns at that time and indicating that the concerns were growing, and this doctor recommending the grounding of STARS, did not reach the desk of the Minister of Health. That is a very, very serious and—comment just put on the table here, because this doctor was saying that there was enough evidence of serious patient concerns and infractions to justify such an action.

Why would the department not have told the minister of Health?

\* (15:30)

**Ms. Selby:** As we spoke of it already, critical-care environment is one of the most challenging and complex medical environments in the health system. Folks who work in that area talk about how challenging it is. And because of that, there are different perspectives in medical opinions that are provided. The department relies on multiple experts, both within the department and external organizations, to ensure that quality care and patient safety are, of course, the priority.

We are pleased that the Auditor General's report notes that Health reacted with adequate plans to address the quality-of-patient-care concerns. As noted by the Auditor General, as I said earlier, on page 13 of the Auditor General's report, our response to patient-care concerns regarding STARS has been a critical review of medical circumstances and operational changes that came in stemming from those reviews.

Again, the new Clinical Oversight Panel under the leadership of Dr. Brian Postl is providing that patient-focused guidance and oversight for helicopter air ambulance service. This includes training, it's going to address accreditation for personnel, quality assurance for clinical operations, and all of this towards guiding the eventual resumption of the interfacility transfers that STARS does in Manitoba as well.

Manitoba Health has also been taking the steps to transfer STARS service to the WRHA, which will oversee the Province's arrangement with STARS. This is going to allow medical crews to enhance their experience and training in Winnipeg's high-volume emergency and critical-care medical system.

As well, we are moving forward with establishing the office of medical direction to ensure

that we have consistency of medical training and practice across the EMS system in Manitoba.

**Mrs. Driedger:** Well, the minister just read off either briefing notes or some speaking notes that were put in front of her. She never answered the question at all, and this is a really serious issue. She keeps saying they listen to medical advice, but it looks like some medical advice didn't reach the office of the minister of Health.

In May we had gotten wind that there had been a previous recommendation of grounding, and in December we were asking this Minister of Health to try to find out if, in fact, there was such a document out there. And we didn't get any information from this Minister of Health at the time that there had been a previous recommendation about grounding.

In fact, my colleague, the former critic for Health, you know, asked if there had been a report calling for the grounding of STARS, and this minister said, and I quote: "I can assure Manitobans that up until the suspension of STARS, my office had been advised that STARS was providing appropriate medical emergency procedures."

So I would like to ask this minister: Does she know what's going on in her department?

**Ms. Selby:** I can tell the member that there was no recommendation to ground the service that came to the minister's office before late last year. That was the—that was when there was a recommendation to suspend STARS service. Up until then there were internal branch discussions. As we've talked about, in a critical care environment there are often difficult medical opinions. It's why we have to always look to both internal, external, several opinions, because critical care often has different—

*Audio system failure*

\* (15:40)

**Mrs. Driedger:** —executive directory EMS medical directors and the assistant deputy minister, and she said they reached a plan. They reached a compromise, is what the auditor actually said.

But is the minister actually saying, then, that the department withheld information from the Minister of Health?

**Ms. Selby:** You know, as we discussed here already today, there will always be different medical opinions, particularly in a critical-care environment

which understandably is one the most difficult and most challenging areas of medicine to work in.

I will remind the member again that the OAG report says that Manitoba Health acted appropriately when concerns were raised.

We know that Manitobans do want to see full service resume to STARS. We thought it was important to work with our medical professionals in order to gain that resumption of the emergency site service that we do have now. But we know Manitobans want to see full service back up, and it's why we've done a number of things including bringing in the Clinical Oversight Panel under Dr. Postl.

And, again, in that room are going to be various medical opinions, people with expertise and experience in a critical-care environment, who at times are going to have different opinions, no doubt, but we've asked them to sit down together in the room to work out a plan to make sure we do have the best patient care and always working on making sure that we're providing the best patient safety that we can.

And, again, as the OAG report says, Manitoba Health acted appropriately when concerns were raised.

**Mrs. Driedger:** Boy, the minister's really missing the boat on this one with the answers, and I'm not sure if she doesn't get it or if she's just, you know, not wanting to be accountable here.

But, basically, what this auditor's report is saying is that some—or—and what the minister is actually saying, then, is that the department withheld information from the Minister of Health. I'd like to ask her, why would the department withhold information of this seriousness from the Minister of Health? Why would the department feel they needed to withhold that service, then, from the Minister of Health?

**Ms. Selby:** Mr. Chair, information was not withheld. Our experts exercised their medical expertise. If concerns—if there had been a consensus to bring a recommendation forward at that time to ground STARS, that would have been taken seriously, and when a recommendation did come to the minister's office it was taken seriously. It was acted on immediately, and now recommendations are that we address concerns through the oversight panel, and that's why we've got those same people around the table. We have a number of people who have been

with STARS from the beginning, some new faces as well, but all people with the medical expertise and experience to guide us back into full service of STARS.

**Mrs. Driedger:** The doctor, in May, recommended that the service be grounded and it wasn't grounded at the time. A compromise was made. The minister has indicated that the minister's office had no knowledge of this whatsoever. She then indicated that in December a decision was made to ground. So many months later we find that this compromise perhaps led to other critical incidents that occurred, and that's very, very serious.

Is the minister not concerned about learning—or was she not concerned when she learned that her office had been left out of the loop on something as serious as a doctor's recommendation back in May that the service be grounded? Is she not concerned that, you know, a compromise was reached and perhaps not enough things were put into place and then we saw more critical incidents and we saw people die. The way the minister's answering questions, it doesn't sound like she realizes the scope and extent of this huge disclosure that she's just made, that her office was out of the loop on this recommendation.

And, you know, certainly, after May, between her and the previous minister, both of them have actually, you know, gave glowing reports that everything seemed to be fine. In fact, we were asking questions going back into August and then in December. And, in fact, in August after we were, you know, trying to find out whether the government had confidence in the services that were being provided—and this was after a doctor had already been recommending it be grounded—the minister of Health of the day said, and I quote, our entire health-care system works under the premise that we have to have a culture of safety. I have confidence that STARS is providing excellent service—

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

*The committee recessed at 3:49 p.m.*

*The committee resumed at 4:10 p.m.*

**Mr. Chairperson:** Order. I would like to call the Committee of Supply back to order.

This committee will resume with this business where we left off prior to the process. I believe the

member for Charleswood was in the middle of posing her question.

**Mrs. Driedger:** Actually, Mr. Chair, I had finished posing my question.

**Ms. Selby:** Mr. Chair, I wonder if the member could just refresh me of what her question was.

**Mrs. Driedger:** I think somebody's going to have to refresh me on what the question was too. We'll probably end up having—we'll probably have to go back to Hansard tomorrow and revisit it.

But, certainly, it was, you know, the concerns being raised that there was this recommendation back in May for STARS to be grounded. The minister has, on many occasions, indicated that they always listen to the advice of doctors. A doctor had written that letter. And it seems like this minister has basically indicated that the office of the minister of Health was not apprised of that letter or that recommendation for grounding. And I guess that is quite a remarkable situation, where something as serious as the content of that letter did not reach the office of the minister of Health.

And, you know, I guess what I would ask the minister is, you know, she's basically said that information was withheld from the minister of Health, and my question would be: Why would the department withhold that type of information from the minister of Health?

**Ms. Selby:** I would just say to the member that, if she wants to refer to the OAG report, it lays out very clearly the steps that were then taken around the letter—the OAG said these steps were appropriate—and also to remind the member that as Minister of Health, I don't make medical decisions. When the advice came to us, we acted.

**Mrs. Driedger:** I—Mr. Chair, I think this minister is missing the fact that a serious recommendation for grounding a program was not passed on to her office, and that says an awful lot. So the minister's answer is just once again showing that she doesn't have a good understanding of her leadership role as a minister of Health. That—and now that she's saying that, that's causing me even more concern, you know, about this situation—you know—and she and her—and the former minister of Health, you know, for months and months after this May letter, which sounds very, very serious. We had gotten wind of this recommendation for grounding, and yet, over many months of questions from us, there was no indication by either

minister of Health that there were some serious problems.

In fact, both ministers were very positive, as I'd indicated earlier—this minister had indicated, and I quote: "I can assure Manitobans that up until the suspension of STARS, my office had been advised that STARS was providing appropriate medical emergency procedures." End quote. Well, no, it wasn't, according to this letter by this doctor.

And if we go back to August, and a question being asked of the minister of Health of that day, and the question: "Does she have confidence and is she aware of problems within STARS that she wants to disclose today to this province?" And the answer was, and I quote: Our entire health-care system works under the premise that we have to have a culture of safety. I have confidence that STARS is providing excellent service. Well, not according to the letter from the doctor in May.

The minister, also, in another response to a question, indicated, and I quote: Yesterday, the member got up and asked me if I had confidence that STARS was providing good service. I stood in my place and I said, yes, I do. End quote.

And there are a number of others, even. But, basically, what we hear from two ministers of Health is that they were out of the loop. It appears, if we believe what the minister is saying, that the office of the minister of Health had not been notified about this letter from a doctor recommending STARS be grounded as of May, then these two ministers of Health were out of the loop—according to this this Minister of Health—about what was really going on with the STARS program. And the May letter said that STARS should be grounded. There was a compromise reached and it wasn't grounded, and then we went on to see critical incidents and patient deaths that followed.

And we have to really wonder, then, if the government had acted in May on the recommendation of the doctor that said to ground STARS, would we have seen critical incidents that could have been prevented.

**Ms. Selby:** Again, it was not a question of medical advice being withheld. There will always be different medical opinions. It's why we do rely on both internal and external expertise. It's why we brought together the Clinical Oversight Panel, under the leadership of Dr. Brian Postl, with a number of different people with different experience, expertise

and opinion around the table, to make sure that we do get the best medical consensus of how to ensure that we're providing the best patient safety.

If medical consensus had been brought forward at the time, we would have acted on it. It was handled internally with directors and Health staff. They reached a plan that met with their medical test for appropriate care.

And, again, I'll refer the member to the OAG report that lays out very clearly the steps that were taken around the letter, and that the OAG said that these steps were appropriate.

**Mrs. Driedger:** Can the minister table a copy of that May 22nd, 2013, letter?

**Ms. Selby:** We will review that and get back to the member. Just need to ensure that there isn't personal health information included on it.

**Mrs. Driedger:** And there was a second letter dated May 28th, 2013, from the air medical director to the executive director EMS, and I would ask if the minister could table a copy of that letter as well.

**Ms. Selby:** We will review that as well and get back to the member.

**Mrs. Driedger:** Now, that second letter, May 28th, also came from the air medical director to the executive director of EMS, and it noted that the same cases that were mentioned in the May 22nd, 2013, letter. And this letter of May 28th recommended that, effective immediately, a physician be required to accompany the air medical crew on all interfacility transports. The aforementioned cases leave me with serious concerns about the ability of the STARS crew to manage critically ill patients in the absence of physician supervision. The auditor goes on to say, on July 12th, 2013, we followed up with the executive director of EMS. He was not familiar with the air medical director's recommendation that a doctor be onboard all interfacility transports.

\* (16:20)

The auditor went on to say, subsequent to our meeting, the executive director sent us a copy of his July 30th letter to STARS. It required STARS to implement the physician requirement, effective September 1st. The unnecessary delay from May 28th to July 30th is concerning, as there were significant medical concerns and risks. Health's lack of oversight on this issue could've resulted in higher risk to patients.

Does the minister understand the significance of what the auditor said in there? I know she's, you know, trying to give some canned responses, but this really needs to go beyond that. These are serious issues, and the—you know, basically, the auditor is indicating that there was a significant gap—in fact, two months' worth of gap—where some things were not being done. And, you know, if there are concerns for patient safety, how many patients fell through the gap in this period of time because nothing had been done?

So can she give us some indication of what the heck was going on in the department, that all of this seemed to be falling by the wayside and nothing was happening with these letters that were making recommendations and then nothing was happening? What happened?

**Ms. Selby:** So, I can tell the member that, during that time the decision of whether to have a doctor on board was made on a case-by-case basis, as determined by the experts who work in the front line of whether they felt that that was necessary and were always able to make that decision, should—they felt that that was something important to do in a particular case-by-case situation.

**Mrs. Driedger:** Actually, Mr. Chair, the letter from May 28th recommended, and I quote, that, effective immediately, a physician be required to accompany the air medical crew on all interfacility transports.

It wasn't a case-by-case basis at all. There was a serious recommendation made. The doctor indicates that he is left with serious concerns that—does the minister—did she not have a look at this report, and did she not have a lot of the same questions that I'm actually finding and asking? Like, is she not concerned with some of these questions that I'm posing to her right now?

**Ms. Selby:** Again, I'll refer the member to the OAG report that lays out very clearly the steps that were taken around that time—that the OAG has said that the steps taken were appropriate and that that was the doctor that was part of the folks making the assessment on that case-by-case basis of determining whether or not a doctor needed to be on board in a particular case, depending on what their expert opinion, looking at each case, determined.

**Mrs. Driedger:** Does the minister feel that there was a cover-up of information at this time, to prevent the public from knowing some of the concerns that were arising from the experts within the system?

**Ms. Selby:** I can tell the member that we had a process in place, that we have a process in place, that the same medical experts have agreed on, that the OAG says was appropriate. We've ensured that we've involved those same medical experts in the decisions about the service. It's why we've involved some of the same, and some new faces, around the table of the Clinical Oversight Panel headed by Dr. Postl, because there is always going to be different medical opinions, particularly when it comes to critical care and emergency health. It's a very difficult, stressful time and challenging area to practise medicine, which is why it's important to have a very accomplished and—a group of people who come with the same sort of medical expertise but with, perhaps, different opinions at times so that we can work together to ensure that we are providing the best patient care, and, of course, with patient safety being the most important part. And, again, the process that we have in place, our medical experts agree on, and the OAG also says was appropriate.

**Mrs. Driedger:** The minister is really quite off base with her answers and doesn't seem to understand the questions. A doctor—a doctor—had made some recommendations. It appears that these recommendations, the minister is indicating, never reached the minister's office. So it does appear that for some reason there could have been a cover-up of information.

Does the minister not understand that—or is there no leadership from her office that, you know, basically says to people in the department, issues like this need to end up on my desk? Is there not that type of leadership delivered by this Minister of Health?

\* (16:30)

**Ms. Selby:** I can tell this member that absolutely there is no cover-up. The medical experts, the people that work on the front lines in our health-care system, always put patient safety at the forefront. I know that that is their utmost concern, is to make sure that they are providing good, safe patient care. The same doctor that made subsequent decisions is now on the Clinical Oversight Panel. That same doctor is fully engaged because we value and respect the opinions of our medical professionals. We know that they are sometimes going to have a difference of opinion. From what the experts tell me, that is particularly true in critical care, where decisions have to be made very quickly under stressful situations. But that is why it's important that we rely on experts' opinions both inside and outside of the

department. It's why we've put together the critical oversight panel with a group of people with expertise and different experience that they bring around and, no doubt, bring together different opinion, as well. But, when they reach a consensus of opinion, they bring that forward, and when consensus of opinion is brought forward, we always take that seriously.

Of course, I'm kept up to date on the information and the activities of the Clinical Oversight Panel. I meet with Dr. Postl regularly to hear process—progress that's being made there, because we know that although we have STARS up for emergency service, our goal is to have it up to full service. But we won't do that until we have medical consensus that concerns that have been raised have all been addressed, and I know that the people around the table, that is their top priority as well.

**Mrs. Driedger:** The minister, you know, makes a number of comments about the importance of patient safety, and yet one of the auditor's findings was that this government failed to establish proper monitoring of patient safety on the air ambulance fleet. Can the minister, then, you know, give some reason—if she feels that patient safety is so important, why did her government, her department, fail to establish proper monitoring of patient safety on the air ambulance fleet?

**Ms. Selby:** Well, again I refer the member to page 16 of the Auditor General's report that says Health has reacted with adequate plans to assess quality of patient care concerns. I know that Manitoba Health, STARS, as well as EMS and the experts that are around the Clinical Oversight Panel, do put patient care as their top priority. It's why the panel is—has been brought together. It's why we have those various experts and people with different experience around the table to share their opinions, to form consensus on how is the best way to resume full service of STARS.

**Mrs. Driedger:** Boy, the answers from this minister aren't giving me any sense of comfort that she understands what is going on with STARS.

The auditor pointed out that there was an inadequate needs assessment. And the auditor said that the executive director of EMS felt the department lacked expertise to determine the program delivery needs and wanted to hire a consultant to do a full needs assessment.

Why did the government, why did the minister, then, not support this and move forward—you know,

if there was such a concern for patient safety—and it was a great recommendation by the executive director—why would the Minister of Health, then, not allow that needs assessment to take place?

**Ms. Selby:** I can update the member on where we're at in each of the recommendations in the Auditor General's report.

So the first recommendation is that we recommend that Health develop and implement an ongoing quality assurance process to oversee STARS' clinical operations, and that is, of course, exactly what the Clinical Oversight Panel is going to do under the direction of Dr. Postl. They are looking at that. And we've talked about this today, of course, patient safety is their top priority, patient safety or you could call it quality assurance is exactly what the panel will be doing with the medical experts around the table, some who've been involved in STARS since we contracted with them, some new faces as well.

The second recommendation is we recommend that Health conduct a risk assessment to identify key performance areas. We also recommend that Health develop a performance management framework for key areas, including performance metrics, assignment of responsibility for information, timing requirements and corrective actions. And, again, this is things that the Clinical Oversight Panel has been tasked to take a look at.

But also some of the things addressed in the report are being looked at by bringing STARS under WRHA where we will be able to allow people to get that high-volume, critical-care experience. We know that people with this very specific training in health care, critical care, emergency room care is a very specialized area. It's important for people to always maintain those skills that they have, and by bringing it in to the WRHA it will allow people to be able to train and work alongside folks in the very high-volume ERs and critical-care areas of our hospitals in Winnipeg.

Number 3 also recommends that Health differentiate performance for interfacility transport and scene call-shoot times. This, again, is something that the Clinical Oversight Panel is looking at. This is something that Dr. Postl is in charge of taking a look at as well. It's also, kind of, basically the first step of what we've done in bringing back that emergency scene services with the understanding that we address the concerns that, of course, our medical professionals raised.

\* (16:40)

But they also raised their concern that there are cases where you can't get to somebody, other than by air helicopter, which is why we did resume the scene calls under the direction of our medical experts and are working with that Clinical Oversight Panel to bring in the full service, including the interfacility transport.

Number 4 is to recommend that Health review operational issues, including manifest stand downs, REP access and landing zones. We recommend that Health develop policies to monitor and track operational issues and prescribe corrective actions for breaches of these policies and, absolutely, we agree that in a complex and high-risk operational environment like EMS, it is essential to make sure that people have articulated roles and responsibilities through policies, procedures and that those are followed. Again, it's something that the Clinical Oversight Panel has been tasked with to overlook, under the direction of Dr. Brian Postl.

And, finally, the fifth recommendation is we recommend that Health develop a process to ensure that the certificates of insurance are updated annually. This is something that the department has incorporated in the timings, as listed in the contract into individual work streams, absolutely something that the branch is working on and moving forward with, to putting a process in place to ensure that that happens.

**Mrs. Driedger:** The minister is showing a stunning lack of understanding about this issue and about the questions that are being asked of her. She does not seem to get it. She can read from her notes, but she—you know, I mean, if she would just listen to the questions which are coming out of the auditor's report, the recommendations all were after the fact. It all—the auditor wouldn't have even been in here doing this kind of a review if the NDP didn't rush into this before the election. They didn't get their ducks in a row, and so, basically, everything started to fall apart afterwards.

And a lot of this wouldn't have happened if they had done it right in the first place, and the question was—and we wouldn't even need these recommendations if, in fact, the government had listened to the executive director, who said that the department lacked expertise to determine the program-delivery needs and wanted to hire a consultant to do a full needs assessment. But this didn't happen because of time constraints in the

negotiation process. The only time constraint that was happening was that there was an election in the wings.

And so the government did not allow any movement towards this needs assessment being done, and because of that, the auditor went on to say that the limited due diligence that Health did conduct raised some significant issues that may have been prevented.

Basically, the auditor is saying that the government did not do their job adequately at the beginning. They rushed into this, and some of these critical incidents and these—some of the problems that patients might've experienced is because the government didn't listen to some of its own department's staff, like the executive director of EMS that, basically, was saying, hey, we don't have the expertise on this. But so, then, the minister's giving all these recommendations, but doesn't seem to understand that we wouldn't even be here if she'd allowed her department to do some of the things and bring in some of the expertise they needed at the beginning to avoid all of this, and to avoid some of the quality-of-care gaps that we've seen and to avoid some of the critical incidents.

You know, she's basically indicated that there was an inadequate needs assessment, that Health did not determine the HEMS program delivery needs, that Health negotiated from a weak position. But the minister doesn't seem to understand that with the answers that she's giving. The other part that the auditor has also brought up, certainly, and that is around patient safety and quality of care. She indicated again in her report that Health lacks a comprehensive quality-assurance process for patient care that STARS provides. Such a process may have detected some quality-of-patient-care concerns earlier. The service-purchase agreement has provisions for quality assurance by STARS, but there is no requirement stated for Health.

Does the minister not understand that what the auditor is saying is that the minister at the time failed to establish proper monitoring of patient safety? The minister is talking about the importance of patient safety, but this stuff seems to be going right over her head. And the auditor is saying that some of these incidents may have been prevented if the government hadn't have rushed to do things.

And I just—you know, I just find some of the answers quite stunning actually, with a lack of

understanding by this minister of the seriousness of these allegations by the auditor.

But maybe—can the minister indicate why the executive director of EMS, who's been in the job for a long time and has a good understanding of what's happening, why the director was not listened to at the time that the minister was so anxious to get moving on this program and the recommendation had been to hire a consultant to do a full-needs assessment? Why was something that important ignored?

**Ms. Selby:** A number of things to respond to in that very long question.

I guess, if we're talking about the Auditor General's report here, then I would again want to refer the member to page 16, where the Auditor General says, overall, Health has reacted with adequate plans to assess quality-of-patient-care concerns.

And I guess, again, to remind the member of the timeline of how this all took place: So, certainly, helicopter EMS—the idea of it, the notion of having it Manitoba is not something that just came about in 2009. Certainly, that flood, but also the flood of 1997 led us to take a serious look at our capacity and our need to have helicopter EMS. Following the flood the minister of Health did request the EMS branch to review the potential benefits and provide a high level estimate of costs of establishing a helicopter air ambulance program in Manitoba.

The Manitoba Emergency Medical Services rotary wing feasibility study was conducted in 2009. It was received by the deputy minister and the minister late January of 2010. In November of 2010 the government's Speech from the Throne announced that it was the intention to pursue an air ambulance helicopter, but while the department was investigating the potential of having the hair—the helicopter-based air ambulance service provider and who would be the best choice for this and who was available, the flood of the century hit. And as you can imagine, that did turn focus into dealing with the current emergency situation that people were facing.

Just as we had during the flood of 2009, in 2011 Manitoba did contract STARS to provide that helicopter emergency medical service. I'm sure the—remember, at the time there were significant road closures. We would not have been able to reach some people during that time by land or by air, and we were able to provide ambulance service because we did, in fact, have STARS with us. They

transported over 50 patients during the flood of 2011. They were able to transport people with very serious cases, things including cardiac trauma, people facing stroke.

During the flood of 2011 Manitoba Health followed through on the government commitment to implement the helicopter air ambulance service. There was no Manitoba commercial provider who were able to offer the service at the time. We knew that the options were going to be to contract with an existing program outside of the province or develop our own. In both cases we knew it would take 18 to 24 months for one of those options to be in place. We had some preliminary discussions with both Ornge and—I'm blanking out on the name—*[interjection]*—and Helijet at that time, who are also established air helicopter service providers. They were unable to provide care and service to rural Manitoba, which STARS was obviously already doing for us.

\* (16:50)

In some circumstances, when it's in the public interest, when there's only one qualified proponent, government may enter a contract without a tender. We believe this was the right call on a life-saving service. We know opposition doesn't agree with it. This is the path we chose.

**Mrs. Driedger:** I just want to go back to the questions asked earlier about bad blood within the department and between STARS and ask the minister to explain if a mediator had been brought in to calm the waters.

**Ms. Selby:** Yes, a mediator was brought in. It was a person that was agreed upon by both sides, but I should inform the member that the mediator was brought in to provide medical opinion. The mediator was brought in to provide their medical opinion about providing the best patient care. As we've talked about here today, there is often different medical opinions, particularly in a critical-care environment, which is probably the most challenging environment within medicine. It's why we always do look to both internal and external advice.

But I know that everyone from EMS to STARS to the department has patient safety as their top priority. It's why we've brought those people around the table for the clinical oversight committee overseen by Dr. Postl, and I have no doubt that around that table there will be different opinion and there will be—it will be based on different experience,

but they will come to a consensus with patient safety being their priority.

**Mrs. Driedger:** Can the minister clarify—she's indicating that a mediator was brought in to deal with differences of opinion about medical care? Am I correct in understanding that?

**Ms. Selby:** Yes, the mediator was brought in to provide medical opinion about how to provide the best patient care. The purpose of the mediation was to seek a common understanding of the medical model used by Manitoba as well as STARS, options for medical models and the role organizational structure played in the relationship between STARS and Manitoba Health.

And I should point out that EMS, Manitoba Health, STARS have always said that patient safety is their top priority; it's why they've come around the table under the leadership of Dr. Brian Postl to form the Clinical Oversight Panel so that we can bring together different opinions, different expertise, all of them with an experience in critical care and emergency care, to be able to offer their opinion, their insight, on how we can best provide the best patient safety and so that they will work together to find a consensus on how to provide that best patient safety.

**Mrs. Driedger:** Is the minister aware of the comments being made around, that there was a toxic environment around the whole issue of STARS coming in and the environment within the branch and their relationship with STARS was part of a toxic environment? Has the minister been informed of any of that?

**Ms. Selby:** We're not aware of the OAG report reporting or referencing any toxic environment. I don't know if the member is—wants to direct me to where she sees that.

But I think it's really important to recognize that this is not about competition; this is about having a modern, full-service EMS system. We're talking about professionals who are saving lives, who put patient safety as their top priority. That's why all the parties have willingly agreed to participate in the Clinical Oversight Panel under the direction of Dr. Brian Postl, is because patient safety is their No. 1 priority. I know I've heard it directly from the CEO of STARS, that they will gladly accept all recommendations and work towards having the safest emergency system that we can provide because that is the priority of Manitoba Health, of

EMS and of STARS, as well. This is about working together.

Folks on the front line make the determination when a call comes through who is best to send out; is it land, is it helicopter, is it jet, is it sometimes more than one? There is occasion when a land ambulance and a helicopter will work together.

But all parties are participating around the clinical oversight committee. They are working together to provide the best patient care that we can.

**Mrs. Driedger:** The Minister of Health doesn't seem to realize that when you bring a mediator in, that's not just somebody that—that's coming in and then there's going to be a little Kumbaya. It's—a mediator is being brought in because there were obviously some significant differences and that's even, you know, putting out a red flag for me now with her answer, to that it might have been in relationship to medical differences. That's a whole 'nuther' aspect to this that I wasn't aware of, so that even raises more concerns.

But certainly when a mediator is brought in to deal with something, that tells us that there were some serious challenges—

**Mr. Chairperson:** Order. The hour being 5 p.m., committee rise.

### JOBS AND THE ECONOMY

\* (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 ever-exciting Estimates for the Department of Jobs and the Economy.

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

**Mrs. Heather Stefanson (Tuxedo):** I do want to ask the minister some questioning just regarding the government tendering process across government departments, and we know the kind of impacts that this has. I've met with many small businesses across the province who have expressed concern about some of the—about the tendering process across government departments. Whether it be in Transportation or government services or other—health care or Education—you have you—it affects most government departments in how the tendering

process works with this NDP government. And I know that, in many cases, some of the businesses who have tried to bid on contracts by the government have been denied access for various reasons, and they feel that, in some ways, there has been some unfairness within this NDP government when it comes to the tendering process of various contracts and services that are being outsourced by the government.

And I'm just wondering: Has the ND—has the minister—I mean, I know if I'm hearing this, she must be hearing this too, and is she concerned about this? And, as Minister for Jobs and the Economy, what is her plan to ensure that a change is brought into place so that there is fairness across the board with respect to the tendering process of outsourcing of contracts in the province of Manitoba?

**Hon. Theresa Oswald (Minister of Jobs and the Economy):** And I thank the member for the question, and just before I begin, I'd like to introduce to her Jan Forster, who's joining me at the table, who's the ADM for Workforce Development and Income Support, which is an addition from last time we met.

So, certainly, we want to ensure that the process for tendering is fair and open and transparent, you know, as much as possible. There's been a lot of work done—I am informed—to ensure that contracts that are put forward are, whenever possible and logical, broken into small enough pieces to provide an opportunity for companies in Manitoba to have a fair shot at landing the contract, rather than extremely large contracts that, you know, might see large multinational companies being the ones who can compete for those contracts. We know that the department—and, indeed, across government—is doing a lot of work to make sure that there are processes in place that are fair and that are transparent.

We know that the auditor has recently made recommendations to government concerning tendering practices, and, indeed, we take those recommendations seriously, and we'll work very hard to make the improvements that she has made to government.

We certainly do look at procurement policies to also achieve other goals for Manitoba such as that which we were discussing recently concerning policies around hiring apprentices. We will put in place policies to ensure that in public works type of situations, that those people that will be bidding will take into consideration the need to make sure that

we're building our workforce and developing skills across the system. So those are different ways that we've looked at the policies and endeavour to—and endeavour to make improvements. And business will offer us advice on this, and we remain open to their sage advice. And, if they identify barriers, we want to work through them to ensure that there is a fair environment in which these companies can bid.

**Mrs. Stefanson:** I thank the minister for that. I did want to just talk briefly, of course, and I know that in—of course, we want to ensure that the tendering process is fair for businesses in Manitoba to have the opportunity to be able to bid on various contracts wherever possible, and when they're the appropriate businesses to take over. I'm sure, hopefully, there are checks and balances in place to ensure that we're looking at Manitoba businesses and providing them with the opportunities to bid on these businesses—overbid on the business, the contract.

I do want to—I'm a little bit concerned about what the minister says. She says she wants open and fair, transparent as much as possible, whenever possible, looking at ways to break up into small enough pieces contracts so that Manitoba businesses will have the ability to bid on various contracts. My concern here is that there was a fairly large contract that I believe the minister herself signed a few years back, a couple of years ago, in—I think it was February 22nd, 2012, which was for—I believe it was for a \$159 million for the HEMS, the health emergency medical service—or the—sorry, the helicopter emergency medical services program, to deliver those services in Manitoba where STARS was awarded that contract. And that was an untendered contract.

Can the minister explain why that would have been an untendered contract, and was that—was the reason—and what was the reason for that contract being untendered?

**Ms. Oswald:** Certainly, I have been careful to instruct my staff that they are not going to be obligated to support me in answering detailed questions concerning the Health Department, tempted as I might be to go on at some length about that process. These are, of course, officials that I have with me today from the Department of Jobs and the Economy.

So I—but I will certainly speak in general on the subject of tendering with the member, and if she wants to pursue a more specific line of questioning on the operations and so forth of STARS, I would respectfully ask her to ask those questions in the

Estimates of the Department of Health where, indeed, there's staff there to support the minister in answering those questions.

But I can say to the member, certainly what I have said in Estimates prior when serving in the Department of Health and what I've said publicly since then, we know that there are provisions in the context of procurement and tendering policies to engage in an untendered contract when it's in the public interest. And at the time that we entered into the contract with STARS, we were engaged with them working in Manitoba. They had been here for the 2009 flood and had performed very well. They were here for the serious flood in 2011, and there was an opportunity to engage with them and have continuous, uninterrupted service.

There was a situation that, if they were to depart from Manitoba and we were to engage in a process of either inviting them back or tendering, that it would be upwards of 18 to 24 months, perhaps longer, to bring helicopter ambulance service to Manitoba.

We made a decision at that time, based on 25 years of STARS' exemplary service in Alberta and the very good performance that they had put forward in Manitoba on the occasions that we had engaged with them, to enter into a contract with them so that there would be continuous service.

**Mrs. Stefanson:** I thank the minister for that. And were there any businesses—and my concern is about and this is about jobs and the economy here in Manitoba and wherever we can possibly trying to, when there are government services or contracts outsourced, that we're looking at providing fairness to Manitoba businesses. And can the minister indicate whether or not there were businesses in Manitoba who expressed some interest in bidding on this contract?

**Ms. Oswald:** I can let the member know that, at the time that we engaged in this contract with the STARS organization, in doing research through the Department of Health, we were informed that there would be no entity in Manitoba that would be able to meet that criteria of uninterrupted service.

After the fact, I can tell the member that there were organizations that expressed that they wished that they had an opportunity, but certainly there were none that were able to meet that criteria of uninterrupted service.

**Mrs. Stefanson:** Would it not have been possible at the time to just enter into an agreement, maybe a month-by-month contract then to—with STARS to provide those services in the interim while considering a tendering process, a proper tendering process for the longer term to provide these helicopter emergency medical services?

**Ms. Oswald:** I can inform the member that that was not an option available to us at that time.

I would also note for the member that, you know, once again, we know that they were providing excellent service, that they had 25 years of exemplary service, and I'm sure it was for these reasons also and their swift ability to be—well, I was going to say on the ground, but I guess that's the worst possible phrase to use—on the ground and in the air in an uninterrupted way.

And I would note that Saskatchewan, who also now has a relationship with STARS, also made the decision not to enter into a tendering process but did, indeed, contract directly with STARS.

So, again, to reiterate for the member, it wasn't an option that was available to us at that time, to have a month-to-month as she suggests.

**Mrs. Stefanson:** And why was that not an option?

**Ms. Oswald:** It was not an option that was presented to us in our negotiations with STARS. STARS certainly did had to—have to make a substantial commitment in terms of what it is that they were going to bring to Manitoba, how they were going to organize and reorganize their group. It was just not an option that was going to be entertained.

**Mrs. Stefanson:** The minister said that it was not presented to her, but why, as a government, would they not present that to the company as perhaps an option in the interim while they tender out the process?

**Ms. Oswald:** I'm sorry. Could the member ask me that question again or maybe in a different way? I'm not totally understanding what she's saying.

\* (14:50)

**Mrs. Stefanson:** Well, I'm sure the company won't come to you and say, well, we'll offer a month-to-month—or they may or may not come to you, and the minister is saying that the company, STARS, did not offer that opportunity to just go on a month-to-month basis while there was a more, I mean, fulsome tendering process done for what was

a fairly major contract; we're talking \$159-million contract in Manitoba. And I'm just wondering—so if the company didn't provide that or if she didn't—if the company didn't present that, then why did the minister or the Department of Health not present that as an option moving forward to the company? Or did they?

**Ms. Oswald:** There were a number of discussions that happened between officials in the Department of Health and with STARS to find the best possible workable option to ensure uninterrupted service. And I have—I know that the department worked very hard to come to a suitable arrangement in order to achieve that uninterrupted nature of service, and a variety of conversations went on and scenarios were discussed between the respective officials.

*Mr. Bidhu Jha, Acting Chairperson, in the Chair*

**Mrs. Stefanson:** The Auditor General stated in her report that the urgent requirement that—that there was no sense of urgency, and she said an urgent requirement is when only one supplier is contract—or is contacted to meet an immediate need, and an assessment verified that any other supplier is not feasible or practical. The events which lead to the signing of the SPA do not support an immediate need.

The government announced in 2010 that it wanted a permanent—sorry, helicopter emergency medical services in Manitoba, however the SPA was not signed until February 22nd, 2012. So, in her opinion, this provided sufficient time for a public tender to take place, and given that the urgent requirement is not something that she believes was there, it was not urgent. Why was it that a normal and regular public tendering process, why it didn't take place?

**Ms. Oswald:** Well, again—and I know that in the context of Public Accounts we are going to have an opportunity to go through the auditor's report, which is the custom. And in that context, of course, there will be briefings for members and there'll be an opportunity to have a discussion with the auditor and with the deputy of Health, and there—so there will be ample opportunity, I think, to go through specific concerns raised in the auditor's report. But what I can tell the member is, as I've said previously, there was excellent service that was provided at the time of the 2009 flood. There was excellent service provided at the time of the 2011 flood. And it was certainly our view—I would say it was certainly my view—based on the experiences that we'd had, based on the situation

that was ongoing, that it was in the public interest to provide that uninterrupted service, which is why the decision was made to enter into that contract.

Yes, it was untendered, and, again, I've read the auditor's report and, you know, take seriously the recommendations, you know, as they apply to the Department of Health and as they would apply to other departments across government, and we'll look very closely and act on those recommendations. But once again I would say to the member that it certainly was my view that it was in the public interest to be able to have this service available in an uninterrupted way and not have to wait 18 to 24—maybe longer—months, that is, in order to have that service restored in Manitoba.

I think the member is asking me a question about judgment call, and I respect that, and I will say to the member that it was exactly that. It was a judgment call made in consultation with officials in the Department of Health, and I think that we have seen STARS fly many, many missions and do many patient transports that have had very, very positive outcomes for individuals in the ensuing time.

*Mr. Chairperson in the Chair*

**Mrs. Stefanson:** But I guess the government announced in 2009-2010 that it would be seeking a way to provide permanent helicopter emergency measure services in Manitoba, yet the contract was not signed for two years, until two years later. And so the minister is stating that there were emergencies and this is why this had to take place, yet the contract was not signed for two years.

So why would that have been the case? And why, if there is a two-year process, why could that not have gone to tender?

**Ms. Oswald:** Yes, and again, we are getting into the area where having officials from the Department of Health to be able to provide support in answering some of these questions would be constructive, this not being very fair to the officials from Jobs and the Economy. But what I can say to the member generally on this issue was that the entire EMS system as a whole is looked at very carefully by the department and certainly was by the minister. And bringing together a comprehensive and coherent emergency system is critically 'impos'—critically important. And that work was under way certainly from the time that we signalled there may be an interest in pursuing a helicopter ambulance program in Manitoba.

Lots of analysis had to be done in terms of its feasibility. There were studies that were done over time to try to make an estimate on how many lives could potentially be saved during that time, and did we have a ground ambulance system and a Lifeflight system that would support an integrated helicopter in—or into the system in an integrated way. So lots and lots of work was done in the ensuing time.

The situation concerning signing a contract with STARS had everything to do with the timing of them being here for the flood in June 2011. That's the key issue.

**An Honourable Member:** Point of order, Mr. Chair.

#### Point of Order

**Mr. Chairperson:** A point of order by the Minister of Finance.

**Hon. Jennifer Howard (Minister of Finance):** Yes, I wasn't here at the beginning of these Estimates, and I'm sure there was agreement to have a global discussion. But it's my understanding that the Committee of Supply looks at the Estimates of the department. And really, what we're into now is a discussion probably about an Auditor General's report, which is likely better for the Public Accounts Committee, which does meet regularly. I'm sure—I know the minister's been very accommodating in answering the questions that are put, and she can decide to do that, but I just wonder if you could remind us what actually is the topic of the discussion here.

**Mr. Chairperson:** Honourable member for Tuxedo, on the same point of order.

**Mrs. Stefanson:** Yes, on the same point of order, Mr. Chair. I think it's important when, you know, this tendering process across government departments is—and this is the Minister for Jobs and the Economy—and I think it's very important, when discussing the tendering process, has a significant impact on jobs and our economy here in Manitoba. And especially when it comes to contracts that the minister herself has signed in the past—albeit in another department, that's fine—but it is a significant contract that significantly impacts jobs in Manitoba and the economy in Manitoba. And so we're sitting here in the Estimates of Jobs and the Economy, and I'm asking questions surrounding that, questions that have to do with businesses in Manitoba that could have had the opportunity and should have had the opportunity to bid on this process, but that there were no—there was no opportunity for them to do so

because there was no tender for this particular—and I'm using this just as an example for right now—because it was a contract that the minister, I believe, signed herself.

**Mr. Chairperson:** Well, I want to thank everyone for their thoughts on this. Technically, it's not a point of order, but I will take the opportunity to remind all members that, yes, the process in Estimates is that the questions do need to relate to the specific department at hand, and I think the member has done an adequate job of explaining that, you know, the tendering process as it relates to Jobs and the Economy, that that satisfies that criteria.

\* (15:00)

We always end up in every department with some grey areas because everything's interconnected. And my personal style as Chair, be it as it may, is that if the question is asked and the minister is willing to provide an answer, then I'm fine with that, even when it does stray into greyer areas. If a minister does feel that questions are being asked that are outside of the area of their minister, they can always state that, and then it would fall on me or whoever is the Chair to provide a ruling as to whether a question is technically out of order.

But I appreciate the opportunity to offer this clarification, and if there's no further comments on that we will go back to questions.

\* \* \*

**Mr. Chairperson:** So I recognize the honourable member for Tuxedo.

**Mrs. Stefanson:** I wonder if the minister can indicate, because this was a significant contract—I believe it was a \$159-million contract with STARS—was she—did she sign this herself?

**Ms. Oswald:** Well, again, I'm sensitive to the function and role of this committee, not the least of which the—is the time being invested by my officials, you know, to be here to help support in the spending Estimates for Jobs and the Economy. So what I will say to the member is, specific questions concerning the signing of the contract and the parameters of the contract I really do think we have to leave, either for the Public Accounts Committee or for the Estimates for Health, which I think are taking place concurrently.

I know that there were—I can say to the member, though, there were a number of discussions involved in the securing of the contract with STARS. I

certainly—I know that there were multiple documents that required signing, you know, by all parties, and I believe that would include me, yes.

**Mrs. Stefanson:** So the minister has—and I believe there is a copy out there of the contract that was signed, and I believe—so the minister has indicated that she did sign it; I believe that is the case. And, you know, I guess, if that's the case, it's, you know, we do talk about—I mean, this is a really significantly large contract, I think, for Manitoba, and, you know, the Premier (Mr. Selinger) has said past behaviour is indicative of future behaviour and perhaps, you know, where—what might transpire in future contracts in Manitoba as well.

And my concern is that with a contract that is as large as this being untendered and not following the rules and the laws of the Province of Manitoba, which the Auditor General has indicated in her report, I'm concerned about future contracts that, you know, perhaps it's not just the minister herself, but it's other ministers and perhaps a culture within this government where contracts are not being tendered, for whatever reason, just because this government, this NDP government, decides that it's—they, you know, they can be above the law and they don't have to follow the rules of the law. And I guess I would just ask the minister: Was she aware at the time, that she was breaching rules set forth under the government—sorry, The Government Purchases Act?

**Ms. Oswald:** Yes, again—so—I thought these Estimates were going to be a little bit different from Health, but here we are again. I think maybe I've done a grand total of about 10 hours on STARS now, but, you know, it's okay, I'm comfortable here. We can spend a little more time, if needed, on this very issue.

But I do want to correct the record for the member and for all—the benefit of the committee that there are provisions to act in the public interest when it comes to tendering or not tendering contracts.

So I looked very carefully at that and with advice from officials made the commitment in June of 2011 while we were still dealing with the flood, which is not a small matter when it comes to running a health-care system. When there are emergency situations and you have the benefit of a helicopter, any number of crises can be avoided.

And so we looked very closely at the fact that there was still a lot of recovery to be done at the time of the flood and immediately following, and we

made a decision that it was in the public interest. And if the member is asking me if I am ever faced with a decision in my life again where I have the ability to make a decision that is going to save people's lives, not just one or two, but, you know, tens, possibly hundreds of lives, would I make that decision again, I think I'd say yes, I would. It was not a decision that I found complicated. Clearly, there were policies in place allowing for individuals to act in the public interest when—or allowing the government to act in the public interest when entering into an untendered contract.

And, certainly, over the course of a couple of years in discussing this, I, you know, quite earnestly, sought to understand the point of view of members opposite and spoke to the opposition critic, a couple of them, in fact, over time, to try to see where they were coming from, and when pointedly asked the question, would you have gone ahead and tendered the contract, the members refused to answer. And I asked the question in a few different ways. I asked the question: Do you think that, you know, an 18 to 24 or—month or more gap in providing helicopter ambulance service to Manitobans, particularly beneficial to rural Manitobans, would you have decided to wait? And the opposition was silent. You could hear the crickets, in fact, in seeking an answer to that.

And so I think members now, you know, tend to be, you know, full of bravado about the issue of signing a contract or not signing a contract, but at the time, when asked a question about it, the members refused to commit on the record. Two health critics in would not say because I think they realized that saying that we think it would be okay for a hundred lives to have been lost would be abhorrent, I think.

And so what I will say to the member is the same thing that I said at the beginning of this discussion. I've read the auditor's report, and we're going to have a chance to have a fulsome discussion about the auditor's report at Public Accounts where the appropriate department officials will be available. And not only have I read the auditor's report, I take her recommendations very seriously. I think there are many, many good recommendations in the report, and I know that government is working away on those recommendations as we speak. I think that there's excellent sage advice in that report.

But, all that being said, in the face of the June 2011 flood, an organization with 25 years of outstanding service, and an opportunity to have

uninterrupted service for Manitobans before us, we made the decision, in partnership with the STARS organization, to go forward with that uninterrupted service, and I believe for the families who have loved ones whose lives have been saved, that it was the right decision.

\* (15:10)

**Mrs. Stefanson:** And absolutely, and, in fact, there was a feasibility study that was done and completed back, I believe, in 2009. Prior to the government signing a \$159-million contract a few years later, there was a feasibility study conducted that found that a helicopter emergency medical response services program in Manitoba should be implemented, yet the government sat on that and did nothing and didn't consider a public tender at that time for those services regardless of the fact that a feasibility study had been conducted at the time. And I think this goes back to, again, a decision made by the minister not to save lives but a decision to just shelve a report that was very important and a study that came forward that was very important about providing those helicopter emergency medical services for people in remote areas in Manitoba.

So, if she was so concerned at the time about providing those services to people in Manitoba, why, then, did she not act on that at that time, and why did it take her so long to actually come up with or a sign a contract to provide these services in Manitoba? There was ample amount of time to follow the proper public tendering process in Manitoba, yet she, and I guess her government, chose not to. Why was that the case?

**Ms. Oswald:** Well, the member's just factually incorrect when she asserts that there was no work that was done in the EMS system to prepare for the inclusion of a helicopter into the system. These would be questions best asked in Health because hours could be spent listing off the investments that were made to prepare the system to be able to work in an integrated way including a helicopter. So the member's just factually wrong, but I encourage her to ask these questions in the Estimates for Health because it will help her understand.

**Mrs. Stefanson:** Well, these facts are coming from the Auditor General's report, which she put together, and this all has to do with the public tendering process and the fact that a feasibility study was ignored, I guess, by the minister of Health at the time, which was this minister. She ignored, had said that Health estimated—her own Department of Health

at the time—estimated that a helicopter ambulance program in Manitoba would save 35 to 50 lives annually.

So, if that was the case, then—and if she says and purports to be the person that wants to have saved lives in Manitoba, then why did she ignore that feasibility study at the time and not do anything?

**Ms. Oswald:** The member's just incorrect. There were a number of investments that were made to build an emergency medical system that would support and be well-integrated with a helicopter, and I think the member might be, you know, impugning some opinions of the Auditor, but I can tell her she's just factually inaccurate about nothing having been done.

But again, I would suggest to the member, as I have repeatedly—she's asked me questions, you know, with a pretty—casting a pretty broad net on this subject of tendering and on this subject of why the contract with STARS was entered into in the way that it was. I think I've answered them repeatedly—blockbuster answers, everyone, may I say—and now she's getting into some of the details of investments in the EMS system in Manitoba. And while it is a favourite subject of mine, I think these are questions that you need to ask in the Estimates for Health.

I do have officials with me today, prepared to answer questions on the spending Estimates for Jobs and the Economy, and I have deep respect for them, and, you know, will endeavor to ask the member to ask those questions either in Public Accounts when this committee comes forward on this report—and I believe they'll be ample opportunity to ask lots of good questions at that time—or to ask them in the Estimates for Health because the assertion that there was nothing done in the EMS system between '09 and '11 is just factually untrue.

**Mrs. Stefanson:** The minister, in entering into this contract with STARS, according to the Auditor General's report—she broke two laws, or one and a rule, The Government Purchases Act, as well as the Procurement Administration Manual of waiving the competitive bids. And this has a significant impact on entering into, and how this minister plans to enter into, future contracts with those companies in Manitoba or are perhaps not at all, or the tendering process that she will intend to follow in the future, because what we've seen is that she's already broken the two laws in the province on this \$159 million, which is a very significant, very large contract in Manitoba.

So, I mean, again I say that this line of questioning is very important here because the past behaviour of this minister, perhaps, yes, in another government department but she was the one that signed this contract and she entered into the agreements with STARS and the 10-year, \$159-million contract without tendering out any part of it.

And, I guess, was there, at the time, was there anything that she considered—because she said, you know, earlier she said, I believe, that she, you know, there were often ways or they would try to break up into small pieces where possible contracts in order to maybe provide for some companies or other companies in Manitoba to be a part of this process. Was there any talk at the time of breaking up this contract into smaller pieces to provide Manitoba businesses the opportunity to bid, or other businesses across the country, to bid on those services?

**Ms. Oswald:** Yes, again I'll say to the member that there are provisions in the policy to enter into an untendered contract when it's in the public interest. So again the member neglects to mention that when she is discussing rules broken or not broken. There are provisions for that.

I believe saving lives during a flood situation with a helicopter ambulance service that has had 25 years of exemplary service in another province qualify for that. Again, it would be clear to me by the nature of the question that the member is asking that she may not have a fulsome understanding of what, you know, shock, trauma air rescue is all about, and I would encourage her to ask some questions in the department of Health to gain a more fulsome understanding of the nature of a helicopter, essentially, ICU unit, that really would likely not be done well by committee. So breaking it up into several parts would be challenging, I think. But I would encourage her to answer those questions in Health.

**Mrs. Stefanson:** Well, as the minister should be aware, and perhaps she wasn't at the time and that's why she entered into this agreement and broke this rule, but the Procurement Administration Manual, there are four key exceptions when waiving competitive bids. There's an urgent requirement which I spoke about earlier where the Auditor General said there was no urgent requirement here given that there were—the government announced in 2010 that it wanted a permanent HEMS in Manitoba. However, the contract wasn't signed for two years

later. So there was ample time to be able to do a proper tendering process there.

The—another requirement is that there is a single-source exemption to accommodate the procurement requirements, which, of course, the Auditor General said that there is no documented evidence to conclude that only one supplier could meet operational, technical or performance requirements. Another one is sole source, that there was no documented evidence to conclude that only one supplier was permitted to provide these goods and services. And that—and the fourth is, of course, in the state of the emergency. And she indicated that it did not meet the emergency criteria here either.

\* (15:20)

So the minister talks about doing what's in the public interest, but she's not following her own rules that, of course, are in the public interest, and we know that. But she's not following or she didn't follow her own rules.

And I'd like to go back to it because this has a significant impact on businesses here in Manitoba. It says that there was no documented evidence to conclude that only one supplier could meet operational, technical or performance requirements. So in this process, the minister said earlier that the Department of Health said that there was no one source that was able to accommodate the delivering of all of these kinds of services under this contract, no Manitoba business that was able to do that. Yet, if there's no documented evidence of this, what were the criteria that were used for the minister to make the decision then, that there was no evidence? It also said there was no documented evidence to conclude that only one supplier was permitted to provide these goods and services. Again, if you're the minister of Health, or any minister of any government department, presumably you ask for, you know, some evidence to indicate, you know, whether or not there are businesses in Manitoba or not businesses in Manitoba that can perform these services. Did she ask for that evidence from her department officials?

**Ms. Oswald:** Again, there will be ample opportunity at Public Accounts to ask these questions. Also, these questions can be pursued in the Estimates committee for the Department of Health, which are going on right now. The member, you know, need not walk many more than 20 paces to ask these very questions. But, again, out of respect for my officials that are here today to answer—or to support providing answers for Jobs and the Economy, I'll respectfully

suggest to the member that that's where she needs to ask these questions.

I can say to her, certainly, it was the advice of the department that it would take an extended period of time for anyone in Manitoba to be able to provide the service. I've said 18 to 24 months, maybe longer. That was the information that was given at the time, which is germane to the decision to enter into the untendered contract with STARS so they could provide uninterrupted life-saving service.

**Mrs. Stefanson:** Well, in moving forward, I guess, if the minister didn't ask for this kind of evidence from her department officials at the time—I mean, I think there has to be significant evidence to prove that there aren't businesses in our province who can provide these services, and maybe they can't provide all of them, but maybe some parts of them. And, you know, but if these businesses are not aware of this kind of a contract even being tendered or even being awarded out there, if they're not even aware of the contract being awarded, then, you know, how can they come forward and indicate that they would like to have the opportunity to bid on this process? And, you know, that's the problem that I have because she has hurt Manitoba businesses from precluding them in the past from being able to have the opportunity to come forward and bid on these services. And she didn't ask her officials, from what I can see, and she, you know—again, she's open to answer the question. She didn't ask her officials for documented proof of the fact that, you know, they tell her that there are no businesses in Manitoba able to provide these services.

So why did she not ask her officials for the proof that there are no businesses in Manitoba? As the Jobs and Economy Minister, I think it's important for her to ask these kinds of questions. Why did she not ask the questions at the time for that contract that she entered into?

**Ms. Oswald:** Again, as I listen to the member asking questions concerning the helicopter ambulance service, it becomes clearer to me that there might be great benefit for her asking these questions in the Department of Health Estimates so perhaps she can have a more fulsome understanding of what kind of service the helicopter provides and, indeed, how this, in fact, would not be the same kind of contract we spoke about at the beginning that could be separated into subsections or subcontractors. And so I really—with great respect for the member and her interest in pursuing this line of questions, I think there would be

enormous benefit in her asking some of these questions in the Department of Health Estimates so she can gain a real understanding of what it is that the helicopter does and how it functions as a cohesive unit, and, perhaps, I think she'll gain a greater understanding of how this could not be piecemealed off.

Once again, there were discussions that took place at that time among officials in the Department of Health and with STARS. It was June 2011, there was a flood, they were here, they were providing excellent service. There was an opportunity to engage in this contract. I respectfully submit that I believe it was a decision that needed to be made at that time in the public interest, and I stand by that.

But at the same time I will say to the member, with great humility, that I take seriously what the Auditor General is suggesting in her report, and we will have an opportunity to talk about this in a fulsome way at Public Accounts. I do believe that there are very many important recommendations in here from which we can all learn. I include myself in that group.

And so as we go forward, on the items that pertain directly to the Department of Jobs and the Economy, the member can be assured that we're going to look very closely at acting on those recommendations. And it's my view that across government ministers will be looking at these recommendations, seeking clarity where necessary and working to act to provide the most fair and transparent tendering process that's possible here in Manitoba, bearing in mind there are occasions when acting in the public interest can present themselves and entering into an untendered contract—knowing from advice from officials that there would not be the capability in Manitoba to continue the service that STARS would be providing for 18 to 24 months, if not longer, and so that decision was made.

But, again, I would encourage the member to seek a greater understanding on how the helicopter itself works and how piecemealing that as a contract would likely not provide the kind of quality and patient safety that would be required in a shock-trauma response unit.

**Mrs. Stefanson:** What I'm trying to gain a real understanding here—of, is how this minister plans to enter into, you know, future contracts. It seems to me that by refusing to answer these simple questions around what was a fairly major contract that she signed two years ago, that should be fresh in her

mind as one of the largest, you know, government contracts, I mean—not—it's probably one of the largest government contracts. I'm not sure about that, but certainly it seems to me to be fairly significant and sizeable, and I would think that she would remember a lot of what transpired at the time and why she circumvented the rules, the laws of our province, in order to push forward on this untendered contract for emergency services that we know need to be delivered in the province of Manitoba. But I guess what I'm hearing here today is by not wanting to answer these questions, she is indicating to me that, you know, past behaviour is indicative of future behaviour, and she's not—she's going to continue to enter into contracts in a similar way, perhaps not learn anything from what the Auditor General's report says, because she's refusing to admit that she broke these rules, and clearly she did.

\* (15:30)

And I think it's scary for small businesses in our province. I think it's scary for any business in our province where you've got a government—a minister for Jobs and the Economy that wants to enter into untendered contracts just because that's what she wants to do, and she doesn't want to follow the tendering rules of our province. And those—that kind of behaviour, as a minister responsible for Jobs and the Economy in our province, is not conducive towards growing our economy or creating jobs. In fact, it does quite the opposite. So it does concern me.

It's clear, though, today, to me that we are not going to go anywhere with this line of questioning. I think it's unfortunate because she was, again, the minister at the time that signed a fairly large contract. It was only two years ago. I appreciate that she tried to answer some of the questions, but I think once she didn't like the line of questioning that she was receiving, she quickly tried to hide behind rules. Of course, there was a—and really it wasn't a rule because, of course, the former House leader of the NDP government, indicated earlier that—she got up on a point of order in this committee and she questioned this line of questioning, and I think, Mr. Chair, you gave a very good ruling that indicated that the line of questioning was fine and had to do as it related to Jobs and the Economy.

Now maybe the minister doesn't understand that untendering contracts, contracts that are untendered by this Province of Manitoba, by this government, on behalf of the people of Manitoba, I will tell you the

untendering process is not good for jobs and the economy. And I think it's unfortunate that perhaps the minister herself is unaware of how to create jobs in the economy in Manitoba. So—but I do see that, Mr. Chair, hopefully, at some point, we'll be able to have a fulsome discussion on the future of tendering processes in Manitoba, and that she will be forthcoming on what kind of an approach she will use in the future, and I hope that, honestly, it will be different from the approach that she took in that contract in the past.

So, with that, I am through my global line of questioning and ready to go through the Estimates line by line.

**Ms. Oswald:** Mr. Chair, I've listened carefully to what the member has said and respect the fact that, on issues of policy, the very nature of our roles and our jobs are such that we're predisposed to disagree with one another. That's how it goes in politics. You have a philosophical construct that guides you and that's how it goes, and so I respect the fact that—*[interjection]*

**Mr. Chairperson:** Order, order, order.

Are we done? Okay. Back to the minister. You have the floor.

**Ms. Oswald:** Thank you, Mr. Chair.

It's a passionate topic, and certainly I do listen carefully to what the member says and I take her at her word when she has a line of questioning that she wants to pursue. And I would hope that the member would afford me the same courtesy and take me at my word. And thus I need to say to her that to assert that I'm refusing to answer a question after spending more than an hour on a topic that arguably and respectfully—not the least of which is to our officials, but to the construct of this committee—belong either in Public Accounts or in the Health Estimates, I think that I've done a more-than-fair job of endeavouring to answer her questions, specifically, on this contract.

But also specific to the issue in why she raised it in this area, and that is, I want to know more, she says, about what the minister will do going forward concerning tendering. I respect her asking that question. But I would also submit to the member that I answered that question, and I answered it repeatedly by saying that I take the advice of the Auditor General very seriously. There are many recommendations in this report that can be reviewed specific to the Department of Jobs and the Economy

and broadly to government. And I believe that there's a lot of good vice to give there, and I'm going to work very hard to follow those recommendations.

I understand clearly that the member and I disagree on the issue of whether or not it was in the public interest to enter in that contract with STARS. I respect her right to have that opinion; I just don't share it. And so I want to assure the member that I take the auditor's recommendations seriously. I took the matter at hand at the time that the contract with STARS was entered into very seriously, and that was the issue of providing uninterrupted service for Manitobans.

And I'm going to continue to work with my officials in Jobs and the Economy every day to do all that we can do to provide Manitoba industry and businesses with the supports and the opportunity so that they can thrive and grow, so that our young people can have great jobs here in Manitoba and so that our economy can continue to grow and soar. I'm absolutely committed to do that, and I respect that the member may have a line of questioning about that, but I wish she would also respect that answers have been provided to her to the best of my ability. And I'll continue to do that as we continue to work forward.

**Mr. Chairperson:** Seeing no further questions, we will move to resolutions.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$32,092,000 for Jobs and the Economy, Business Services, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$573,825,000 for Jobs and the Economy, Workforce Development and Income Support, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,579,000 for Jobs and the Economy, International Relations and Trade, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

Resolution 10.5: RESOLVED that there be—  
*Audio system failure*

–item 10.1.(a) the minister's salary, contained in resolution 10.1.

We thank the staff for being with us during this process up 'til now.

And with that done, the floor is open for questions.

\* (15:40)

**Mrs. Stefanson:** Mr. Chair, I move that line 10 point—or 10 dash 1(a) be amended so that the minister's salary be reduced to \$1.59.

**Mr. Chairperson:** It has been moved by the honourable member for Tuxedo that line 10.1(a) be amended so that the minister's salary be reduced to \$1.59.

The amendment—or the motion, rather, is in order.

Are there any questions or comments?

**Mrs. Stefanson:** Mr. Chair, I just think that it's unfortunate that the minister and, you know, of course, we're having a debate on jobs and the economy here, and she has signed one of the largest contracts—a very large government contract, for \$159 million. She signed that two years ago as minister of Health, but she is Minister of Jobs and the Economy. We know that untendered contracts, her choice to do that, has been questioned by the Auditor General. We will have the opportunity going forward to have many questions and ask many questions on this subject, but it does have a great amount to do with the area of jobs and the economy when it comes to tendering and not—and refusing to tender contracts for government services here in Manitoba.

And the minister's quite right. We will agree to disagree about the way that she went about doing this, and I will leave it at that. That's why we are reducing her salary.

**Mr. Chairperson:** Seeing no further questions, is the committee ready for the question?

**An Honourable Member:** Question.

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

**Some Honourable Members:** Yes.

**Some Honourable Members:** No.

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

### Voice Vote

**Mr. Chairperson:** All those in favour of the motion, please indicate by saying aye.

**Some Honourable Members:** Aye.

**Mr. Chairperson:** All those opposed to the motion, please indicate by saying nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my humble opinion, 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.

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. Thank you.

*The committee recessed at 3:50 p.m.*

*The committee resumed at 4:07 p.m.*

**Mr. Chairperson:** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the last item, resolution 10.1 of the Estimates for the Department of Jobs and the Economy.

Are there any questions? Seeing none, we'll now put the question.

Resolution 10.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,258,000 for Jobs and the Economy, Administration and Finance, for the fiscal year ending March 31st, 2015.

**Resolution agreed to.**

This completes the Estimates for Jobs and the Economy.

### AGRICULTURE, FOOD AND RURAL DEVELOPMENT

**Mr. Chairperson (Rob Altemeyer):** The next set of Estimates to be considered by this section of the

Committee of Supply is for the Department of Agriculture, Food and Rural Development.

Step right on up. We've warmed the chairs up for you and everything.

Does the honourable minister have an opening statement for us?

**Hon. Ron Kostyshyn (Minister of Agriculture, Food and Rural Development):** I sure do.

**Mr. Chairperson:** Honourable Minister, please proceed.

**Mr. Kostyshyn:** It's a great pleasure to be here through Estimates and sharing of our information and all the great stories that MAFRD has to share with members opposite.

So first and foremost, I'd like to kind of give a bit of an overview of opening remarks on the Committee of Supply, and through the budget of 2014 the department will share its focus on working with agriculture and agri-food industries and communities to increase economic activity and jobs, and strengthens Manitoba's economy. And I think you've heard us say that numerous times. We're doing this to make strategic investment in innovation, market development, support commercializing products and to increase capacity to the industry associations and rural communities to identify a purpose—opportunities.

\*(16:10)

Rural development. In 2013, November 2013, my department's name change had moved to Agriculture, Food and Rural Development. Budget 2014 strengthens the department's approach to rural development by partnering with rural communities to drive local economic development efforts and create jobs. We've doubled the amount of funding for Partner 4 Growth program, which provides communities with a cost-shared funding to pursue opportunities to strengthen and to diversify local economy.

Mr. Chairperson, this increased investment will see some 32 communities directly benefit from Partners 4 Growth in the coming year and will also leverage an additional \$260,000 in community contributions. This increased investment is in addition to the valuable information service we provide to the community. One of the examples of such service is the regional economic analysis process, or REAP.

We're also increasing funding to grow ag-based sectors that are strategically important to Manitoba. We will do this by working in partnership with industry to capitalize on comparative advantages to drive more economic activities and last, but not least, create jobs.

Growing Forward 2—Manitoba and Canada have just finished the first of the five years of the Growing Forward 2. GF2 will see over \$176 million in federal-provincial investments to grow and transform the agriculture, ag food and ag product sector in Manitoba. In 2014-2015, Manitoba and Canada will invest over \$21 million in strategic investments. Our programs will help industry, individual farmers, processors pursue opportunities to grow their industry and businesses.

And here are just a few examples of the projects funded in 2013 and '14 through Growing Forward 2: the Manitoba Wheat and Barley Growers Association were approved for \$20,000 under Growing Visions to assess the merits of producer-owned plant breeding and determine the appropriate leadership roles for their association on behalf of the Manitoba wheat and barley growers. Precision Produce in Otterburne was approved for \$50,000 under on-farm portion of Growing Innovation to study the use of LED lighting as a replacement to traditional high-pressure sodium lighting. It was successful. Energy costs will be significantly reduced.

In 2014-2015 we will be investing over \$5 million through strategic investments to drive innovation. These investments will result in increased competitiveness at the industry and the individual farm levels, increased commercialization of food and agri-products, a strong research and development infrastructure in Manitoba to drive a new value from the commodities we produce. One of the examples of strategic invest—innovation is our partnership with industry to secure Manitoba's place as a Canadian leader in research and development in the grain industry. My department is currently developing a strategic strategy to create a global-recognized grain innovation hub here in Manitoba. The hub will link industry, producer organizations, research innovation, private companies and government to create attractive, creative and competitive environment in which innovation is fostered. We will also continue to support the world-class Composites Innovation Centre with nearly \$1.3 billion in capital and project

funding in 2013 and '14 to further strengthen Manitoba's position in ag product development.

In February of this year, my department announced participation in the Western Livestock Price Insurance Program. This program provides cattle and pig farmers with a new tool to manage price risk in their operation. We are committed to continue to explore new risk-management tools for farmers.

Protecting human health, Manitoba industry and jobs through disease management—the livestock industry is an important part of Manitoba. The recent incident of PED discovered in Manitoba demonstrates the need for a quicker response to and contain the disease outbreak. Our investment in infrastructure such as a veterinarian diagnostic lab, traceability and surveillance of animal disease provide both a quick response to the outbreaks and help protect trade, economic opportunities and jobs in Manitoba.

In 2014-2015, Manitoba will begin assuming a responsibility for monitoring and controlling of rabies following the government's—federal government's exit from the active surveillance program. These efforts will make sure humans and animals remain safe from this disease.

Grain transportation—our farmers have had a tremendous crop in 2013, and we are looking forward to this year's crop as well. However, the optimism is damaged by the challenge of moving grain to their market. Although the rail system and grain movement is a federal responsibility, we are very vocal to ensure that Manitoba concerns are expressed and needs are met by receiving a fair allocation of cars and capacity to our producers.

Our government has a high-level working group to provide recommendations to challenging—challenges facing the grain transportation. This group is actively seeking short- and long-term solutions to the grain transportation challenges.

We are also putting in place strategies to help farmers move at-risk grain and ensuring flexibility on road restrictions to help move grain through the spring. Our government has planned record investments in infrastructure over the next five years to support road transportation, flood protection and other approaches to providing a modern infrastructure to get our commodities and processed goods to market.

That concludes my opening comments.

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

Does the official opposition critic have an opening statement?

**An Honourable Member:** No.

**Mr. Chairperson:** No. Okay. Under Manitoba practice, debate on a 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 3.1.(a) contained in resolution 3.1.

At this time we invite the minister's staff to join us at the head table, and once they're settled in, perhaps the minister would be kind enough to introduce them to members of the committee.

**Mr. Kostyshyn:** I'd like to introduce staff that's present here to the left of me. First and foremost, Dori Gingera-Beauchemin, deputy minister; Tracy Gilson, acting assistant deputy minister of ag industry development and advancement division; Leloni Scott, assistant deputy minister of ag food and rural economic development division; and Mike Lesiuk, acting assistant deputy minister of the policy and ag innovation division.

**Mr. Chairperson:** Excellent, and thank the minister for that.

Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

**Mr. Blaine Pedersen (Midland):** In a global discussion, Mr. Chair.

**Mr. Chairperson:** Global discussion has been suggested.

Honourable Minister, is that acceptable?

**Mr. Kostyshyn:** It is acceptable, Mr. Chair.

**Mr. Chairperson:** Very good. Just to be clear, Estimates for this section, this department, will proceed in a global manner, and wouldn't you know it, the floor is open for questions.

**Mr. Pedersen:** Mr. Chair, I did have a question to start out with, but my order got a little a changed today because I received an email from a grain producer asking about moving grain on restricted roads. Can the minister give me an update as to what the procedure is?

\* (16:20)

**Mr. Kostyshyn:** Gladly. I would like to share some information. As the member opposite's well aware of, in consultation with MIT minister and the committee that has been struck through jobs and economy and Mr.—through Manitoba Hydro and Municipal Affairs, we've been able to put together a task force team, and obviously one of the major criteria of importance was we knew that we were in a situation where grain movements are going to be challenged given the time of year, and, as you are aware, MIT minister has brought forward the legislation with our consent, and we are in a position to share some of that information with you.

Okay. So, due to the exceptional circumstances this year, all grain will be considered an essential commodity for spring only—for this spring only—meaning that grain may be transported at a restricted level 1, weights of 90 per cent of normal axle loading, on all level 2 highways without a permit as long as all posted weight restrictions on bridges are complied within.

**Mr. Pedersen:** So what does a grain producer have to do in order to be able to move that? Do they need a permit, or what's the procedure?

**Mr. Kostyshyn:** At this point in time, we believe there is no permit required. It is that providing you're moving grain from your farm to the appropriate terminal of loading, there is no permit required.

I do want to inform the member opposite that there will be continuing monitoring of the highway conditions, and I'm sure you would appreciate the fact that the monitoring will be a continuous monitoring. Simply, if the highway gets into a state of serious damage, there may be need to have some decisions made at that point in time, but barring the movement of grain, as I indicated earlier, their priority is to move forward with the grain to the localized elevator and will be done, hopefully, in an appropriate manner that we minimize any road damage, and there's an understanding that it will be monitored at this point in time. Nothing has changed as far as movement of grain.

**Mr. Pedersen:** The minister has mentioned grain. Does that include potatoes and seed potatoes?

**Mr. Kostyshyn:** Can we investigate that option on the movement of potato and get back to you in short order on that?

**Mr. Pedersen:** That would be good, but that would need to be in very short order because they need to move seed potatoes yesterday, and so as I wait for

that so that I can pass it on to those producers, strictly speaking, then, in terms of grain, what is the protocol? A producer loads his truck at 90 per cent of load level, irregardless of the restrictions on the highway, and if he is pulled over by inspection services on the highway, what is the protocol that the grain producer is supposed to—both the inspector and the grain producers are supposed to follow?

**Mr. Kostyshyn:** Well, I'm sure within the department, to the member opposite, the message has gone out that the fact of the continuous movement of grain on the highway at the 90 per cent axle weight will continue, and I don't think that the producer would have to somewhat educate the enforcement officer that there's been a change in regulations. I would suspect there's been good communication with the—within the department and the legislation that's been brought forward in event of this emergency situation.

So I would be totally surprised that any of the enforcement officers would be not informed in an appropriate manner and to minimize any confrontation with the producer as he's delivering his grain. I think it's well renowned in the media and also to the immediate staff that's going to be the enforcement agency.

**Mr. Pedersen:** So, just to reiterate then, grain for now, and you're going to let me know about potatoes and seed potatoes in particular, no permit required. As long as the producer is loading at 90 per cent of axle weight there should be no issues being—travelling on restricted highways right now.

**Mr. Kostyshyn:** The fact is 90 per cent of axle, that is correct. But as I said earlier, should the highway conditions tend to deteriorate to the point that it becomes a safety issue of any other means of transportation, there would probably be some serious consideration to observe the highway that they're travelling on. I think the member opposite can appreciate, if the asphalt tends to start to deteriorate and it becomes a safety concern for all types of vehicles on that piece of highway, I would assume that we're doing the due diligence to minimize any other risks for safety of other people using that same piece of highway.

**Mr. Pedersen:** So today you can run at 90 per cent. I understand that may change when the thaw eventually does come. No permits required right now. What is the protocol that is going to be used? How will producers know that full restrictions are in place versus 90 per cent as of today?

**Mr. Kostyshyn:** I am sure that the member opposite has been reading about it in the—so we'll either be delivering the message through various commodity groups, through the elevator companies. There is—and we will be having it on the—whatever media way we can present that. I think it's been well announced that there will be no restrictions, and I guess that's more of a question. If you want to get a perfect clarification on that, I could definitely talk to the MIT Minister and he'll—I'm sure he'll gladly share that information with you if you need to know exactly how this is going to be broadcast.

**Mr. Pedersen:** Yes, I do require that information because no one wants to get fined for being overweight on highways because it's very expensive to say the least.

So, if the minister can find out what the protocol will be that will change from what is currently in place right now at 90 per cent of load axle weights on grain, and if the minister would also then very shortly tell me what—how other commodities are affected, such as potatoes, seed potatoes and, while you're at it, you may as well ask about livestock then, too, whether those are also covered under this special movement or whether—or what exactly commodities are covered underneath there. And if you can get back to me very soon so that these people can know what's going on.

**Mr. Kostyshyn:** I do respect the question that's been brought forward by the member opposite, and I think the member opposite does appreciate the circumstance that the grain producers are in this year. It's truly unfortunate that the province of Manitoba is sitting with 116 per cent grain capacity at the local elevators and—meaning that we've got full elevators. We've got 16 per cent sitting out in stockpiles outside the traditional storage areas. It's somewhat challenging to see 86 per cent of elevator capacity in Saskatchewan and 86 in Alberta.

And I think what we're doing as a government—and I would totally respect the member opposite that we're trying to be creative as much as we can to work with the grain industry at this point in time while the emergency and the seriousness of cash flow for the producers that have somewhat been challenged in the movement of grain. And I do appreciate the member opposite's commentary of the importance that we had a long, drawn out discussion with this and we see the importance of moving forward with this legislation as far as road restrictions.

\* (16:30)

So we will continue to work with the grain industry, and I hope the member opposite does appreciate our commitment to work with the industry.

When we talk about the livestock industry, that is not included in the transportation of the cargo. It is strictly targeted towards the grain industry, and if we need clarification I will get clarification dealing with the potato industry tomorrow, if not sooner.

**Mr. Pedersen:** So, moving—I look forward to that then and thank the minister for that, Mr. Chair, hearing back about potatoes and seed potatoes.

The name of the department was changed from Rural Initiatives to Rural Development. Can the minister give me some insight as to why the name was changed?

**Mr. Kostyshyn:** I just do want to, you know, respect the title Initiatives, and now we've gone to Rural Development. It was the—it's the thinking that we felt that we needed to incorporate rural development. As we see agriculture, it's a broad-based industry and we know the added value of the commodities that are produced or processed here in the province of Manitoba. And, when we talked about rural development, we felt that agriculture is definitely a key component of that. You know, we have other ministries, such as Jobs and the Economy, which is a partnership as we move toward.

I think all along we have realized the importance of agriculture and we still need to improve upon it, and I guess what we're trying to do is create some innovative menu of how we can do the rural development. And agriculture definitely is the lead in that perspective. I think the member opposite is quite familiar with the fact that, you know, when we talked about the value of agriculture in the province of Manitoba, and then when you consider us being at 9 per cent of the GDP, you know, that basically almost works out to about a \$10.1-billion industry in the province of Manitoba.

And we all know that, with the world population where it is today and the need for food and the future of food being a key component, we wanted to send a clear message of—to industry, present and in the future, locally or internationally, there is an opportunity. The province is more than willing to sit down and help in delivering of the food in an innovative way and the processing of the food.

The fact is that, you know, when we consider the importance of a labour force of around

64,000 people, directly and indirectly, it's a true indication how the importance of—so when we did the name change, I think we wanted just to re-emphasize the importance of agriculture and rural development. But agriculture is one of the branches in the main stem of the tree that we're very proud to say that we'll use our offices, the GO offices, to enhance the rural development as we see the added value in the processors.

I think one thing that's very key when we talk about new traditional crops that have been grown in our province, and now we see the migration coming into the province of Manitoba, that's truly a signal of innovation and research that we see. And I think the member opposite is quite familiar with the opportunity of GF 2 dollars and we feel that, you know, rural development and with the partnering with the federal government and industry, it will create opportunities for rural development, and doesn't necessarily have to be in the large urban centres. We could have it in small communities. It could happen in Benito, Manitoba; it could happen in Rosburn, Manitoba.

So we're working through our offices that we want to provide opportunities for business to start up and all we're doing is reinforcing the importance of rural Manitoba, and we will continue to work with agriculture and rural development in the province.

**Mr. Pedersen:** So what's the cost of changing the name to the department, because, obviously, everything from letterhead to business cards to signage has to be changed? And where would I find that in the Estimates book?

**Mr. Kostyshyn:** And just to answer the particular question, and, if I may, I'd like to just update some to the previous question. I'll deal with the question that's been brought forward immediately.

As you know, the paper that traditionally probably had rural initiatives, the business cards that have been in there, our policy today is to use up the necessary literature, the paper, as on a need basis so that when the time comes to remanufacture new—or to get new stationery, get new business cards—we are doing our utmost to use up whatever previous literature there was and make sure that we use up old stationery, old business cards, old whatever. And then we'll start purchasing new letterhead and names on the paper and business cards on an ad-need basis.

And, if I could just, if I may, I would like to just elaborate a little bit to the previous question when

the name change took place to rural development, and I would like to share this with the member opposite. You know, it has been around for a number of years, and I just want to inform that the capacity development on community and organizational level, I think that is—that's very key, and that's one of the things we're striving for on refocusing.

In the three approaches in the areas: Rural business development. It's assisted value-added business. Agriculture, food and manufacturing are key components. Strategic sector development: growing industry in rural developments are a part of the strategic importance of provincial and rural economies.

And if I could give you some examples. You know, we've provided support to over 50 municipalities and 10 regional groups, and that comes through the regional REAP, R-E-A-P, and I'm just going to get the proper pronunciation for that, and that's Rural Economic Development Initiative. So, you know, we're very proud of what we've done before, okay—*[interjection]* It's a clarification of REAP. It's the 'acronym,' regional economic analysis program. And MAFRI has approved, you know, six rural applications under community enterprise tax credit program, totalling about \$2.6 million for projects such as a community store, community restaurants and hay processing plant.

Mr. Chair, 2013: the Province supported the RM of Eriksdale Community Development Corporation with a \$25,000 towards the program as well. REDI also provided \$88,000 in funds to assert the feasibility of four prospect short-line railways. And I think that's very key when we talk about grain movement, and I'm sure there'll be further discussions. You know—and Hometown Manitoba grants supports over a hundred municipalities each year with about \$225,000 in total.

So I just wanted to share that, and I'm sure the member opposite appreciates giving me the opportunity to elaborate on the importance of rural development in the province of Manitoba.

\* (16:40)

**Mr. Pedersen:** So, Mr. Chair, I've got the 2014-2015 departmental expenditure Estimates book. Where in here do I find what the estimated cost will be of changing the name? There is a cost; you cannot keep using cards and letterhead forever; eventually, you're going to have to change. What is the cost?

**Mr. Kostyshyn:** As I said, as we deplete the inventory of the old-name title, we will order them as—on an as-needed basis. It's not going to be—we're not—our intention is not to destroy any of the literature that is—presently has the title Rural Initiatives. We will order new material with the name change as the inventory depletes.

**Mr. Pedersen:** I have a news release, one of many from this government, but this is just one of them. April 2nd, from News Media Services: supported by increased funding, Minister of Agriculture. And it says the Manitoba's Partner 4 Growth program is doubling and will offer up to \$260,000 in grants to support community-led projects.

Just a second—what is the administration cost expected to be of those \$260,000 in grants?

**Mr. Kostyshyn:** I thank the member opposite. I think he brings the question forward because he realizes it's such a great program and I'm glad to share the—I'm sure he's glad to share his smiles and I do thank him for the question because, obviously, the member from Midland is very supportive of the program as we move forward on this. And I know that the question brought forward is, is the \$260,000 going to be somewhat involved in the administration of the program.

And I think, you know, we go back to last year where there was a dollar amount of \$130,000, and the dollars was—the requests for those dollars actually double the application, unfortunately, to meet that. So we've doubled the dollar amount. We foresee the opportunity of the applications probably doubling, and we see the merits of this program succeeding.

I want to inform the member opposite that the \$260,000 is the money that will be available to the project regardless whether there's assumption that some of this money will be used towards the administration staff being within the department—is not so, the full one hundred—\$260,000 is money that's available to the appropriate communities or regions to apply for the grant dollars.

**Mr. Pedersen:** I can read, and it says \$260,000 in grants. I believe you on that, but there's an administration cost. A year ago, you axed the support to the regional development corporations, and I believe there was five regional development corporations that you cut funding to a year ago that were doing exactly the same job as what your administration will be doing now. So what you've done is you've added administration costs within

your department that was being done by regional development corporations before. So \$260,000 in grants, okay, but you have administration costs. What do you expect the administration costs of giving out this \$260,000 in grants, what do you expect your administration costs to be and where do I find that in your Estimates book?

**Mr. Kostyshyn:** I just want to emphasize I do appreciate the member opposite can read and I know he does, so I'll try and clarify the question again for member opposite.

The \$260,000 that was announced in partner [inaudible] was in consultation with the AMM organization. And I'm sure the member opposite's quite familiar with AMM organizes—and they're thrilled about it, and I think we all are, in the advancement to develop economic development in the rural areas. When you refer to the \$260,000—and we have front-line staff that are available in the local offices. They are there as the added tool to provide constant communication—and the sense I get from the member opposite is his interpretation is that the full \$260,000 will not be available. I want to assure the member opposite the \$260,000 are available at full capacity and what we're saying, the staff that are in the local offices that will be the partnering agency to help out in the local municipalities or the small communities, they are the connecting link. And you also have to accept the fact that we—in the department, we have other opportunities to provide additional tools in the toolbox. This is one of many programs that we provide through the department, through the Government of Manitoba to provide economic development in the rural areas.

So when we talk about potentially Growing Forward 2 opportunities, I think it kind of is a natural fit, when we have our administrative staff in the local rural offices helping out to facilitate the \$260,000. But, an example being—by the way, there are other programs that we provide within the government that you—people will be able to tap into and provide an opportunity to explore options. Rather than them doing it on their own, this is intended to strictly to provide a transparent means of a business development and we will be there working with them, also with our minister from Jobs and the Economy. We have other departments that we want to share—we want to become the resource to help out the local industry. But first and foremost we definitely want to have rural economic development and this is one of the great things we're proud of, to increase the funding allocations and use the present

staff we have in the appropriate locations to help facilitate and deliver the program without creating any additional hardship for the new entrepreneurs in the future.

**Mr. Pedersen:** How many offices did you close last year?

\* (16:50)

**Mr. Kostyshyn:** To answer the member opposite's question, 2013, we had seven office closures. But I do want to stress the importance that all staff that were in those designated locations were accommodated, with one staff member choosing not to accept the job. So, as we said, the jobs have been posted—or were—staff have been relocated in other offices. And in some of my conversations with some of the staff members personally is that some of them really appreciated the opportunity to be relocated because it was actually closer, so, to their destination. So I think when we look at the overall spectrum of office closures, was the fact that some of them really appreciated and they saved travel distance and accommodated.

I think the other thing that's very key as we look at moving forward in this saga is that, you know, our sense is that the traffic moving through the offices has reduced. The farmer is choosing not to get out of the tractor cab to come to the office. Their choice would be, if I could get on my cellphone and make the call, it would be more appropriate. And the cellphone—I think the member opposite is quite familiar with—has its challenges, historically, and, you know, I think there's definitely a need to improve the communication base.

But, without a doubt, I think the member opposite really appreciates the population of the number of farmers there is in the rural landscape. The use of the GO offices is somewhat, you know, a lesser requirement. Farmers, ranchers, grain producers are very busy, and their time of walking into a GO office is a precious time. And I think what we're looking at is how can we provide the necessary information. The producers these days are, you know, in transition of the modern age and using the information base, whether it's cellphone, high-speed Internet, the—and I think the other thing that's very key when we have agriculture industries starting to facilitate, if I can use the farmer's edge being another key component when we talk about the importance of advisement towards the agriculture industry. Those are all key components.

So I think what I'm stressing out to the members opposite is that, what we used to do in agriculture 20 years ago and the visionary thing about the delivery at the GO offices is what it is. But, at the end of the day, producers rely more on making the necessary phone call rather than driving into the communities, only on an ad-need basis.

And, when we talked about the office closures, we had done our necessary research and we feel that as long as the lines of communication, the availability to get information doesn't necessarily have to be done in the office, it could be quite easily done at the kitchen table. As the member opposite is probably familiar with, we have a number of very capable staff members that are willing to travel, meet at the kitchen table with the producers, regardless of what commodity they're involved in. But they're also very informative on their own wishes.

So I think that to answer the questions, we are in a transition and we continue to provide the high level of services for the agriculture industry. And I want to ensure the member opposite we will continue to provide that information to the agriculture producers that traditionally use the GO offices.

**Mr. Pedersen:** How many local GO offices are planned to be closed in 2014?

**Mr. Kostyshyn:** At this present time, there are no offices closures for 2014.

**Mr. Pedersen:** Just to be clear, there is—for 2014, there will be no more GO offices closed in Manitoba?

**Mr. Kostyshyn:** At this point in time, there is no offices' closures slated for 2014.

**Mr. Pedersen:** Mr. Chairman, if I can get clarification now. There's GO offices, and there's GO centres. Am I correct in that terminology?

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

**Mr. Pedersen:** Then I'll ask the question: What is the vacancy rate for employees in GO centres and GO offices currently?

**Mr. Kostyshyn:** Just to reinforce my comment here, this is throughout the whole department, member opposite. The department's vacancy rate presently sits right now at 16.9 per cent and that's throughout the whole department, not dissecting the various departments within MAFRD.

**Mr. Pedersen:** So is it possible to split out that for GO offices and GO centres away from the rest of the department?

**Mr. Kostyshyn:** Yes. I don't have that documentation in front of me, but I'll gladly share that with the member opposite soon—tomorrow, day after—but very soon.

**Mr. Pedersen:** Tomorrow would be good.

So you have closed seven GO offices; you have none closed to date. I understood the way you answered that one, so we'll leave that one alone. You just finished telling me at great length how the staff is going to administer these—this \$260,000 Partner 4 Growth.

You've got less centres; you've got a six—17 per cent vacancy rate, which, I suspect, is higher within the GO centres and GO offices. So who's going to do this work?

**Mr. Kostyshyn:** I do want to share the, I guess, the template that the member opposite's brought forward when we talk about the number of staff, and I think it's safe to say that the assumption is somewhat not all GO office staff members have been laid off when we talk about the 17 per cent vacancy rate. It's a number from a number of different departments, so I think it should—you should not assume that that's all from within the GO offices' front-line service. But I do want to share this, as we talk about the importance of working with the AMM organization—

**Mr. Chairperson:** The hour being 5 p.m., regrettably, committee rise.

#### EXECUTIVE COUNCIL

\* (14:40)

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

Would the Premier's staff and the staff of the Leader of the Opposition please enter the Chamber.

The floor is now open for questions.

**Mr. Brian Pallister (Leader of the Official Opposition):** So let's get some clarification on this Canadian Press report this morning that says that there was—there were documents—just to give—documents presented, or there's evidence that documents were presented. I haven't had a chance to review such documents, I just reviewed the Canadian

Press story. But maybe the Premier could just clarify. I think there's probably just some confusion about phraseologies here, because I know the previous Finance minister and the Premier are both on record saying they didn't review documents pertaining to a 9 per cent possible hike. So that is—that's a matter of public record. So I think there's some confusion going on here with respect to perhaps the interpretation of what the Canadian Press has. I—maybe the Premier could just clarify as to what—I think what they're asserting is that there was a—there's evidence there were documents prepared that speculate—you know, ran a revenue flow out on a 9 per cent PST hike. And that may—it may have been that Cabinet didn't review that. I'm not sure. But I'd like the Premier to maybe clarify what's at issue here.

**Hon. Greg Selinger (Premier):** I believe that was addressed in question period. It's not surprising every year that the department prepares a variety of scenarios, and they do mathematics. They calculate what 1 per cent of the PST will be. But recommendations are what counts, and there was no recommendation to raise the PST to 9 per cent.

**Mr. Pallister:** Okay, well, I'm not sure about the Premier's comments on the record. I don't have a copy of the news article. But I do know that the previous Finance minister said that he reviewed no such documents, no such projections. So I'm curious as to how that could be. If there were documents presented to Cabinet, then he would have—surely, would have reviewed them as the then-Finance minister. So I just need some clarification on that. I understand—I think I get the gist of what the Premier said, that there would be—might be a formula presented, or something, as to what a PST increase would show presented as a matter of habit or whatever. And I get that he's drawing the distinction between such a document and a recommendation. I think that's the gist of what he's doing.

But, again, was there evidence then presented to Cabinet of how much revenue a 9 per cent PST hike would—how much would be derived, hypothetically—it's always a hypothetical, of course—would be derived from a 9 per cent PST hike? Was that evidence then presented to Cabinet?

**Mr. Selinger:** It was a recommendation that was presented to Cabinet, and that was to consider at time-limited 1 cent increase on the dollar for the PST for the purposes of focusing on critical infrastructure in Manitoba. That critical infrastructure included the

report that came out just prior to the budget that recommended up to another billion dollars be invested in flood protection. That flood protection included making the temporary emergency channel a permanent channel, adding an additional channel out of Lake Manitoba into Lake St. Martin at the same time as the emergency channel was made permanent and widened to handle additional capacity, and a variety of diking projects that were done on an emergency basis to be made permanent and permanent protection to be provided to communities of Brandon and communities along the Assiniboine River. So that's the information that was presented to Cabinet.

**Mr. Pallister:** Well, the—so the information that was presented to Cabinet did not include any revenue projections on a hypothetical 9 per cent PST hike? Is that what the Premier's saying?

\* (14:50)

**Mr. Selinger:** I'm saying what was recommended to Cabinet was a 1 per cent, time-limited increase in the PST to 8 per cent, focusing on infrastructure.

And I've elaborated some of the infrastructure that was identified, and one of the big things that was identified was the need to provide long-term flood protection for these communities that have been very seriously impacted. And that was a recommendation that we followed up on with an initial, very major commitment of \$250 million right after we rolled out the budget in '12 and—well, actually, '13, sorry—after we rolled out the '13 budget, and that allowed us to trigger the long-term planning and engineering work and feasibility studies and public consultations that are required to bring projects like that forward.

And we announced it as—in a pretty timely fashion after we received the report from the committee of citizens and experts that were mandated with the responsibility to look at what the long-term solutions were in the Lake Manitoba-Lake St. Martin area and along through the Assiniboine valley.

So the recommendation focused on a time-limited, 1 cent increase in the PST with dedication of that money to infrastructure.

**Mr. Pallister:** I thank the Premier for that. My question wasn't about recommendations, though; it was about information tabled to Cabinet. I think that was the nature of my question, because what the Canadian Press story reports is that there were two documents prepared for Cabinet that referenced a

9 per cent PST. Is the Premier saying that that story is false, then?

**Mr. Selinger:** I'm saying that Cabinet dealt with the recommendation to increase the PST by 1 cent on the dollar for focusing on infrastructure.

**Mr. Pallister:** Well, I'm aware that's what the Premier said before. But I ask him again: Is he then contending there were no such documents presented to Cabinet which showed numbers for a 9 per cent PST increase? Does he contend that?

**Mr. Selinger:** I'm saying Cabinet dealt with recommendations from the Finance minister with respect to the budget.

**Mr. Pallister:** I think we've established that—my understanding of the word recommendations, and that's what the Premier is choosing to confine his response to. But my question is not about recommendations, it's about information, documents put forward at Cabinet for a 9 per cent increase.

So I'll ask him again, is he contending that the—no such information was presented to Cabinet?

**Mr. Selinger:** Again, Cabinet deals in recommendations with respect to the budget, and they did receive a recommendation on a 1 cent increase on the dollar for infrastructure investments, and that's the question that they—recommendation they received, that's the recommendation they addressed.

And as I said earlier, there's—there were lots of recommendations that were made, including by a former minister of Finance when the member opposite was a member of government, and that recommendation was to increase the PST. There were also recommendations to harmonize the PST and the GST. And there were recommendations that came out of that report to scale back tax credits that reduced property tax credit—property taxes for citizens, including seniors.

So those matters were presented in the public domain, those were matters that were in front of all people of the Legislature, including members of this government.

**Mr. Pallister:** Well, the Premier says the Cabinet deals in recommendations, but does it not also deal in deliberation? Does it not also look at facts presented to it by research prepared by staff or obtained in other ways that it can then evaluate and make decisions on?

**Mr. Selinger:** Again, Cabinet deals with a wide variety of issues with respect to the budget, and the recommendations are what they address when they make their decisions. And the recommendation was to consider the 1 cent increase on the dollar with respect to infrastructure and the critical need to invest in infrastructure that would protect communities from flooding, to provide better roads, sewer and water, to upgrade our major highways in Manitoba for economic purposes including the CentrePort project which has a whole bunch of pieces attached to it, including improvements to Highway 75, including improvements to the Perimeter, interchanges that will allow the traffic to flow better. Those were very specific recommendations that grew out of the capacity to have the resources to do that based on a time-limited increase in the PST for 10 years, of which the first year has lapsed, nine years remaining in that.

**Mr. Pallister:** So then the Cabinet determined that a 1 per cent PST hike was adequate for the current plans the government has in respect of infrastructure and other investments. Is that a fair summation of what the Premier's just said?

**Mr. Selinger:** Mr. Chair, the member will know that we've rolled out a 5-and-a-half-billion-dollar infrastructure program to build a stronger Manitoba-core infrastructure priorities. I believe I've tabled the document with the member. It's a publicly available document, both online and in hard copy. I have a copy here in my possession.

And that program lays out what we heard from Manitobans. And new construction should benefit families and businesses. That's one of the things we heard. Core infrastructure investments will benefit the economy the most was the view of Manitobans, and that any additional sales tax revenue should—from a lift in the 1-cent increase in the PST should be dedicated to core infrastructure projects such as roads, bridges, flood protection, municipal infrastructure, over and above the existing investment levels, which is why we came up with the 5-and-a-half-billion-dollar, five-year program.

They also suggested that unused funds should be carried forward to future years to ensure that all planned projects proceed and infrastructure funds do not lapse. They asked for clear and transparent reporting on how PST revenues are invested in—to provide accountability, and we've undertaken to do that. And I—as a matter of fact, I've read into the

record some of the tendered projects that we've already put out. I'd be happy to add additional information in that regard.

And Manitobans said they didn't want us to delay. They wanted us to get on with it right away. They wanted us to start building this infrastructure as rapidly as possible and to use innovative approaches to—and better planning so that, for example, we get tenders out earlier in the year and give greater notice so that the contractors could be ready to mount the workforce and equipment necessary to undertake those tenders.

So those are the recommendations we heard in—when we reached out and talked to Manitobans all across the province and talked to people involved in the building of the infrastructure and training of people that build infrastructure. And we've seen several announcements in that regard for—one of them is a commitment to industry, that we will provide a detailed, multi-year project plan this spring—and we've done that—and update every year for industry planning purposes.

I've indicated we also said we would do an early tender schedule each fall that identifies all projects planned for the following construction season. We will bundle projects, where appropriate, to reduce the number of tenders and create efficiencies in project planning and administration.

And we said we will continue to explore innovative tender and project delivery techniques to get the best return on each dollar invested. And we will meet regularly with industry to improve co-operation and help industry grow their workforce with expanded apprenticeship and training opportunities. And the member will know that we've revamped our apprenticeship tax credits to have additional bonus for people that hire apprentices for the first time and increase the credits from every level of apprenticeship up to \$5,000 a year.

So there's been many follow-ups, based on what we heard from Manitobans, and that has allowed us to start ramping up this infrastructure—much-needed infrastructure in Manitoba.

On the last page of that document, on page 12—and I think I pointed this out to the member before—it shows how the PST commitment will be ramped up on core infrastructure, and then it shows the totals over the five-year period.

**Mr. Pallister:** I guess it's always the case that when anyone makes a commitment to change their—they

could be accused of having done something wrong in the past. And I'll—having preambled by saying that, I don't mean to be harsh in saying this, but I have to observe that these innovative tendering practices that the Premier refers to and commits to today and makes great effort to repeat, clearly were not followed in the first 15 years of his administration.

\* (15:00)

So making the promise now is wonderful, but it makes one wonder why the tendering practices and the failure to carry forward and the failure to be clear and transparent were so apparent for so long.

The Auditor General has also remarked in her report with concern the tendency towards untendering: non-tendered, sole-source contracts. And so I wonder if the Premier would like to add to his list of commitments and commit to making an effort to ensure that wherever possible the market forces that can be created through an open tendering process in our province are allowed to be brought to bear in achieving better value for taxpayer investments in infrastructure. Because the question is not just one of spending, but one of results, surely, and that is something that the government needs to be, I think, reminded of. It isn't just the global number that one claims they'll invest in infrastructure that matters. I think the real thing is the outcome of those investments. And if you can squeeze the penny—well, it used to be a penny, I guess the nickel—a little harder, maybe that's a way to get better value for the taxpayers of this province.

So I wonder if the Premier'd like to comment on that. Is there an effort under way on the part of the government to make sure that there are—there is a reduction in the use of sole-source contracts not exclusively for—perhaps the Premier could talk about infrastructure again. But, overall, is there some commitment or some endeavour under way by the government to get away from the old practice of sole sourcing for supplies, for services, for labour on government purchasing?

**Mr. Selinger:** Tendering is very, very central to many of the contracts that are let in government. There are specific—there is a policy in this regard and there are situations when the tendering policy can be waived, and I've read those into the record before.

But, you know, I just have this gigantic list here of tenders that have been put out this—issued already this year and there'll be more coming, but—I've

indicated before and I'll just, you know, just give some examples.

We were—we've tendered the 2.1 kilometres south of Provincial Trunk Highway 52, Park Road around Steinbach, and that's bituminous pavements; mill and fill, they call it. It's a \$2-million contract that's been tendered. We've tendered out 1.6 kilometre west and—of east junction Provincial Road 254 to Provincial Road 678, King Street in Virden. It's a bituminous pavement, includes grading and base, very major project. It's part of a 21.9 kilometre stretch of road and it's bituminous pavement. It's a very significant piece of work. It's been tendered out. I've got a long list here I could read into the record if the member wishes me to.

But tendering is used in the majority of cases for sure, the vast majority of cases, to expedite work and to get good value in the marketplace. Technological improvement is also a part of getting increased productivity and—*[interjection]* So, for example, we're starting to see greater productivity in paving in Manitoba because there's new advances in being able to recycle some of the asphalt into the new covers on the roads which allows for increased productivity, greater value for the dollar in the roads that we're improving, up to 30 per cent improvement in the value for the money there.

So we're always looking for ways for the people that are doing the work to improve their productivity, and we do research and development with our institutions like the universities and with industry to find ways to strengthen our capacity to increase productivity, but competitive bidding is certainly an important dimension to that as well.

**Mr. Pallister:** I'm glad to hear the Premier's commitment to competitive bidding as something the government will pursue.

On the issue of reading infrastructure projects into the record, I'm happy to, if the Premier wants to table a list, I'd be happy to review it if it isn't one that's been tabled previously.

While he's doing that, perhaps he could table a list of all the projects that were postponed over the last four years. I'd like to have a look at those, if I could, the projects that were supposed to be undertaken that were not undertaken over the last four years, and perhaps, if the data's available, the reasons why those were postponed; that would be something worth reviewing, just maybe from

2009 fiscal to last year. If I could see a list of those, that would be helpful.

Does the Premier have, off the top of his head, had any idea on the percentage of these next five years, projects that have been stated in his document there that are projects that were previously committed to be undertaken that haven't proceeded until this five-year plan was brought forward?

**Mr. Selinger:** Yes, again, tendering is the standard procedure unless there's four reasons that are—that come up that can be satisfied that a tender can be dispensed with for that specific project.

One is when there's an urgent requirement when only one supplier is contacted to meet a particular need, and an assessment is verified that any other supplier is not feasible or practical. That's under urgent requirements. A single-source approach to accommodate the procurement of requirements where only one supplier is capable in providing the goods or services. A sole-source approach, when only one supplier is permitted to provide the goods or services and an assessment verified that any other supplier is precluded. And, of course, an emergency situation where an unforeseen situation that poses a threat to life, property, public security or order, and the goods and services must be obtained as soon as possible to mitigate the associated risks. So those are the four reasons that can be considered if there is not going to be a tendering procedure undertaken.

And, in the case of the 2011 flood, there were many situations where there was a need for either an urgent requirement or a single-source requirement or an emergency situation that was considered necessary to address these things. Now the Auditor General has said that there could be some improvements in that regard, and we appreciate those feedbacks—that feedback, and we're going to look at ways that we can strengthen that process. So tendering will be a part of it.

The member will also know under various trade agreements that there's the ability to have special procurement, for example, with respect to Aboriginal people in the country, that there could be an approach where a certain amount of procurement is set aside to allow the Aboriginal community to participate in the tendering process and that is allowed, too, or procurement can be sourced from Aboriginal suppliers as well.

In the case of the floodway, we found that by facilitating the access to the tendering process or the

competitive bid process, a number of Aboriginal companies did very well and got some of the work and did the work very satisfactorily and did it at a very competitive price, which is why they got it. So we definitely are looking for ways to allow more access to the competitive bidding process and encourage a variety of suppliers of services to be able to do that. So that's—those are important requirements as we go forward. And we'll look for ways to do that.

**Mr. Pallister:** Mr. Chairman, I appreciate the Premier putting those reasons for not tendering on the record but that wasn't my question. My question was about the non-tendered projects. And I accept his point in respect of the emergency circumstances he alluded to, to a degree, in 2011, but he and I both know that the infrastructure budgetary commitment was underspent the previous two fiscal years and I'm curious as to why. That we've already—I've already attempted to address with the Premier but, again, I'd like him to undertake to provide me with a list of the projects which were to be undertaken in fiscal '09-10, '10-11, '11-12, as well, if he would, just so I could ascertain to what degree these projects are now being included in the five-year plan.

\* (15:10)

I'd like to have a list of projects that were committed to in previous fiscal years that were not proceeded with, because we understand that the allocated amounts in the budget for infrastructure for those fiscal years were underspent by an average of 27 per cent, totalling \$1.9 billion over a four-year period. So there's a lot of money that went to other things, and I understand that there may have been reasons for that. The Premier hasn't given me any yet, but I understand and accept that he might like to do that.

But I would like him to undertake to provide me with a list of projects that were to be undertaken over those four fiscal years, that were not undertaken.

**Mr. Selinger:** I just remind the member that this was a subject of the Auditor General's review, this business of waiving of competitive bids. And they did a quite thorough review of it with very thorough recommendations. So they had full access to any of the information they wished to have, and they brought forward their concerns and they brought forward their recommendations, and we've responded to those recommendations and take them seriously and will be following up on them.

There's responses provided in the Auditor General's report about what government plans to do to respond to those concerns, and so we'll be focusing on following up on the Auditor General's report and the recommendations therein and we'll be focusing on building these infrastructure projects as per our five-year plan to ensure that we strengthen our infrastructure in Manitoba.

And, as I said earlier, there's a variety of projects that have already been let for this year, and I've just got one example of it here, but—for another example is, for example, the US border 21–20.1 kilometres north of the US border, microserving, about a \$1.18-million project has been tendered and will be going ahead.

In Brandon, for example, there's a 1.3 kilometre east of junction highway—of PTH No. 1 and 50th Street, acquisition of right of way, \$100,000—that's usually a necessary precondition for improving the road there. And then there's in Brandon at that same location, once that acquisition of the right of way occurs, there's 4 and a half million dollars committed to—by tender, through a tendering process, for bituminous pavement.

So there's just many examples of tenders that are going to be—have been let to enact the objectives of the five-year infrastructure projects that—or five-year infrastructure program that has been identified in Manitoba here, and they'll be following up on them. And many of the—many of these projects have already been put out there through the tendering process.

And, as I said earlier, I'd be happy to read these projects into the record for the member, but I've given some examples and I'd be happy to give more as we go along.

**Mr. Pallister:** Well, again the Premier's not addressing my question. I didn't ask him about the AG's report on the waiving of competitive tenders, I asked him about the projects that his government had committed to undertaking and to prepare a list, if he could put one together, of which projects were not proceeded with. He can continue reading projects into the record and to his heart's content, but I'd like him then to include when those projects were first budgeted for and first proposed. If he's going to be putting that data on the record, I think it's only reasonable to address the nature of my question.

And my question remains, would he commit to undertaking to prepare a list of the four fiscal years

prior to this one, those projects which the government had budgeted for but which it did not proceed with, because clearly the government underspent its infrastructure budget in those four years, for whatever reason, by significant amount; every four dollars that was budgeted to be spent on infrastructure, only three was spent—less than three was spent on infrastructure. So it would fall naturally, then, as a consequence of that deferral of those important infrastructure investments to some future date, that some of those projects which were budgeted for last year, the year before, the year before that, are now being proceeded with.

He can continue to play the game of reading into the record infrastructure projects if he wishes, but I'm simply asking him to be forthright and transparent in dealing with my request. I would like to see a list of the projects that were proposed and a breakdown of which were not proceeded with for the previous four fiscal years.

**Mr. Selinger:** As I said earlier, the energy of the department—and this could be asked at the departmental Estimates if there's a desire to do that or at any time in the future of the department. But the focus here was on responding to the Auditor General's report on waiving of competitive bids and whether that was appropriately handled or not.

I've indicated to the member in previous discussions we've had that infrastructure spending has been contiguously going up year over year and that we've made very significant improvements in the amount of resources we've dedicated towards infrastructure spending in Manitoba, and certainly at a far higher level than was done when the member opposite was a member of government and certainly with a greater vigour in bringing these projects to fruition. And there are many projects that are—have been identified and are going forward.

We've discussed previously some of the constraints on that, but I've noted that in the five-year plan one of the recommendations was that if a project for whatever reason is not able to be done within that specific fiscal year, that the resources will be carried forward to future years. In the past, resources have been carried forward in the sense that we've increased the amount of spending year over year. So there has been a ramping up of infrastructure investment in Manitoba, and now under the five-year plan the money will be carried forward to ensure that planned projects proceed and that infrastructure funds are available. If they are not

able to be used in that year, they'll be available in future years to follow through on that project. So—and that's exactly what we're going to do is we're going to have resources that move forward, that are available if for some reason a project can't be done.

But in the past, and I indicated this in our previous discussions, there have been some times when the amount that was originally identified was not met for a variety of reasons, but then the following year the amount increased. So there's been this continuous trend towards increasing the amount of money we commit to infrastructure and ramping up that infrastructure investment in Manitoba, and it's had very significant results. People will know that in their own constituencies they've seen very significant improvements to roads. I believe the acting chairperson would have seen that in the Interlake, for example. But there are—there's still much important work to be done and that work will be done as conditions permit.

Now, the other advantage that we have now is by having this nine-year or 10-year plan, nine years remaining, infrastructure plan, we can do more forward planning because we know the money's going to be there for the next nine years as it was this year. And that money will allow for early tenders, a greater ability to make sure companies are engaged with proper equipment and workforce. It's part of our skills agenda to skill up another 75,000 workers inside of Manitoba right now.

And so this new plan gives greater certainty by having a five-year commitment to ramping up infrastructure spending in Manitoba and that's indicated in the plan. And then there'll be transparency with respect to that. There'll be an indication of what's been accomplished every year and where and what the value of those projects are and how many jobs were created as a result of that. But that plan is laid out on page 12 and it indicates in the '14-15 year that—budget year that we're just entering into—that there'll be about 1 billion, 5 million dollars of infrastructure investment. The base line investment's \$729 million. The additional resources generated through the 1 cent increase in the sales tax generates about \$288 million, for a total of one billion, 17 million dollars. Sorry, total of 1 billion. So it's 729 in the base 276 on the increase to the—1 cent increase to the PST, for a total of 1 billion, 5 million dollars of infrastructure investment, which would be actually \$21 million over the base line plus what the PST would generate that year, and that will carry forward and deal with some of the

projects that were not able to be completed last year for whatever reason.

\* (15:20)

So over the five-year period we can see that there will be an investment commitment that actually exceeds the amount of additional resources generated by the PST over the five years, and that allows us to be able to address some of the projects that were not able to be done in the past.

**Mr. Pallister:** I've been very conscious to not put an onerous load on the Premier or his staff to prepare data and put figures together for me. This is my first request for information and the Premier continues to ignore it, and I would simply ask him to undertake to provide me with a list I've asked for before. I am not attempting to divert his attention or his resources away from his many, I expect, onerous responsibilities. I simply want to be able to review the numbers that the government has committed in the past to infrastructure and how many of those projects, or what percentage of those projects, were not proceeded with. I'd like to have that data provided to me and I think that's the purpose, as I understand it, of this process, so I don't appreciate the repeated obfuscations.

I do appreciate the observations the Premier makes—I thank him for those—but I would like him to agree to provide me with the figures I've asked for. Can we have that undertaking? And I know the Premier has many other responsibilities. I get that, but I'm trying to do my job here and I need some help. I need the Premier to agree to provide me with the information on expenditures which is in his purview and he has available so that I can review it. So I am asking him again if he would simply undertake to do so.

**Mr. Selinger:** What I've indicated to the member is that we will provide information on all the projects that we've committed to in the five-year plan, and that for whatever reason a project can't be completed, resources will be carried forward to allow that project to be completed in the future, within those five years. And I've indicated to him that in the past where projects lapsed, then in the subsequent years there was an increase in infrastructure spending which not only allowed those projects to be done but allowed additional projects to be done. So there has been a ramping up of that.

Now it's important that the resources be focused on building infrastructure and also complying with

the recommendations by the Auditor General. And I've said, in both cases, we will be focusing additional resources on building that infrastructure and complying with the recommendations made by the Auditor General's report. And so I've also indicated that if the member wanted to pursue that, he could pursue that at the departmental level through the Estimates of the minister, but this focus is on the five-year build plan for infrastructure in Manitoba—a critical plan that will provide much-needed protection for communities from floods, much-needed roads for economic growth and steady economy in Manitoba, and we'll do it in such a way that with the five-year horizon, that there's more forward planning that can be done, earlier tenders can be done, workforces can be mounted, equipment can be marshalled, all of those things can be brought into play and greater transparency in reporting because we'll know that the plan's going to be there for several years.

So those are the things I've committed to. So I know the member would like more information than that, but the information I've given him, a number of the tenders that have gone out this year, and we will let—we will put out those tenders—if those tenders for whatever reason are not able to be completed, resources will be carried forward in the future to allow those kinds of projects to be completed. And then there'll be good information provided on what has been accomplished. So this is a plan to move Manitoba forward with good infrastructure investment and the attendant jobs that accompany that as part of our overall skills agenda in Manitoba.

**Mr. Pallister:** Just to be clear then, let the record show that the Premier is refusing to provide me with the information I've asked for now on a half-dozen occasions and that he has directed me to ask questions of someone else other than him. Let the record show that.

In respect of his thesis that he's ramped up infrastructure, the numbers speak quite to the contrary. In fact, in 2009-10 fiscal, where his government committed to spend \$1.6 billion, they spent less than \$1.2 billion on infrastructure. That's a 27 per cent underspend.

In 2010-11, the government committed to spend more, it's true: 1.8 but it actually spent less than 1.3. That's a 28 per cent underspend that actually is worse.

In 2011 and '12, a \$1.794-billion budget for infrastructure, and the government found a way to

spend \$470 million on something else besides infrastructure. That's a 26 per cent underspend. And I should mention that the actual budgeted amount was less than the year before and, in fact, in 2012 and '13, the budgeted amount of one seven one nine was under the number for two years prior.

So, as opposed to the thesis the Premier advances, where he claims that infrastructure spending was carried forward in the past, it was not—that it was ramped up; it was not. And, in fact, he refuses to provide examples of where projects were pushed forward, even today.

So he is now saying that, in the future, he'll be totally different—a converted man—and he'll be—take a brand-new approach, and he'll do something he's not even willing to do today, which is to be transparent and straightforward and provide the information I'm asking for in respect of projects not undertaken in the past by his government. This department was underspent in the first four years after he became Premier by 27 per cent—\$1.9 billion—and he won't provide me with a list to tell me where all these carried-forward projects he's pronouncing now, that he's going to do in the next five years are coming from. That's not transparency; that's quite the opposite.

So I invite him, if he wants the record changed, to go on record as committing to providing the information that I'm asking for, so that I can do my job, and he can demonstrate to the people of Manitoba he's willing to do his.

**Mr. Selinger:** Again, I can sense the member's frustration with his desire to go backwards, but it's only a certain amount of time that he wants to go backwards. If he goes back far enough, he will remember that he was involved in raising the gas tax and cutting the highways budget at the same time. That's the record of when he was in office.

We have increased our spending on infrastructure, particularly roads and sewer and water and flood protection in Manitoba, quite dramatically—higher levels than ever occurred when the member opposite was in office, even if you 'injust' for inflation.

And the reality is is that now we have a five-year plan. We've started rolling out that plan. Within that plan, there's \$420 million in investment over and above the PST commitment, which allows projects that have been identified in the 'prast' that, for whatever reason, were not able to be completed, can

be brought forward and acted upon. So it gives quite a bit of commitment—5 and half billion dollars' worth—and a commitment of \$400 million over and above the PST—what that would generate, in addition to the base amount. So there's very significant commitment there which allows us to take advantage of the Building Canada Fund, when the federal government decides what priorities they wish to address there, and we can work with them on some of the things they wish to do.

But the bottom line is this, we're moving ahead with very significant infrastructure projects. Some of those projects can be done immediately within the fiscal year. Some of those projects require a longer time horizon, because they're very complex in the engineering requirements. Major flood-protection works, for example, take several years to bring into action, but they're necessary to get started now, so we can bring those projects into realization as we go forward. And there has to be a lot of engineering work done, there has to be public consultations done, there has to be constitutional requirements, with respect to section 35, in terms of consultation with Aboriginal peoples. All those requirements require early commitments and a lot of committed energy and devoted energy to move those projects forward, so we are undertaking to do that. The purpose of doing that is to provide safe communities in the future so that we don't have what reoccur—the reoccurrence of 2011, in terms of that historic flood in the Assiniboine valley and, of course, in the Interlake areas around Lake Manitoba and Lake St. Martin. Those were very significant events which require very major resource commitments to avert those kinds of incidents occurring in the future.

There's already been a lot of investment done there. There's been individual projects that we've supported for people to fix up their homes and cottages. There's been road projects that have been done. There's been diking projects that have been done. Some of those dikes are now permanent dikes. One example I can think of is Ralls Island up in the The Pas area, which is serving us very well this year when there's a concern about high water up there. We'll have to see how it—how the spring melt occurs, but there is a potential risk up there of quite a bit of additional flow through the Saskatchewan River, and the Ralls Island dike project is in place now as a multi-million dollar commitment that has been followed up on. So, these kinds of things will give greater security to those communities.

\* (15:30)

And I say to the member there is a lot of work that has to be done here and limited focused resources to do that. And there's been a commitment made to provide a clear indication of which projects are completed every year, which projects may not be completed given a variety of circumstances, but there is resources to carry that—to carry those projects forward in the future and get them done in the future. So that's different than the approach that was taken by previous governments, where they used to just budget for one year at a time on these matters.

We now have a very significant five-year commitment to infrastructure inside of Manitoba, and many tenders have been already issued this year for those projects. And I have a list of them here, I'd be happy to provide them to the member. There will be additional tender lists as the tendering continues to rollout.

But these projects are trying to get the best value for the money through the tendering process, as well as through technological improvements on how those projects are actually delivered on the ground. And the advantage of that is that you will see a lot of improvements in our infrastructure inside of Manitoba at a time when people believe that that's a necessary and important investment, including in the city of Winnipeg where we've worked with the City on a \$250-million, five-year commitment to fixing up streets in the city of Winnipeg—that's about \$50 million a year. And, as the spring melt continues to accelerate, we can see the need for why those commitments are necessary and why those projects are important as we go forward.

So there is a lot of work to be done, and I know the member wants to talk about the previous budgets and whether there were—all the projects were done. We've said not all of them were done, but there has been a continuous move to ramp up more projects as we go forward. And as we get this new approach under way for five years, in the five-year infrastructure program we've said that there will be annual reporting on that. That annual reporting will identify what has been accomplished and identify which projects need to be carried forward, and there is resources within the plan to carry those projects forward, and that will allow us to get more work done.

But we're hoping this commitment now, which will allow for earlier tendering, will allow the industry to be more responsive and be able to get more of the work done. It has been a long, cold

winter and a late spring, but we're still very optimistic that many of the projects that have been tendered will be accomplished this year.

**Mr. Pallister:** I'd suggest to the Premier that the—it's he who put on the record—I expect numerous times, but I've certainly heard him do it a couple of times—the thesis that past performance is the best indication of future behaviour. I'm—would guard him against claiming to give anyone hope when they look at the record of performance, the lack of commitment to follow up on the promises made 'budgetarily' to infrastructure by this government's well established. And in the same four-year period that this government felt that there were other uses for 20-plus per cent—27 per cent of their infrastructure budget that were of more priority—of higher priority, Saskatchewan, our neighbour to the west, was spending just 1 per cent less than they had committed in their budget to capital asset spending in infrastructure. So, I mean, other provinces can keep their word.

This Premier is now asking us to believe that his current five-year plan has some validity when his previous four-year plan doesn't. He's asking us to believe that he'll follow up and he'll chronicle and he'll give full transparency to all infrastructure investments that are made in the future, but he isn't willing to provide me with the data for the last four years, which, I think, calls his credibility into question on this issue.

So, you know, and as far as his—my willingness to go back four years and look at the fiscal performance of the government, I'm trying to evaluate what projects—what the validity is of the thesis that the government will actually keep its word.

And I'm looking at the last four years, the Premier says I'm willing to look backwards—yes, I am, history is a good teacher. But the Premier's good at looking backwards, I mean, he and his colleagues make close to a thousand references to the '90s since I got here a year and a half ago, so I get what looking backward is all about when I look across.

That being said, the—talking about future commitments in a five-year plan document is great, I mean, it's wonderful, it's important to have plans, but didn't the government have plans five years ago and they departed from them by a record level \$4 promised for infrastructure and less than \$3 spent? I'm—I've asked the Premier for reasons for that. He's told me the weather, but I think they have weather in

other provinces, and other provinces seem to be able to keep their commitments so.

I'm dismayed at the lack of transparency and forthrightness from the Premier on this issue. It's as if he has something to hide, and I don't know why he would behave in this way unless there is something there that he's trying to hide; I'm not sure. Again, I would like to have that list prepared of projects which were proposed but not proceeded with so I can evaluate, myself—because I'm not getting any help from the Premier on this one—why these projects were not proceeded with.

And I'll ask him again: Will he undertake to provide me with that data?

**Mr. Selinger:** I've made it clear that this government has done way more infrastructure spending and way more infrastructure results than was ever seen under the member opposite when he was in government. They took the opposite approach. They raised gas tax and cut highway spending. It was this government that came along and did the floodway project. Very significant, maybe one of the largest capital projects in the history of the province; probably was at the time it was undertaken, and came in on time and under budget. And then the additional resources were reinvested in other flood protection around Manitoba, places like Souris, Manitoba, and places like Duck Bay, and places like East and West St. Paul and St. Clements. So we've made very significant investments in infrastructure and moved those projects forward.

Now, as I've said, some of these projects came in under budget, and I don't think the member opposite would have any problem with a project that came in under budget that met all of its objectives. In the case of the floodway, one-in-700-year protection was achieved and \$37 million was saved.

For 2013-14 budget, 2013 forecast—and I put this on the record before—forecast investing \$1.799 billion on infrastructure, and spending occurred in the order of \$1.5 billion, which was still \$250 million more than the previous year, which would be '12-13. And that \$1.5 billion is three and a half times more infrastructure as there was in 2001 and '02, when it was at \$462 million.

So I've shown the member the graph of the overall trend of upward spending on infrastructure. He has made the point that some years were a little lower than others, but the overall trend, when you plot the data points and you then take the data points

and you put a straight line through it shows a very clear trend towards upward spending on infrastructure. There are year-to-year variations, which the member seems to be very focused on, but the overall trend is upward spending on infrastructure. And now I've indicated that we have a five-year plan for infrastructure which will dedicate all the additional resources generated by the 1 cent increase in the sales tax to bringing in additional infrastructure projects on top of the base amount that had been spent of \$729 million. And that \$729 million is itself a historic high amount of infrastructure spending in the province.

So, when you start taking the total story and putting it all together, you get a story of 5 and a half billion dollars over the next five years, and there will be surprises. There will be things that, for a variety of reasons—and the member identifies some of them—may not be completed exactly on time for whatever reason. It might take longer, for example, to do a consultation process. There might be a weather issue; there might be a specific engineering issue that has to be addressed. But then those resources will be carried forward and those additional resources, when they're carried forward, will allow the project to be completed when the issues that got in the way of it being completed in the previously hoped-for period of time are addressed.

\* (15:40)

So the trend line is very clear—upward spending on infrastructure since '01-02, with annual variations. Clearly, we acknowledge that, but the overall trend line is very clear and now we have an approach that allows us to project out five years instead of just doing it annually, and that approach will allow us to do better planning, mobilize more resources both in terms of equipment and skilled jobs, and it will allow for more reporting and an indication of where the projects have occurred, and it allows us to get going right now and find additional ways to do that as innovatively as possible because there's a clearer context of work within a clear five-year plan that allows us to work within that context.

So what I would like to say is—to the member is that we've been learning about how to mobilize and increase infrastructure investment inside the province, and, as we learn how to do that, we take those learnings and we increase the policy and programming requirements that allow us to capture that learning, and create a higher level of investment and a higher level of good jobs in Manitoba. So those

are some of the things I'd like the member to be aware of as we move forward.

**Mr. Pallister:** Okay. So, again, no list coming from the Premier on that.

On the issue of a little under—I would submit that my definition of a little under budget is—doesn't include \$1.9 billion and 28 per cent. I just want the record to show that what the Premier described as missing the target by a little is missing it by a lot, a significant amount.

He's undertaken to be transparent in the future though he fails to be today, and the transparency mechanism is the focus of this question then. He had said earlier, I believe—and I think it was in also the—some of the government's communications material. There is so much that I'm sure it's in there somewhere, that the Auditor General would be reviewing the expenditures in infrastructure to verify that the PST was actually going to the things that the government said it was going to. Is that a commitment that the Premier is prepared to keep? Is he going to put on the record that that's the case today?

**Mr. Selinger:** I just—I would ask the member to be specific on that question again. Which commitment is he asking about?

**Mr. Pallister:** Auditor General going to verify the government keeps its word on infrastructure commitments that the—uses the entirety of the PST for infrastructure, will the Auditor General verify that?

**Mr. Selinger:** The five-year plan, which I know a member has a copy of because it's been tabled with him, indicates what annually the PST will approximately generate, and that'll depend on the performance of the economy in retail sales et cetera. But it shows that there will be \$1.5 billion, which is equivalent to what the PST is expected to generate during that period of time, spent on infrastructure. And then, in addition to that, an additional \$400 million will be made available, and both of those items will build on top of the annual amount of baseline investment in '12-13 of \$729 million. So what you get is a program that generates, you know, \$5.147 billion of infrastructure investment between 2014 and '15 and 2018-19, and so that's where the resources are going to go.

We're going to have infrastructure spending that generates \$1.5 billion of investment related to the 1-cent-on-the-dollar PST commitment.

**Mr. Pallister:** I'll just ask the Premier to clarify that a bit for my enhanced understanding. So the 1.5 billion is over the next—is over this fiscal and the next four? Is that correct? Yes, okay. And then the 400 million—what does the \$400 million represent? Is that additional funding? Okay, I see the Premier nodding, so we won't need to bounce back and forth too much.

So what was the \$729 million that the Premier referenced?

**Mr. Selinger:** Do you have this? Okay, you don't have it, but you've got it somewhere. *[interjection]* Yes, okay, got you. Do we have an additional copy? Okay, we'll bring an additional copy in the room.

But what it lays out is planned investment of \$5.567 billion for infrastructure. And \$3.741 billion will be for roads, highways and bridges, at least \$320 million will be for flood protection, \$1.5 billion—just a little higher than that—\$1.506 billion will be for municipal infrastructure, for a total of \$5.567 billion. That will be resourced through \$729 million of baseline investment, which was the investment identified in 2012-13; \$1.502 billion as a result of additional 1 cent on the dollar sales tax. And then that will give you—those resources equal \$5.147 billion. And, if you subtract the resources from the commitments, as I've indicated earlier, you get an additional expenditure of \$420 million.

So that's where you get the \$5.5-billion infrastructure program, which is where we've—and then the Conference Board of Canada evaluated that and they evaluated that as providing—well, it's in the report here—they evaluated that as providing—for every dollar invested in infrastructure, they believe that through their modelling that that'll give \$1.16 benefit to the economy. And that will yield approximately 58,900 jobs for families, using the same methodology that the member opposite used when he was in government. These investments will stimulate the economy to the tune of \$6.3 billion. It'll boost exports by \$5.4 billion, should see new housing starts in the order of 2,100 and new equipment and machinery assets for firms at \$1.4 billion. And all of that will generate additional sales tax boost inside Manitoba, as well.

So it's a growth strategy, a very important growth strategy, both in the short term because it provides these infrastructure projects on an annual basis, but also in the long term because better infrastructure generates better productivity in the

economy and also results in many more, thousands more, Manitobans being skilled and having access to those job opportunities and training experiences. So those are some of the fundamentals in the five-year plan that we've laid out in front of the Legislature.

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

### Report

**Mr. Rob Altemeyer (Chairperson of the section of the Committee of Supply meeting in room 255):** Mr. Chairperson, in the section of the Committee of Supply meeting in room 255, considering the Estimates of the Department of Jobs and the Economy, the honourable member for Tuxedo (Mrs. Stefanson) moved the following motion: that line 10.1.(a) be amended so that the minister's salary be reduced to \$1.59.

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 Jobs and the Economy, the honourable member for Tuxedo moved the following motion: that line 1.(a) be amended so that the minister's salary be reduced to \$1.59.

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 Tuxedo.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 19, 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.

Will the staff of the Premier and the Leader of the Opposition please rejoin us in the Chamber.

Order, please. The floor is now open for questions.

**Mr. Shannon Martin (Morris):** Thank you, Mr. Acting Speaker—sorry, Mr. Chair. To the First Minister, I noticed the minister—or the government made an announcement in its most recent budget in reference to lean—what they referenced to as lean management—

**An Honourable Member:** Speak louder.

**Mr. Martin:** —sorry. The government in its most recent budget made reference to a lean management council. I'm wondering if the First Minister can advise whether any appointments have been made to that council. I believe the name of the chair had been made public, but I don't believe any other components of terms of that committee have been announced.

**Mr. Selinger:** Yes, as the member knows, Rob Despina has been—agreed to be the chair and he's finalizing the other members of the committee, but I don't believe that that has been completed yet. But they're working towards getting a council appointed of people that have experience in lean procedures.

**Mr. Martin:** I'm wonder if the First Minister can advise the parameters for the review. For example, I mean, would it be requiring all departments to review operating expenditures to identify potential reductions? Would that be one component of the lean management?

**Mr. Selinger:** Yes, that's what's done in Estimates. And budgeting is—those things are looked at as a matter of course of every year.

\* (16:10)

I haven't seen the final terms of reference that the Lean Council is proposing, but when we get them we'll be happy to make them available to the member.

And, again, that's—those questions—the Minister of Finance (Ms. Howard) is the lead minister on the lean procedures as well as on the budget procedures and can answer those questions. But the reality is—this is—we've got some really good expertise in Manitoba on lean practices, both in the private and public sector, and we've seen some good success with it, where we've tried it in the past, and we're looking forward to seeing whether we can apply

those practices more broadly across the government entity and identify the ways we can get better value for the money for the services we deliver.

*Ms. Melanie Wight, Acting Chairperson, in the Chair*

**Mr. Martin:** I'm just trying to understand from the First Minister how the government's new Lean Council differs from their fall of 2009 initiative, which they called their belt-tightening initiative, which required all departments to review operating expenditures to identify potential reductions, refraining from refurbishment, relocation of office space, restricting out-of-province travel, using teleconferences to participate in more meetings remotely, reducing travel where feasible, maintaining a minimum 5 per cent vacancy rate by delaying staffing actions, minimizing overtime, limiting use of consulting contracts.

So I'm just trying to get an understanding of the—I guess, the status of the fall of 2009 belt-tightening initiative that the Premier announced and how that differs from the current Lean Council that they just announced.

**Mr. Selinger:** Every year, in a budget, people look at ways to get greater efficiency for government services, and that's standard operating procedure. Departments review how they can deliver services, how they can deliver them more efficiently, what organizational changes might accommodate that.

For example, when we took the 13 RHAs and shrunk them down to five, that was an initiative to get more efficiency in terms of administration in the health-care system. And then the resources that were saved out of that were reapplied to front-line health-care services, such as the initiative to make free cancer drugs available to Manitobans that needed it. So that's an example of how we found greater efficiency in administration in health care and then moved resources to better support and outcomes for patients.

So, in the budget speech, on page 13 of the address that was delivered this spring, it says that the Minister of Finance indicates that she has appointed Rob Despina of StandardAero to lead a new Lean Council to give us advice on how to deliver excellent public services for the best value. This doesn't mean it started there. This has been going on for years, but there are experiences in the private sector that would be beneficial.

It goes on to say: "Many businesses apply Lean principles to improve their productivity while also

delivering better products and services to their customers."

And the "government shares these goals. Lean principles have been applied in our health care system" already, "where we have driven down drug costs and found ways to help nurses spend less time on paperwork and more time at the bedside." So those things have already been done, but there's more that can be done in the future.

"And whenever I talk to our civil servants," the minister goes on to say, "I am impressed with their dedication to excellence. Every day, they look for ways to do a better job for the Manitobans they serve. And they have many ideas on how we can streamline processes within government. We want to hear these ideas directly and act on them."

It goes on to say: "Lean management is not about asking the same people to do more with less. And it is not about offering less to Manitobans. It is about finding ways to offer better services with better results, by focusing on those parts of the job that really make a difference."

So the private sector has gone through this experience. The public sector has gone through this experience in health care, in other dimensions of government, for example, on decision-making procedures, how you can reduce the number of steps to make a decision. So all of these experiences can be brought and focused with some of the expertise we have in the province.

Rob Despina works at StandardAero. He's got a lot of experience in advanced manufacturing technology—advanced manufacturing experiences, and so he will gladly share his experience with us and assemble a group of people that he thinks can bring additional expertise, based on what they've done in their workplaces and their experiences. So we believe this will allow us to expand some of the innovative thinking that goes on in how we deliver government services, not with the purpose of doing across-the-board cuts but with the purposes of improving the quality of services for people but doing it in as cost-effective a way and as efficient a way as possible.

**Mr. Martin:** I appreciate those comments and I appreciate the fact that the First Minister is finally looking towards the private sector for some assistance when it helps—when it comes to some of the budgeting issues he's facing. But what I'm still trying to get an understanding of is how this

initiative is different than the previous initiative launched in the fall of 2009 with great fanfare. I mean, there's a lot of—sounds like a lot of similarities. So, again, I'm just trying to get clarity from the First Minister as to how the two initiatives, the 2009 belt-tightening initiatives and the parameters that were launched then are really different than the lean consultation that they're doing now other than the fact that the most recent iteration is being chaired by an individual in the private sector. Who chaired the previous initiative in the fall of 2009?

**Mr. Selinger:** Previously, government departments took their own initiatives to find ways to be more efficient in delivery of services. They would often interact with Treasury Board on some of their ideas and put forward proposals. This initiative does allow more input from members of the community, which we think is helpful. Members of the community have also been helpful in the past with respect to lean practices in the health-care system. We have many people from the community that sit on the various boards of hospitals and our institutions, health-care institutions, and they bring their experiences there and that can be extremely helpful.

So, by having a Lean Council, we hope to learn from the experiences elsewhere, within the province, even outside the province within the private sector, within the broader government's public sector. We fund an enormous number of organizations, not just within government directly but outside of government in the non-profit sector. For example, in the private sector, quite frankly we fund a lot of initiatives. We've done a lot of stuff, for example, with the manufacturing sector council to develop leaner practices there and become more productive.

During the '90s—actually not during the '90s, during the last decade there was a fairly rapid appreciation of the Canadian dollar against the American dollar. That put a lot of pressure on manufacturers to get more efficient and more productive to stay competitive. In the last year, we've seen the dollar go down lower again, down to about 91 cents compared to the American dollar. But during that decade we worked very closely in the advanced manufacturing sector, for example, to allow them to become more productive and more efficient. A lot of that was focused around skills development with employees in those firms. We've taken that experience and we've got a skills agenda now to skill up another 75,000 Manitobans over the next eight years to be able to enter the workforce. We work closely with them on improving our

apprenticeship supports, tax credits, our incentives to hire new apprentices. And we're working closely in our own education system to make apprenticeship more available, including at the high school level and at the college and university level, to allow for more of these things to be seamless and credits to be carried forward. So we've had a lot of good experience working with private sector through various sector councils.

In the non-profit sector, we've had good experience with what we call a red-tape initiative to allow them to get more efficient and more productive. And we've been able to identify key organizations in the non-profit sector, whether it's culture or social services or recreation, for example. And they've been able to do a number of things to make their organizations more productive. We've done a lot of this in partnership, for example, with the United Way.

So, all across the different sectors of Manitoba, there's good experiences. The Lean Council can bring some of those experiences together and allow us to have a greater capacity to focus those learnings on how we can apply them to other government departments and other government programs as we go forward, because we know that Manitobans want good quality services. We want to provide good quality services, but we want to do it as efficiently as possible to make the tax dollars that we commit get as many results for Manitobans as possible.

\* (16:20)

So that improves their quality of life. That improves their productivity. That allows for economic growth in the province. That allows for the province to be more competitive in a global economy, but, most importantly, it allows for a better quality of life for Manitobans through a better provision of services.

**Mr. Martin:** I appreciate the First Minister's comments on that.

Can the First Minister advise what the budget for the operation of the Lean Council is and whether or not the Lean Council, what their time frame is for producing a report to government and whether or not the government will be sharing that report with the Legislature?

**Mr. Selinger:** Again, I have to get that information for the member. Those are questions the Minister of Finance (Ms. Howard) would have been happy to answer during her Estimates as the lead minister on

this, but I'll undertake to get further information for the member.

**Mr. Martin:** I just want to confirm and clarify what the First Minister, when we talk about the PST increase, and we won't get into the whole issue of what was or wasn't promised; I mean, that's a matter of the—clearly a matter of the public record. But, just to be clear, the First Minister is indicating that every dollar from the PST increase is to be used to fund critical—critical—infrastructure, critical flooding, immediate critical flood infrastructure. Am I correct in that interpretation of the First Minister's allocation of the PST revenues?

**Mr. Selinger:** I've just spent quite a bit of time discussing this very subject with the Leader of the Opposition. I don't know if the member was in the room at the time, but we've just gone over many of the questions he just raised, or the very question he raised. In the five-year plan we have call to build a stronger Manitoba, Manitoba's core infrastructure priorities. We went out and broadly consulted Manitobans and this is what we heard, and that's indicated on page 3 of the document.

We heard that new construction should benefit families and businesses, giving Manitobans the best value for their hard-earned tax dollars, with good jobs and business opportunities. We heard that core infrastructure investments will benefit the economy most, expanding trade, attracting new investment, and strengthening Manitoba's competitive footing. We heard the new PST revenues should be dedicated to core infrastructure projects—roads, bridges, flood protection, and municipal infrastructure over and above the existing levels. We heard that unused funds should be carried forward to future years to ensure that all planned projects proceed and infrastructure funds do not lapse. We heard clear and transparent reporting on how PST revenues are invested is needed to provide accountability and to ensure that new revenues are invested in core infrastructure, and we heard that Manitoba cannot afford delays. Delays will harm Manitoba's competitive position and compromise quality of life, and we heard that innovative approaches and better planning are needed between government and industry to mobilize resources, increase labour productivity, improve supply logistics, and reduce costs.

So those are some of the things we heard when we went out there, and we brought forward a plan which the Conference Board of Canada indicates will

generate \$1.16 benefits to the economy for every dollar invested and generate 58,900 jobs for families in Manitoba at the same methodology members opposite used when they were in government. The Conference Board indicated this will provide a \$6.3-billion boost to the economy, will boost exports by \$5.4 billion, will generate–stimulate housing starts of 2,100 and will result in new equipment and machinery assets for firms of \$1.4 billion.

So there are several very significant investments that can come out of a strong infrastructure program, and that's what we've put in place.

Now, I've got copies of this plan that I will table for the member and for other members who are interested.

**Mr. Martin:** So, if I understand the First Minister correctly, we're talking about core infrastructure projects, and that's pretty—that's pretty evident in his comments. So I'm wondering if the First Minister can share with me how, say, an interfaith park bench qualifies as a core infrastructure project under—the criteria that he just eloquently outlined.

**Mr. Selinger:** Is the member referring to a specific project? If he is—

**The Acting Chairperson (Melanie Wight):** The honourable member for Morris.

**Mr. Martin:** The government in—last year, in their dog-and-pony show in the summer of 2013, as they attempted to justify to Manitobans, announced a whole host of funding initiatives. One of those funding initiatives was the purchase—or the purchase of an interfaith park bench using PST dollars. I'm wondering—as well as, for example, a mural at the Gas Station Theatre. There was splash pads being announced.

I'm just wondering if those go along with the Premier's definition of core infrastructure projects.

**Mr. Selinger:** The infrastructure plan we announced starts this year. And, within that plan, we allocate \$3.7 billion for roads, highways and bridges; we allocate \$320 million, at least, for flood protection; we allocate \$1.5 billion—\$1.506 billion for municipal infrastructure, for a total planned investment and—in municipal, flood protection, roads, highways and bridges, of \$5.567 billion. I think the member has the document now, across the way, and he can see that laid out for him on page 12.

Some of the—for example, under flood protection, includes Lake Manitoba and Lake St.

Martin outlets. Flood waters devastate families, and, as we know, the emergency channel was built to ease the pressure along Lake Manitoba and Lake St. Martin. But it was also clear that a long-term solution needs to be put in place there. So the commitment is to generate a permanent water control structure, the emergency channel, and build a new Lake Manitoba outlet. These require—these projects require extensive consultation, engineering and environmental assessment work but will expand our ability to manage water.

The Portage Diversion is another big part of the flood protection system in Manitoba. It came on line in 1970—played an important role in 2011. The government will invest to rehabilitate the 29-kilometre diversion channel and upgrade the control structures to improve this key asset. So those are some examples under flood protection of where the infrastructure money will go.

Some of the other ones are for trade corridors such as CentrePort Canada, and this will allow us, when we invest in trade corridors, to solidify Manitoba's role in moving goods and services across North America for decades to come. In western Canada, Highway 75 is the busiest corridor for Canadian products heading to US markets. We will invest \$215 million to build Highway 75 to interstate flood standards, including higher bridges over the Morris River and rebuilding 53 kilometres of northbound lanes. For families and businesses, these investments will mean better access to important roads during periods of flooding.

Also, the southwest Perimeter is connected to Highway 75 by the southwest Perimeter Highway. The five-year plan will invest \$200 million in improvements, including new interchanges to help move Manitoba products seamlessly from CentrePort to Highway 75 and south to the US.

And then Highway No. 10 is another example. Highway 10 is Manitoba's longest highway and another important trade route connecting from as far north as Flin Flon and south to the US border. The five-year plan anticipates investments of \$265 million in Highway 10, including new passing lanes, pavement and curb realignment.

So those are some practical examples of what we mean by core infrastructure in the five-year plan that we've announced this spring. Brandon dikes, community dikes are other elements of that. That—the dikes in Brandon, as the member would understand, are critically important.

\* (16:30)

We've—I've mentioned previously that we've committed to some \$250 million to renew and upgrade Winnipeg roads with the City of Winnipeg, and the federal government, we believe, will want to be a part of that. Some of the projects being looked at are the Chief Peguis Trail from Main Street to McPhillips Street, and so there's very significant investment going into Winnipeg streets and roads. Those are just some examples of what we mean by core infrastructure in the five-year plan that we put forward called To Build a Stronger Manitoba: Manitoba's Core Infrastructure Priorities.

**The Acting Chairperson (Melanie Wight):** First member for Morris—honourable member. Sorry.

**Mr. Martin:** The First Minister indicated that the infrastructure plan starts this year. I assume he's talking about April 1st, 2014. Then what we—what I'm interested in, then, would be the approximate missing \$150 million that the PST hike generated from July 1st until March 31st of 2013-14. Is it those PST monies that went to fund the interfaith park bench, the splash pads and so on and so forth? As I noted that the Premier said the—his infrastructure plan starts this year in—of April 1st, and yet started collecting his illegal PST hike last year on July 1st, so again I'm just curious as to where the \$150 million went because it sure didn't go into core infrastructure, because I also note in the Auditor General's most recent documentation provided in this House that it showed a shortcoming or shortfall in the infrastructure budget of—in excess of \$400 million in the same year that this government introduced a PST hike under the pretence that the funding was needed for, quote-unquote, core infrastructure. So, again, if the First Minister can help me identify where that 150—approximately \$150 million is that would be of most benefit.

**Mr. Selinger:** Last year, the 2013-14 forecast is for \$532 million into roads, highways and bridges, for \$64 million into flood protection; for \$258 million into municipal infrastructure, for a total investment of \$854 million.

**Mr. Martin:** Well, I appreciate the First Minister's clarification, then, that the splash pads and murals and interfaith park benches, then, were funded out of last year's six-month PST increase before they contracted to create their glossy five-year-plan document—*[interjection]*—annual, sorry there, annual document.

Jumping tracks, I'm wondering if the First Minister can update me on the status of the 2007 tax bracket plan that was initiated in—again, in 2007.

**Mr. Selinger:** Just to note for the record, the member has—likes adjectives, some of them pejorative. That's his choice, of course. I hope he hasn't taken any lessons from the member for Steinbach (Mr. Goertzen) and—but I doubt if he has. I'm sure he's generated that capacity on his own. But the reality is this, 854 million spent on core infrastructure in 2015-'14.

I ask the member to compare what was spent under—on infrastructure, even for inflation-adjusted dollars when the PCs were in government, and I can tell you it would be very significantly less than that. For example, they raised the gas tax and cut the highways budget. I mean, that was fairly brutal, and it was a very, very low level of spending.

So our commitment to infrastructure has been growing. The trend line has been up, as we've moved along, and that trend line does provide a very, very significant protection, including for several communities that the member now has the privilege of representing. Many ring dikes have been provided in southern Manitoba and roadworks have been done, and many things have been done to strengthen our infrastructure capacity in southern Manitoba and the Red River Valley, which was one of the most severely hit in the 1997 flood.

So, in addition, as I've said, in that infrastructure plan that I put forward, there's always been a commitment to municipal infrastructure, and it is true that recreation is an important part of municipal infrastructure from time to time. They identify projects that they would like to be funded as part of municipal infrastructure that includes recreation components. And so those recreation components are identified by our partners at the municipal level as being important to their communities and families, and we've worked closely with them on being able to do some of those projects.

*Mr. Chairperson in the Chair*

Now the member is asking me, I believe, about taxes, the 2007 plan—and what I can say to him is, is that if he looks at the budget papers and he looks at Manitoba's affordability advantage, he will see very significant advantages to living in Manitoba when it comes to affordability. For example, the basic personal amount has increased 34 per cent from \$6,794 to \$9,134 in 2014. That has benefited over

650,000 individual Manitobans. The increases to the spousal and eligible dependant amounts benefit over 36,000 couples and common-law partnerships and nearly 18,000 single parents.

In 2014, another 22,000 Manitobans will no longer pay Manitoba income tax because of the increased amounts since 2011. And he will also see on page C14 of the budget papers, he may have that page—what the increase in the personal amounts is, according to a table there, and it's been very significantly increased as I've indicated by 34 per cent.

**Mr. Martin:** Well, I think it—as I listened to the First Minister, I was so much amused by his comment in reference to a gas tax using the term brutal, because it was this First Minister on CJOB, I remember—I think it was about two years ago when gas was approximately around the 122, 125 mark, and I think it was the morning host had asked the First Minister what he thought about gas prices, and the First Minister used that very term again, that the price of gas was just brutal, but, rest assured, Mr. Hal Anderson, that he was going to write a sternly worded letter to the government and to the Competition Bureau to take action on that.

And, of course, the action that Manitobans discovered that the First Minister took was raising that gas tax another two and a half cents in the upcoming budget. Again, something that he clearly stated was not on his agenda in the previous election.

My question, though, to the First Minister that he seems to a little bit confused on is—I'll make it very clear—is the status of the five-year tax—sorry, personal income tax plan that he laid out in 2007. I'm just wondering where we're at with the five-year plan, or has that plan been shelved?

**Mr. Selinger:** Yes, as I indicated, we've made some very dramatic improvements in tax affordability for Manitobans. For example, a single person of \$10,000 income, a very modest income, in 1999, paid \$88 taxes; now they get a refund of \$95. A person, a single person of \$20,000 paid \$1,369 in 1999; currently, they pay \$1,016.

A person, a single person earning \$70,000 paid \$9,153 in taxes in 1999, and now they pay \$7,113, a reduction of over \$2,040, a 22.3 per cent savings. And the cumulative savings over 15 years for that person is \$70,000—is \$21,368.

For a person at \$40,000, they are saving \$780. They paid \$4,012 in 1999. They pay \$3,233 now, for

a savings of over 19.4 per cent, for a cumulative savings of over \$8,037 compared to the regime in place—when the members opposite were in government, their tax scheme was in place.

For a person at \$20,000, they save annually \$353, about a 25.8 per cent reduction and a cumulative savings of \$3,267.

\*(16:40)

For that \$10,000 person that I started with, their savings are about 207 per cent or a cumulative savings of \$1,946. That's just for a single individual.

For a family of four, a fairly typical family, a one-earner family at \$60,000 is saving \$2,349 annually, based on the reductions we've made in taxes for them. A 2014 savings of 35.5 per cent over '99, for a cumulative savings of \$24,465.

A two-earner—a one-earner family of four at \$40,000 is saving \$1,287 annually, for a 45 per cent reduction and a cumulative savings of \$12,568.

A family of \$75,000 one-earner family is paying \$2,728 less annually in taxes, for a 28.9 per cent reduction in their taxes and cumulative savings, over 15 years, of \$28,480.

And a family of four, a one-earner family earning \$100,000, they're saving annually \$2,651, because their taxes have gone down from \$13,951 to \$11,300, for a savings of 19 per cent or a cumulative savings of \$27,463.

For our seniors, a \$30,000 couple who were seniors in 1999 paid \$39 in taxes; it seems quite modest. Now they get a refund of \$316. That's tax savings of \$355 a year. That's a 910 per cent reduction, or savings—that's an increase in savings of 910 per cent, for a cumulative total of \$4,400 over the last 15 years.

A senior earning \$40,000, they paid \$1,667 in 1999 when the Conservatives were in office; they're now paying \$607. They're saving \$1,060 annually, for 63 per cent—63.6 per cent savings and a cumulative savings of \$9,416.

A seniors couple earning \$60,000—this is on page C15 in the budget papers—in 1999 they paid \$5,635. Through reductions we've made in taxes in Manitoba, they're now paying \$3,234, which is \$2,401 less annually, for a 42.6 per cent savings. And that means that their cumulative savings, over the last 15 years, are \$22,146.

Those are just some examples of the savings that have been generated by tax reductions made by this government compared to when members opposite were in government.

**Mr. Martin:** Well, I appreciate the First Minister's use of a calculator. I don't know if the First Minister's a fan of popular culture, but there's a character, actually, or a series in DC Comics called Bizzaro World. And, clearly, the First Minister is speaking from Bizzaro World if he thinks that there's some sort of—that Manitobans are competing against some sort of version of themselves against 1999.

I mean, the government often talks about being competitive. I'm sure they're competitive—the jurisdictions that they're seeking to be competitive with are jurisdictions that are also active in the 2014 calendar year, as opposed to the 1999 calendar year. But, I mean, that's up for the First Minister to figure out, but if not, I'm sure there's a few comic book stores in his immediate vicinity. He could check it out; it's actually quite a good, engaging series.

So the First Minister rattled off a number of figures and percentages and that, but, during the course of that, he obviously acknowledged the failure to fully implement the five-year plan, the personal income tax reduction plan that was laid out by this government in 2007. What was interesting about that plan is that it was a personal income tax reduction plan. It—nowhere in that original plan did the government ever talk about, you know, this affordability that they now fall back on as an excuse for its failure to implement the aforementioned plan.

So, if I understand the First Minister correctly, then, and he references page C36 and he talks about the comparison of taxes and basic household costs, so a two-earner family of four at \$60,000 is paying, in Manitoba, \$2,813. And, while the First Minister would like to compare this family with again their Bizzaro version from 1999, in his own document in front of him, he will see that that family, should they reside in Saskatchewan, pays a whopping \$62 for a difference of \$2,751. The family in Saskatchewan, the two-earner family of five with \$75,000, today in Manitoba pays \$4,144; in Saskatchewan, that family pays \$814. That's a difference of \$3,330 or 409 per cent. By the way, the previous percentage, in reference to the two-earner family of four at \$60,000, was a—was 4,430 per cent, so quite a difference in terms of comparative numbers.

And something that should—or had the government actually followed through on that five-year plan, that we've—might have actually seen at least some narrowing of the gap. But, as with many of this government's plans, especially their love of five-year plans, they love to do the announcements, but follow through seems to be something that's clearly lacking.

One of the reasons that this gap has grown between ourselves and Saskatchewan, which—interesting, by the way, is when Saskatchewan introduced a new statutory holiday, a family day, and we got the related Louis Riel Day in February, it was done because we could not afford to fall behind Saskatchewan, and that was a quote by this government. Though, while it's always interesting that this government feels a need to be competitive in terms of the number of statutory holidays Saskatchewan offers its residents, it has no interest in terms of being competitive with our sister province in terms of personal income tax.

One of the—as I was saying, one of the reasons why this gap continues to grow between ourselves and Saskatchewan is the fact that, in Saskatchewan, they have—and, actually, it was their previous NDP government—and I will give them full credit—did introduce a policy of indexation—indexing their tax brackets to the rate of inflation to protect low-income and fixed-income individuals as well as all taxpayers from the impact of inflation.

This is a policy that this government for whatever reason seems to abhor and reject it at every turn. In fact, I remember once coming across a briefing note that I had FIPPA'd from the Finance Minister during my days at CFIB that the Department of Finance had estimated that it had, quote-unquote, saved in excess of \$100 million by not indexing the—Manitoba's personal income tax system to the rate of inflation. Again, always interesting observation when this government views taxpayer dollars as something that belongs to them, being the government, and not the taxpayers. In fact, it relates to a comment the former Finance minister—the member indicated, in reference to a suggestion that they raise the basic personal exemption not by one or two hundred dollars but to \$2,000, and had indicated that such a policy would rob the provincial Treasury of approximately \$150 million.

I'm wondering if this First Minister can update this House on the status, in terms of the,

quote-unquote, savings that this government has achieved as a result of not indexing the tax system to the rate of inflation, as I indicated. I think, in 2006-2007, the Department of Finance was estimating a savings—and I use that term loosely—of in excess of \$100 million for not implementing this policy, a policy, again, introduced by the NDP in Saskatchewan. At the time, they said there was no greater policy—or no policy that would have a greater positive impact on individuals that had—that were on fixed or low income—something that this government continues to ignore.

So, again, I'd ask the Finance Minister—or, sorry, the First Minister the status of their failure to index to take inflation into account.

\* (16:50)

**Mr. Selinger:** Well, I thank the member for the question. You know, the amount that we've increased the personal amount versus indexing has exceeded what indexing would have achieved, and that table's shown on page C14 of the budget papers, if he'd take a look at it. So we've actually exceeded what indexing would've achieved by the amount of personal exemptions we've increased over the years. So this has been very significant for Manitobans.

Now, the member likes to use—it's unfortunate, he's brand new to the Legislature, but he's already picked up the bad habit of using 'depratory' adjectives and language, and that's unfortunate, but that's where he's at right now. Presumably he'll get better as he goes along.

The reality is this, when you take a look at living in Manitoba, and you take a look at what that means, a two-earner family of four earning 60–\$76,000 has the most affordable cost of living of any province in Canada. It pays \$5,418 less than the national average of \$31,578. That's lower than Alberta, Saskatchewan, Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland, Quebec, BC and Ontario. So that's the affordability advantage of being in Manitoba. And we've consistently kept Manitobans in the top three for affordability compared to other jurisdictions on an annual basis.

Now, he makes very derogatory comments about comparing to '99. The reality is, what I've indicated with the information I put on the record is year over year progress on affordability. And we've continued to do that in Manitoba. He doesn't want to acknowledge that, but it was his tax rates that were higher back in the '99 and previous period. And very

little was done to make life more affordable for Manitobans during that period of time. As a matter of fact, their disposable income declined and they were squeezed every year that the members opposite were in government.

So just, again, as another example, I'd given the \$75,000 example. But even at \$60,000, a two-earner family of four has seen their taxes go down \$1,126 or 27.4 per cent for a cumulative savings of \$11,601. It may not be meaningful to the member opposite, but that's \$11,600 of disposable income those people wouldn't have had in 1999. That's money that's in their pockets and available to them to support their families. That's very significant.

At \$40,000, a two-earner family is saving \$710 because their taxes went down from \$1,360 to \$650 for a savings of 52.2 per cent or a cumulative savings of \$6,766. That's very significant, maybe not to the member opposite, but certainly to that family. That's additional purchasing power that they've been able to acquire while we've reduced taxes for families in Manitoba.

So these are very significant reductions. And they are part of an overall approach that we've taken to keeping life affordable in Manitoba. And we're continuing that trend this year.

In 2014, Manitoba families and individuals will save a cumulative total—no, a total of \$530 million in personal income taxes and \$352 million in property taxes compared to 1999. We've also saved hundreds of millions annually because Manitoba's sales tax base is not harmonized with the federal GST, which is a Conservative policy, harmonization. Manitoba provides a variety of tax assistance to support homeowners, renters, seniors and families with children.

As I've said, the personal amount has gone from \$6,794 to \$9,134. The Education Property Tax Credit, which was cut when members opposite were in office, from \$350 to \$250, has gone up to \$700. That's the basic Education Property Tax Credit. An additional 3,000—about 31,000 senior homeowners and renters qualify for an additional Education Property Tax Credit of up to \$400, which takes them to about \$1,100. And starting in 2014, over 60,000 senior homeowners will begin to have their school taxes rebated.

And we also have the Primary Caregiver Tax Credit, which supports family caregivers to allow care recipients to stay in their homes longer. This

never existed prior to us coming into office. And there was never a Fitness Tax Credit in Manitoba before either for children and young adults to support healthier lifestyles. And the Children's Arts and Cultural Activity Tax Credit supports Manitoba's diversified cultural and artistic heritages and interests. And the Fertility Treatment Tax Credit and Adoption Expenses Tax Credit supports Manitobans who need assistance expanding their family. And, of course, the Tuition Fee Income Tax Rebate and rebate advance encourage Manitobans to study in Manitoba or anywhere around the world but choose Manitoba as the place to live, work and raise a family after they graduate.

So these are all measures to provide an affordable environment in which to live, work and raise a family and thrive and retire in Manitoba. It has helped Manitobans maintain a healthy household balance sheet with the lowest personal debt per capita among any of the provinces; that's a very significant accomplishment for Manitobans and they deserve credit for having a very low personal debt per capita among all the provinces.

In 2012, the Manitoba government guaranteed in law that Manitobans will pay the lowest electricity, home heating and auto insurance rates in Canada; this year the average Manitoban is saving over \$2,000 on hydro, home heating and car insurance compared to the national average utility rates. So it's very significant, these measures we put in place to keep Manitoba affordable.

In 2013, the first annual basic utility bundle cost comparison report was issued showing that Manitobans paid the lowest combined costs for auto insurance, electricity and home heating; a copy of this report is available at the following link. And the member opposite can go to that link; it's on page C10 of the budget document and he can take a look at it, as can any Manitoban.

So, you know, when we keep our utility rates low through our Crown corporations, when we increase the personal exemptions and when we have reductions in the rates of taxation on families—and I haven't even talked about the business environment yet; I'm just talking about families right now. When we look at what we've done for seniors on property tax credits and now rebating education taxes, when you take a look at the Primary Caregiver Tax Credit, these are very significant improvements in the quality of life for Manitobans, and we continue to make those available to people. None of these things

were ever supported by members of the opposition. They never voted for any of these measures, and they never indicated their support for any of these measures as we put them through the budget processes.

And so they're very significant ways to keep Manitoba an affordable place to live, and this year we're rolling out the rebate for seniors on property taxes related to education. And so we're doing our best to make sure that we keep Manitoba life affordable.

At the same time, we are investing in infrastructure, and Manitobans have said that they do put a very high priority on infrastructure investment. We're maintaining our funding for education; we're not cutting it because we know we need to skill up another generation of Manitobans for the workforce, so that—the skills agenda, 75,000 people over the next eight years, very significant commitment that we're making.

So it's not just short-term affordability; it's long-term capacity to have a competitive economy. And a competitive economy will generate the resources that allow us to keep Manitoba an affordable place to live, including our building of Manitoba Hydro.

Manitoba Hydro has been very successful in keeping the lowest rates in North America for Manitobans when it comes to purchasing electricity for home heating or for other purposes.

And so we're moving forward on a very strong agenda to keep Manitoba Hydro affordable by building it before we need it and then exporting the surplus that we have, the export revenues which allow us to pay down the cost of capital, and then, when we need the electricity for ourselves, we get it at a lower rate. And that formula has proved very successful in the past and we believe it will prove very successful in the future, Mr. Assistant Speaker—Deputy Speaker.

And so all of those measures are intended to keep Manitoba life affordable. Daycare rates tend to be among the most affordable in Canada, at the same time as we're expanding daycare opportunities in this province. We are expanding the number of spaces. The members opposite were part of a government that cancelled the national daycare program in this province, so, you know, we're trying to keep Manitoba affordable. More spaces, keeping the rates

affordable inside of Manitoba, and those are all part of what we're doing.

**Mr. Chairperson:** Order, please. The 10 minutes allowed for responses has now expired.

And, noting that it is 5 o'clock, committee rise.

Call in the Speaker.

**IN SESSION**

**Mr. Speaker:** The hour being 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow morning.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 7, 2014

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
<b>Petitions</b>		Elder Abuse	
Provincial Sales Tax Increase—Effects on Manitoba Economy		Graydon; Blady	1582
Friesen	1573	Government Policies	
Provincial Sales Tax Increase—Reversal and Referendum Rights		Graydon; Howard	1582
Eichler	1573	<b>Members' Statements</b>	
<b>Tabling of Reports</b>		Jaring Timmerman	
Agriculture, Food and Rural Development, Supplementary Information for Legislative Review, 2014-2015 Department Expenditure Estimates		Driedger	1583
Kostyshyn	1574	Honouring Aboriginal Musicians	
<b>Oral Questions</b>		Whitehead	1583
Pediatric Cardiac Surgery Program		Lois Fowler Team	
Pallister; Selinger	1574	Helwer	1584
Driedger; Selby	1575	World Autism Awareness Day	
PST Increase		Wight	1584
Pallister; Selinger	1576	Renal Health Unit at Seven Oaks Hospital	
Friesen; Howard	1577	Saran	1585
Stefanson; Howard	1579	<b>ORDERS OF THE DAY</b>	
Immigration Agreement Resolution		<b>GOVERNMENT BUSINESS</b>	
Goertzen; Braun	1580	<b>Committee of Supply</b>	
Employment Numbers		(Concurrent Sections)	
Gerrard; Selinger	1581	Health, Healthy Living and Seniors	1585
Northern Manitoba Infrastructure		Jobs and the Economy	1599
Whitehead; Ashton	1582	Agriculture, Food and Rural Development	1609
		Executive Council	1617

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are also available on the Internet at the following address:

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