

Second Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. Scott Johnston
Constituency of St. James

Vol. LXX No. 6 - 6 p.m., Thursday, May 11, 2017

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Thursday, May 11, 2017

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Scott Johnston (St. James)

VICE-CHAIRPERSON – Mr. Blair Yakimoski (Transcona)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Messrs. Fielding, Friesen, Gerrard, Pedersen

Messrs. Allum, Curry, Johnston, Lindsey, Ms. Marcelino, Messrs. Smith, Yakimoski

PUBLIC PRESENTERS:

Bill 22–The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act

Mr. Chris Goertzen, Association of Manitoba Municipalities

Mr. Jonathan Alward, Canadian Federation of Independent Business

Mr. James Battershill, Keystone Agricultural Producers

Bill 21–The Fiscal Responsibility and Taxpayer Protection Act

Mr. Jonathan Alward, Canadian Federation of Independent Business

MATTERS UNDER CONSIDERATION:

Bill 21–The Fiscal Responsibility and Taxpayer Protection Act

Bill 22–The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act

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Deputy Clerk (Mr. Rick Yarish): Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Before the committee can proceed with the business before it, it must elect a new Chairperson.

Are there nominations for this position?

Mr. Nic Curry (Kildonan): I nominate Mr. Johnston, St. James.

Deputy Clerk: Mr. Johnston, St. James, has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Johnston, St. James, will you please take the Chair.

Mr. Chairperson: Thank you and good evening.

Before the committee can proceed with business—the business before it, it must elect a new Vice—sorry—[interjection] Yes. Our next item of business to elect—the election of a Vice-Chairperson.

Are there any nominations?

Mr. Curry: I nominate Mr. Yakimoski.

Mr. Chairperson: Mr. Yakimoski has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Yakimoski is elected Vice-Chairperson.

This meeting has been called to consider the following bills: Bill 21, The Fiscal Responsibility and Taxpayer Protection Act; Bill 22, The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act.

We have a small number of presenters registered to speak tonight as noted on the list of presenters before you. I would like to inform all in attendance of the provisions of the rules regarding the hour of adjournment. A standing committee meeting to consider a bill must not sit past midnight to hear public presentations or to consider clause by clause of a bill, except by unanimous consent of committee.

Before we proceed with presentations, we do have a number of other items and points of information to consider. First of all, if there is anyone else in the audience who would like to make a presentation this evening, please register with the staff at the entrance of the room.

Also, for information to all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak to our staff.

As well, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another five minutes allowed for questions from committee members. If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process of speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is a signal for the Hansard recorder to turn the mics on and off.

Thank you for your patience, and we will now proceed with the public presentations.

Is it agreed that we start with Bill 22, as well as the out-of-town presenter, Mr. Goertzen? *[Agreed]*

Bill 22—The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act

Mr. Chairperson: We'll start with Bill 22, and I'd like to call Mr. Chris Goertzen. The organization that Mr. Goertzen's with, the Association of Manitoba Municipalities, and he's the president.

Do you have any written materials for distributions to the committee?

Mr. Chris Goertzen (Association of Manitoba Municipalities): Yes, it's just being handed out now.

Mr. Chairperson: Thank you. Please proceed with your presentation.

Mr. Chris Goertzen: It's great to be here this evening in the Legislature of Manitoba. I do want to say thank you to Minister Friesen for introducing this bill. And we do have some comments from AMM's perspective in regards to this.

First of all, I just do want to give you a brief overview, for those of you who don't know, and that AMM represents 137 municipalities across

Manitoba. That is every single municipality, whether large or small, urban or rural. And so we have a wide swath of members that have wide variety of opinions. But there's one opinion that we tend to hear quite often from our members, and that is to talk about regulation and how we can make regulation better or eliminate it from our—from causing us undue hardship, as we are trying to also bring about a better Manitoba and trying to continue to govern our communities in an efficient manner. So we're pleased to present today an overview of just some of the things that we've been doing.

Just to be clear, our organization is independent and non-partisan, and our mission is to identify and address the needs and concerns of our members in order to achieve a strong, effective municipal government.

In regards to our advocacy efforts related to identifying excessive regulations, AMM recently made a comprehensive written submission to the Red Tape Reduction Task Force, which includes 20 recommendations to address excess regulation or red tape which often hinders our members while delivering public service.

Our members recognize clearly that regulation is needed for certain things and we do need to have rules around how we go forward with governing our situation. But it also—we also recognize clearly that regulations need to be reviewed from time to time and make sure that they are accomplishing what they were intended to accomplish or eliminated if they aren't accomplishing what needs to be—what was intended. And so we welcome this.

In regards to establishing the regulatory accountability act, AMM welcomes the committee to—commitment to eliminate regulatory requirements when new ones are implemented, to ease tracking and promote streamlined processes. AMM supports the principle behind the two-for-one rule until March 31st, 2021, and the one-for-one rule thereafter.

* (18:10)

AMM also believes consultation with the municipalities is vital, and thus our organization supports the publishing of all provincial forms and policies with regulatory requirements online so that they can be a subject to public consultations.

In particular, AMM supports section 12 that would allow our members to submit comments about policies and forms to the secretariat for review and

consideration. However, when new regulations are being contemplated or eliminated—implemented, I'm sorry—it is essential that they are matched with provincial funding support.

Unfortunately, over the last number of years, municipalities have often had to deal with the download of provincial responsibilities and regulations with no additional provincial funding. For example, since 2011, AMM has repeatedly voiced concerns over the lack of provincial funding to municipalities to support the effective implementation of the accessibility standards. Funding support must be provided to ensure the effective implementation of these standards as there will be assuredly—there will assuredly be costs that will be incurred by municipalities.

Many Manitoba communities are currently proactively implementing accessibility plans in order to comply with the provincial regulations, yet they shouldn't have to shoulder these priorities alone. In short, the implementation of the mandated accessibility standards will be undermined so long as there's no provincial government support.

In addition, the enactment of the Non-Essential Pesticide Use Regulation has negatively affected weed control services in local communities due to significant cost implications and effectiveness concerns. AMM consistently voices these concerns to the previous government as well as this current government. These regulations not only bans federally approved products but has also forced municipalities to spend 10 to 15 times more on weed control programs while using alternative products.

In effect, local councils are forced to decide whether to increase their weed control budgets or to cease weed control activities altogether in certain areas of municipalities due to the financial constraints caused by these regulations.

These are only two examples of how excessive regulations are negatively affecting our members and causing unnecessary financial and administrative burdens to our local communities.

Overall, approximately 90 per cent of Manitoba municipalities have indicated to us that they encounter provincial red tape on a regular basis, resulting in added financial or staff resources and delays when dealing with provincial acts, regulations, licence requirements, and permit applications.

In closing, AMM welcomes the identification and elimination of excess regulation and red tape. Municipalities require clear, efficient and effective processes in order to grow and sustain our local communities. So I do want to thank you for the time you're spending on this and I'm happy to answer any questions.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have any questions for the presenter?

Hon. Cameron Friesen (Minister of Finance): Thank you, Mr. Goertzen, or should I say Mayor Goertzen, for coming here this evening. I know you wear a different hat—there's a couple of hats here—where I appreciate the work of AMM and the contributions you have made on the Red Tape Task Force Initiative, and thank you for your comments here this evening. It's good to hear your perspective in the context of this committee. Thanks for making the time.

When we look at Manitoba's situation and compare it to other jurisdictions where there's been, in the past, a more robust practice and prioritization of red tape reduction, we see that in the province of BC, for example, over 157,000 regulations have been reviewed and eliminated without any detriment to human health or safety. I would just invite your opinion to talk a little bit from your perspective as a municipal official and say how significant can this be in the actual operation of municipal government if we can proceed on this route together and get these kind of results. What kind of significant effect can this have at your end of that spectrum?

Mr. Chris Goertzen: I think, very clearly, our members recognize that there is a need to have some regulation and parameters of how we do business in our own communities and how we are effective. At the same time, we do recognize, time and time again, that if we aren't reviewing these regulations, there tends to be a bogging down of the system, and so we have identified quite a number of those in the submissions to the red tape task force, and I think it's going to be significant over time. I think there's a—there's some actions that can be taken quickly and some that can be taken in a longer stride that will affect our municipalities quite positively. Municipalities are a level of government that are very effective in knowing what's going on in our communities and knowing how to manage our communities. And we certainly believe that a reduction in amount of regulations that governs us,

that restricts us from getting things done for our citizens, not only getting rid of those will be a benefit to our cost savings when it comes to our staff resources or the headaches that we have to go through time delays, I think that is going to be significant over time, and little things make a big difference over time.

And so, if we can have a number of regulations that are eliminated from municipalities that municipalities don't have to deal with any more, I think it will significantly reduce the dollars that they have to spend unnecessarily many times, and so I think there's a savings for municipalities. But I also think there's going to be a savings for the provincial government in overseeing these regulations that may not be necessary and may not be achieving the goal that they were intended for.

Mr. Chairperson: Thank you.

I recognize the opposition critic, Mr. Allum.

Mr. James Allum (Fort Garry-Riverview): Mayor Goertzen, of course, it's always great to see you, and glad to see that you're doing your role with the AMM. As well, of course, our government had a very good solid relationship with the AMM over many years.

But I'm a little uncertain about the message that we are to be taking from your presentation. You're not in opposition to regulations that protect the health and safety of Manitobans, are you? *[interjection]*

Mr. Chairperson: Mr. Goertzen.

Mr. Chris Goertzen: I think, very clearly, we recognize, as municipalities, that some regulation is necessary. We ourselves have regulation, but we also review our regulation as municipalities on a yearly basis often, either on a yearly or one time a term, if—depending what type of regulation it is. And so I think it's important to review that regulation, making sure that it's accomplishing what it was expected to accomplish. If it's not or if times have changed or if there is abilities by municipalities that are there that maybe need to be recognized and then the oversight needs to be eliminated, I think that it is—there is merit in doing that.

Hon. Jon Gerrard (River Heights): Thanks so much for coming in and talking about actions at the municipal level.

My question relates to whether you've got clarity as to whether this will apply to municipalities, and

maybe you could, for example, give us an idea of how many regulations you would have and what it would be like if you had to cut the regulations in half over a period of four years.

Mr. Chris Goertzen: Well, certainly, I can't list them all because they're quite numerous the number of regulations that govern municipalities. At the same time, I can certainly identify some key factors that do cause delays and extra costs for municipalities. And I can give you a few examples, such as the Public Utilities Board and the ramifications of the delays that they cause municipalities of the requirement of municipalities to go through that process that is quite cumbersome. That takes a long time and doesn't always reflect what's actually happening in the community. That's just one example.

Municipal boards are another. The Municipal Board is another clear example where municipalities have to go to the Municipal Board even when you give 5,000 notices out about something to a—I'm just giving an example—for something in a community and you have one objector. One objector can cause months of delay and it could, in fact, delay something long enough that it might not be viable or it runs out of time or there isn't funding in place for it. And so that's just one example.

* (18:20)

Certainly, the Highway Traffic Board is another clear example where municipalities know what's happening in their community. They know the traffic patterns; they do traffic studies. And yet they aren't allowed to regulate through some basic policy that could be set by the government what type of speed controls there are in a community. That's—that was—that would be an extreme one where we have to go through quite lengthy processes that involve safety of our citizens.

Mr. Allum: So I want to be clear about your earlier answer because you have identified the pesticides here as part of your submission. What I understand you to say was to talk about funding of it and not the regulation itself per se. I think it would be important for AMM to have on the record that they're in support of health and safety regulations or regulations that promote mobility and accessibility throughout our communities. I think I want to make sure you have that opportunity to suggest that you support those regulations.

Mr. Chris Goertzen: Obviously, we recognize we want to have safe communities; we want to have

accessible communities. How that comes about through regulation or other means is up to the government, and, certainly—but we want to be clear as well that when regulations comes into effect, that cost municipalities money, that those regulations should be funded and those effects of the regulations should be funded if they do come into play. We've been clear on that for many years. When it comes to the specific pesticide ban, obviously, we're talking now—we're using that as something that did cost municipalities money or it did require municipalities to reduce the level of service, and our members were not pleased about that. And so we wanted to—we obviously want to see regulation either eliminated or put into place that is effective and practical and funded.

Mr. Chairperson: Mr. Allum, about a minute.

Mr. Allum: And that's a fair position, I think, but it's not exactly what this legislation about—is—which is about an arbitrary calculation of regulations that really doesn't talk about the substantive public policy issues that you raised. The issues that you raised belong in a different context, in a different piece of legislation. This is about an arbitrary piece of calculation that says for every two pieces—every new regulation, you have to eliminate two. I mean, you wouldn't, I think, agree that there's common sense to that particular way of thinking about regulation. Rather, wouldn't it be more appropriate to laser focus in on the regulations and have those kinds of public policy discussions that can enhance the services that municipalities provided?

Mr. Chris Goertzen: Obviously, we understand that the principle of two for one and the principle of reviewing regulation, we are in support of. And the principle of simplification of regulation, we're in support of.

Mr. Chairperson: Thank you, but time's up.

Mr. Chris Goertzen: Very good.

Mr. Chairperson: Thank you.

Mr. Chris Goertzen: Thank you very much.

Mr. Chairperson: Thank you, thanks for coming.

The next presenter on Bill 21 is Jonathan Alward, from the Canadian Federation of Independent Business.

Mr. Alward, do you have any written materials for distribution to the committee, which I can see is going around, so.

An Honourable Member: Just wondering, are we on 21 or 22?

Mr. Chairperson: We're on 21.

Sorry, we're on 22.

The committee is—to clear up any confusion, the committee is dealing with Bill 22, and I'll recognize Jonathan Alward from the Canadian Federation of Independent Business.

Mr. Jonathan Alward (Canadian Federation of Independent Business): Would you like me to go back to back with the piece of legislation, or stickly 'strick' with Bill 22 first?

Mr. Chairperson: We'll just stick with this one. Please proceed.

Mr. Alward: Good evening, everyone, and on behalf of the Canadian Federation of Independent Business, thank you for the opportunity to present the small-business perspective on Bill 22, The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act.

For those of you who may not possibly know already, my name is Jonathan Alward, and I'm the Manitoba director of provincial affairs for CFIB. And at CFIB, we're passionate about small business because of their massive contributions to our economy, employment and our communities. We believe that small businesses deserve a strong voice in government decisions.

CFIB provides a reasonable, credible and effective way for small businesses to participate in the political process, just like big businesses and unions do. CFIB represents 109,000 independently owned and operated businesses across Canada, including 4,800 right here in Manitoba. We're strictly non-partisan, non-for-profit organization and our members are located in every region of the province, and in sectors that closely mirror the provincial economy. Every CFIB policy position is set by direct feedback from our members through accurate and regular surveys which operate under a one member, one vote system. Our views are strictly based on the results of these surveys and it is therefore with great confidence that I can present here on behalf of our 4,800 Manitoba members and express their strong support of Bill 22.

CFIB has been a leading voice on—for regulatory accountability for years, so we we're pleased to join Deputy Premier Stefanson on January 23rd, 2017, for the government's announcement that Manitoba

would become the first province to accept CFIB's one-for-one challenge. We also commended the government for bringing forward Bill 22 to accomplish this goal and establish the measurement, tracking and reporting systems necessary to help minimize the regulatory burden facing Manitoba's small-business owners.

CFIB members from Manitoba had cited government regulation and paper burden as one of the most concerning issues to their business, and I was pleased to reiterate this concern to members of the government and opposition this past winter. Government regulation and paper burden is a significant—oh, I apologize. It's a 'significconcern' because of the direct and indirect costs placed on their businesses, and CFIB estimates that the annual costs of regulations in Canada of businesses is pegged at \$37 billion with each year, with one third of that—approximately \$11 billion—considered unnecessary red tape. And, in Manitoba, all federal, provincial and municipal regulations costs businesses an estimated \$1.2 billion each year, of which \$360 million is considered red tape.

Furthermore, as you can see in the graph below, this hidden tax affects small businesses much more than larger firms. Indeed, Manitoba's small-business owners deal with a significant amount of red tape. They're tied up in everything from assessments, employment standards, PST, GST regulations, income tax filings, municipal bylaws, privacy rules, payroll taxes, WCB paperwork and the list goes on and on and on. And, in Manitoba, CFIB members cite the PST, WCB, workplace health and safety, employment standards are the most burdensome regulations in terms of how much time it takes for business owners and their staff to spend on compliance. Consequentially, when surveyed, 68 per cent of Manitoba small-business owners agreed that provincial red tape limits their ability to create jobs.

It's not surprising, then, that a strong majority of Manitoba small-business owners—86 per cent of which agree that the government should 'legislate' one-for-one legislation to reduce red tape. While other provinces have specific goals to help lower red tape, one-for-one legislation will help ensure that the understanding—or, that understanding the impacts of regulatory burden becomes as an important, ongoing thought in policy development. The province's commitment to further reduce the regulatory burden with a two-for-one requirement over the next four years is strongly supported by CFIB members as well.

CFIB has thoroughly reviewed the legislation and the government's perspective—excuse me, the government's respective implementation strategies. According to Laura Jones, CFIB's vice-president and chief strategic officer—and, although it doesn't reiterate this in the paper, she is also our resident red tape guru—she said that Bill 22 has Manitoba poised to become North America's leader on red tape reduction.

* (18:30)

However, the delivery and implementation on this legislation remains critical to the government's reaching the bill's intended benefits. One addition to this implementation process that could improve the positive impact for small-business owners is to establish a permanent red tape portal on the Regulatory Accountability Secretariat's planned website. Manitoba business owners still want an opportunity to voice their concerns when they encounter red tape headaches, and a further 86 per cent support the creation of a permanent website as a means to this goal.

CFIB encourages all elected officials and public servants to work together to ensure the successful implementation and delivery of Bill 22. It will 'undoubtedly' require a collective effort to reframe how the government studies regulatory requirements, policies and their impacts.

Small-business owners have no issue complying with common sense rules and policies that protect consumer safety, the environment and their employees. But, as you know, red tape is something else. It's inconsistent information, confusing forms, bad customer service or getting the runaround. Business owners lose hours on the phone with government agencies; they have to comply with confusing and arbitrary rules, and they often deal with unhelpful or even, as I've heard so many times, aggressive customer service agents.

CFIB therefore records—suggests three ways for all of Manitoba's elected officials to help ensure the successful implementation and delivery of this important legislation. Firstly, the government must be held to account such that they reach their ambitious red tape reduction goals both in the first four years and beyond. Secondly, all elected officials should help identify the outstanding red tape headaches facing entrepreneurs and present them to the appropriate regulatory accountability staff to review and potentially fix. And, importantly, you must make certain that policies necessary to

protect consumer safety, the environment and the employees, remain in place.

The successful implementation and delivery of Bill 22 will undoubtedly help Manitoba's entrepreneurs focus more of their time, their energy and their money on growing their business and, in turn, our provincial economy. As the big voice for small business in Manitoba, CFIB will continue to be a strong advocate for reducing unnecessary regulatory burdens facing entrepreneurs in the province, and we look forward to seeing Bill 22 receive royal assent.

Thank you.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have any questions for the presenter?

Mr. Friesen: Thank you, Mr. Alward, for being here this evening and speaking to us from the perspective of CFIB.

I appreciate the suggestion you've made also in respect of the creation of a permanent website or some kind of portal to facilitate that ongoing dialogue between your members and government when it comes to navigating this. We've—we have contemplated a sector-by-sector approach, which, I think, will be helpful, help us focus our efforts, and we appreciate all good suggestions to help us tackle the burden.

I think that one of the most significant statements you made in your presentation was the fact that small-business owners have no issue complying with common sense rules and policies to protect consumer safety, the environment and their employees. I certainly hear the same in the community, the conversation that comes to me from outside sources. They say, we want to comply, tell us how to comply, but what we have to navigate to comply is difficult.

So, just before you came to the microphone, one of the opposition members suggested to the former presenter that the targets that are set out are completely arbitrary. I thought I would just allow you, from your perspective, to answer that charge. By arbitrary, I assume he means meaningless. Do you think a two-to-one and a one-to-one regulatory target is meaningless, or does it have meaning?

Mr. Alward: Minister, thank you for the comments and look forward to hopefully seeing the results of that website.

To be fair, I do not think that the member from the other side of the table meant that they're meaningless, but we do believe that these regulatory requirements, and certainly the measurement, are very important. And again, our own organization's red tape expert had made it very clear that this is the most comprehensive legislation that will be in North America if it's properly implemented, and we certainly look forward to continuing to work with all levels of government to that end.

We are confident that the strategies put in place, not only outlined in the legislation, but certainly in the implementation and delivery of this legislation, are going to make sure that these goals are not arbitrary.

Mr. Chairperson: Thank you.

Mr. Allum: Mr. Alward, of course, always glad to see you. I'm glad you've come to participate. I mean that genuinely, and I'm glad you participate in public hearings here. It's an important function that citizens need to provide.

My friend from Flin Flon has one question for you, so I just want to talk about your math a little bit, if you don't mind. On page 2, you indicate that estimated total costs for regulation is \$1.2 billion, all forms of government here in Manitoba, of which \$360 million is considered red tape. In a \$64-billion economy, can you tell me what fraction we're talking about here in terms of how much it actually costs? And then, also, without even recognizing what benefits may be from those regulations?

Mr. Alward: Look, thank you, and certainly it's a pleasure to always be here.

In terms of the math, I can certainly provide you with a copy of our red tape report from 2015. We're actually quietly in the process of developing our next one for 2017. That's my understanding.

In very brief summary, how it works: We look at the actual time and hours it takes for employers and their staff to comply with these regulations and we factor that out as a—certainly, a function. I can certainly provide those measurements for you. What's really important to note, though, that this is with all levels of government, and, as the AMM and others here are going to certainly reiterate, there is no shortage of unnecessary regulation facing entrepreneurs and all Manitobans.

Mr. Gerrard: Yes, I just want to follow up on your comment about creating a permanent website, and

perhaps you can give us a little bit more detail about what you envisage on that website and how it would work and how it would complement this act.

Mr. Alward: Look, we've actually worked with a few federal agencies now to set up a help portal, so to speak, as a new form of delivery. Often, we forget about the red tape headaches. Entrepreneurs are extremely busy people; they don't have time to write a lot of these red tape headaches down when they see them, but, you know, we believe that, if you have an open access on a portal, a help centre, a website that you can send something to that's permanent, it would certainly be a big benefit for when they have it on top of their mind.

The government did bring forward a temporary red tape consultation, had a stepwise process, but, at the end, it had a open dialogue box where you could actually voice your concerns and, hopefully, they were directed, certainly, to the people that can make the change. We think that that kind of a website—or piece off of the secretariat's planned website—would be a worthwhile addition.

Mr. Tom Lindsey (Flin Flon): Thank you for that, and welcome you again. And love your charts and graphs, as usual.

My friend here says that it costs the economy, what, 0.005—what is it, cents or per cent?

An Honourable Member: Per cent.

Mr. Lindsey: Per cent. That's how much this red tape, based on the numbers you give. But that's not what I want to ask you about.

You said that WCB, health and safety, those kind of regulations are very burdensome for your members and there should be a common sense approach to deciding what rules should apply.

So my question is: Who do you think should decide what health and safety rules should apply?

Mr. Alward: Well, look, I'm very glad you answered that question and possibly set me up to talk about a great piece of this legislation that I don't have referenced here in my presentation.

With the government's planned review process, this will make sure that all Manitobans will have an opportunity to have a voice to make sure that important regulations remain in place that protect the safety of consumers, the environment, employees, and that ones that do not will have, certainly, a chance to be appealed.

Mr. Chairperson: Time. Thank you, Mr. Alward.

Mr. Battershill, from Keystone Agricultural Producers. Do you have any written materials for distribution to the committee?

Mr. James Battershill (Keystone Agricultural Producers): I do.

Mr. Chairperson: Please proceed with distribution.

Mr. Battershill: Good evening, honourable members of the Legislative Assembly, ladies and gentlemen. My name is James Battershill, and I'm the general manager of Keystone Agricultural Producers, commonly known as KAP.

* (18:40)

KAP is Manitoba's general farm policy organization representing and promoting the interests of thousands of farmers in Manitoba. Our membership consists of farmers and commodity groups throughout the province who set our organization's policy through a grassroots governance structure.

On behalf of KAP, I would like to share our organization's position with respect to Bill 22, The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act.

Farmers strongly support well-designed regulatory regimes. We know that the public's confidence in our industry is critical for our success. Manitobans must know that the food we produce is safe to feed to their families, and they must have assurances that it is produced in a way that protects the environment, the safety of the farmers and workers, and animal welfare. The government of Manitoba has a very important role in helping give Manitobans those assurances by implementing and managing regulations and laws that provide the right checks and balances on our industry.

This said, regulations should not create unnecessary roadblocks which limit success and prosperity in our sector. KAP has identified many regulations that, while initially implemented for the right reasons, have quickly become either redundant, unnecessary, ineffective or too prescriptive, especially if they have not been subject to regular review. We applaud the government of Manitoba for taking meaningful steps to ensure that regulations in this province are studied regularly and guidelines are in place to ensure they meet the needs of all Manitobans.

Bill 22, as you know, establishes a framework for regulatory development that will better serve stakeholders who must comply with government regulations and provide the broader public with a government that is more accountable for the regulatory decisions that it makes.

KAP also supports the bill's emphasis on regulatory impact assessment and stakeholder consultations. Poorly designed regulations that fail to meet clear policy objectives create costly administrative burdens for farmers and fail to address the problems they are intended to solve. A thorough cost analysis is a necessary step to identify the potential burdens caused by regulation. Allowing stakeholders and the public to consult on a proposed regulation before implementation also ensures that affected stakeholders can identify their concerns up front. KAP greatly values public consultation and sees it as an effective means for stakeholders to have a voice, to express their concerns, to learn about new regulations and build trust with government. We are very happy to see this important step to sound regulation-making has been taken seriously. Consultation fosters greater trust between stakeholders and government and provides a more democratic framework for regulatory development.

KAP also supports the bill's concern with implementing procedures for evaluating the effectiveness and efficiency of regulations and for monitoring and minimizing the number of regulatory requirements on the books. Good regulations can only be achieved by revisiting and examining their effectiveness over time. Agriculture is an industry that is rapidly evolving, and KAP members know that they must always have an eye to new technologies and practices in order to remain competitive. They also regularly face new challenges, such as climate change, that requires them to adapt. Regulation-making is the same: what seemed to work at the time that a regulation was designed and implemented may no longer work to achieve its policy objective as time goes on. For this reason, regular review is necessary. Additionally, KAP sees great value in a framework that establishes a system for taking stock of and monitoring regulatory requirements. As a part of this process, emphasis should be placed on identifying duplication and inconsistencies between regulatory requirements. KAP is very pleased to see that Bill 22 emphasizes this.

KAP is further encouraged by the bill's establishment of both a Regulatory Accountability

Committee, comprised of ministers and other appointed MLAs, and a Regulatory Accountability Secretariat to administer various aspects of the act. The composition and design of these bodies demonstrates a clear commitment to seeing that the principles contained in Bill 22 are honoured and the objectives are realized.

KAP supports the bill's requirement for reducing and minimizing administrative requirements. Eliminating regulatory burdens before new regulations can be implemented at a rate of two to one until 2021, and then one to one thereafter should help ensure that unfettered regulatory growth does not occur.

KAP is also glad to see that the bill puts in place annual reporting that will catalogue and track regulatory requirements across government. The fact that this report will be made public ensures greater accountability going forward.

KAP also supports the review requirement included in the bill. Public policy must be adaptable if it is to be effective. Regulations designed to achieve a specific policy must be reviewed regularly at set intervals to remain relevant. This is clearly addressed with the three-year review of regulations.

So KAP is encouraged by the concrete steps that are currently being taken to reduce unnecessary red tape and ensure a better framework for regulatory development going forward. We have welcomed the opportunities we have been given thus far to speak with the red tape task force members and highlight some of the worst regulatory challenges farmers face. We look forward to a better framework for regulatory development wherein such regulatory burdens can be avoided in the future. Farmers are currently struggling with poorly designed water and drainage regulations that are inconsistently applied across Manitoba, time consuming and costly regulations surrounding grain dryer installations, challenges with the ag producers organization funding act and unnecessarily inflexible nutrient application regulations that require repeated requests for extensions based on calendar dates rather than production conditions.

We encourage all members to pass Bill 22 in order to create a better framework for regulatory development and look forward to ongoing discussions surrounding red tape reduction. Thank you.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have questions?

Mr. Friesen: Thank you, Mr. Battershill, for being here this evening and representing KAP. I appreciate your submission this evening. I appreciate your emphasis on relevance of regulation and the need for periodic review of regulations to make sure that they're still working as proposed, and I also appreciate you underscoring the importance of ongoing dialogue and consultation between groups, normalizing that conversation and allowing sectors to be able to have that face time with legislators and regulators and saying, I know what you're trying to do; help—let us help you accomplish that goal in a better way.

Mr. Battershill, I thought I would just give you the opportunity to respond to concerns that arise sometimes when we talk about red tape, concerns about safety. Reducing red tape means making people unsafe. From your perspective representing KAP, could you speak to this a little bit and talk about what, in your mind, this bill and these measures do and what they don't do?

Mr. Battershill: So, with regards to safety, this is an issue that's quite near and dear to our organization, as we've invested thousands of hours of work on my board and our staff's part to develop safety programming and information to be helping farmers train and be in compliance with current regulatory measures. It's really quite key that as we discuss regulatory development and review, the challenges that we often find is that when it comes to workplace safety, oftentimes we taking regulatory measures that were developed for other industries and trying to fit them on top of an agriculture sector that really looks like no other workplace.

We recognize and are really taking a proactive position in working to reduce the number of injuries in our industry. We'll want to no longer have the dubious title of one of the most dangerous occupations in the province. But a key component of that is making sure that the regulatory environment that is there makes sense for farmers and so that they're in a position where they're actually able to comply and not just have regulations from other sectors imposed.

Mr. Allum: Welcome, Mr. Battershill. I don't know that you and I have had the opportunity to meet before, but I know that KAP does great work on representing producers all across the province, and appreciate you taking the time to come here tonight.

I think much of what you said, we wouldn't have much objection to, except that is it your position that you would—that this arbitrary two for one is—makes sense? Is that what you're suggesting? Wouldn't it be better, based upon what you've presented tonight, to have in-depth discussions with the relevant minister, in your case, the Minister of Agriculture, talk about those specific items and improve public policy that way rather than engage in some arbitrary two-for-one process?

Mr. Battershill: I think that the two-for-one factor that's being suggested in this has validity and merit to it. I think that part of the challenge with regulatory growth is that it's very easy to create new regulatory requirements, but it's very difficult to spend time and energy that—without some sort of motivating factor to determine whether or not a regulation is necessary anymore, if it needs an amendment.

You need some motivating factor, and I think that at least setting out until 2021 the requirements to have, before any new regulatory measure can be introduced, have double the impact to be considered and eliminated. Is that motivation that departments and ministers will have to resolve some of the long-standing issues?

* (18:50)

As an example, one of the challenges that we've had for quite a number of years going back, I believe, until 2010 is the issue of surface water management and water management in this province. There's been an enormous amount of energy and attention dedicated to resolving the outstanding issues that we have with the regulatory regime right now, one that the Auditor General, in fact, investigated and determined that was not workable and that the Province was not enforcing adequately a number of years ago.

The Auditor General should not be forced to be the impetus behind regulatory review and reform. We think there should be more institutional motivating factors involved, and I think that for a temporary basis until 2021 that the recommended two-for-one ratio is a reasonable approach.

Mr. Lindsey: Thank you and welcome.

Some of the things you talked about kind of piqued my interest a little bit. You talked about the agricultural sector being the bad boys of industry when it comes to workplace health and safety.

I come out of an industry that used to be the bad boys of industry and they're not anymore. The main reason that they're not is because there's adequate, strong regulations that have been developed in consultation with people that work in the industry, people that own the industries and the government.

Now, you've said that you want to have the opportunity as representing farmer—or farm organizations, I guess, to develop the strategies to make your workplaces safer. And yet apparently that hasn't happened yet, nor did it happen without adequate people involved in my industry. So could you explain how you plan to—

Mr. Chairperson: Order. We have exhausted our time right now.

I'd ask the committee—there are other members who wish to speak. I ask the committee for a two-minute extension. *[Agreed]*

Please continue. *[interjection]*

Mr. Lindsey.

Mr. Lindsey: To summarize very quickly, you've said that you want to have the opportunity to make farms safer. So what's your plan to do that without the enforcement of regulation?

Mr. Battershill: So, certainly to clarify, there's no one that's suggesting that the current regulatory regime around workplace safety and health shouldn't be enforced on farms; that's not the position that we're taking.

The previous Labour minister, Jennifer Howard, five years ago created a plan for how to address that included measures for addressing workplace safety issues. A key component of that plan was the establishment of industry-based safety programs, which is what the member's referring to, in terms of one of the leading tools that's used to make workplaces safer.

That is something that we are in the process of developing right now. We know that it has to be industry led. We need—we know that employers, farmers, need to have buy in and have an understanding of why it is that we're advocating that they undertake training and that they invest in the resources that are necessary to make their workplaces safer.

I think that that's the only tool that is going to be effective at this. I don't think that we can possibly hire enough Workplace Safety and Health officers to

scour the entirety of the province of Manitoba to come anywhere near effectively increase the safety record of our industry. I think that we need to take responsibility for that, and that's something that we're investing heavily in.

Mr. Chairperson: Dr. Gerrard, with a quick question.

Mr. Gerrard: Sure.

You mention the regulations regarding drainage and water management as ones being an example. I just have one concern here is—these regulations would now go before what's called a Regulatory Accountability Committee, which consists of ministers and members of the Legislative Assembly who are appointed. Is that the right group to be reviewing water and drainage regulations?

Mr. Battershill: So, certainly, the process that we've been undertaking on drainage regulations in the province for the past eight years now has been more comprehensive than that, and I would recommend that that be the approach on major regulatory reform, like drainage, licensing and regulation in the province.

A group of stakeholders from all affected parties, conservation organizations, farm groups, municipalities, the Province of Manitoba, were all involved in a lengthy stakeholder consultation process that took place over many years that eventually made recommendations to the Province for a regulatory reform that was desperately needed and continues to be desperately needed, as we currently have, I believe, 4,000 outstanding drainage licence applications under review by the Province, so I would suggest that the inclusion of that provision in the act does not exclude the government's responsibility to do further analysis with stakeholders.

Mr. Chairperson: Thank you. Time has expired.

Bill 21—The Fiscal Responsibility and Taxpayer Protection Act

Mr. Chairperson: We'll now go to Bill 21 and I'll call Jonathan Alward, Canadian Federation of Independent Business. The material's already been distributed.

Thank you, Mr. Alward. Your material's already been distributed, so please proceed.

Mr. Jonathan Alward (Canadian Federation of Independent Business): Thank you, again, for

having me to speak for a second time. I promise this one will not be quite as long.

So, good evening, everyone, again. On behalf of the Canadian Federation of Independent Business, I'd like to thank you for the opportunity to present as well on Bill 21, The Fiscal Responsibility and Taxpayer Protection Act.

So you all know very well how CFIB sets its positions, but I'd like to talk specifically about what our members think of Bill 21, and CFIB certainly appreciates that the Manitoba government has brought forward Bill 21 to re-establish the legislative tools necessary to guide governments out of debt towards sustainable spending and away from tax increases unless publicly supported.

However, we fear that Bill 21 falls well short of many of these commendable goals, and the unanswered questions surround many of the key principles contained within this proposed act. For many years, CFIB members in Manitoba cited the total tax burden and government debt and deficit as two of the topmost concerning issues to their business. Our members know that the Province's net debt has nearly doubled over the last decade and that the deficit is projected to be \$840 million this year.

They also understand well that today's deficits and growing debt will become tomorrow's tax increases. Not surprisingly, small-business owners are concerned about the Province's raising-rising debt levels because it potentially increases their future liability—excuse me—their future tax liability, limits the government's ability to invest in infrastructure and programs and transfers debt to the next generation.

I was pleased to reiterate both these top concerns in various meetings with the Minister of Finance (Mr. Friesen) and opposition members this winter and emphasized why fiscal restraint is needed now and not later. CFIB's research further proves this point. Although our Manitoba members want to see the Province get back to balanced budgets well before the government's 2024 deadline, it will be extremely difficult for the government to meet even their own deficit reduction targets at the current spending growth levels.

As you know, the Premier (Mr. Pallister) mandated the Minister of Finance to increase annual spending by no less than 3 per cent each year; however, according to CFIB projections, the Manitoba government must hold expenditure growth

to no more than 2.8 per cent annually to return to balanced budgets within their committed time frame.

The government's self-described moderate deficit reduction policies will not fix Manitoba's fiscal fundamentals quickly enough and, therefore, strong, balanced budget and taxpayer referendum legislation are necessary tools to ensure that the government implements the fiscal restraint that entrepreneurs know will help improve the province's financial well-being and overall business climate.

The proposed taxpayer referendum legislation under Bill 21 comparatively—excuse me—is comparatively better than the balanced budget section. Although the taxpayer protection section is not without concerns, I believe that a majority of CFIB members in Manitoba will support this section of the legislation.

When surveyed, 88 per cent of Manitoba members agreed that a referendum should be held for any proposal aimed at raising major taxes such as PST and income taxes. This is not surprising as many of the province's entrepreneurs believe that they're already unfairly taxed and any additional taxation would further erode tax competitiveness and their ability to grow their business.

Furthermore, 72 per cent of all Manitobans agree that a provincial referendum should be held for any proposal aimed at raising major taxes, such as PST or provincial income taxes.

Another important reason why many entrepreneurs do not support additional taxation in Manitoba is because they do not believe that such measures will remain temporary, even if explicitly promised otherwise. Consequentially, it is reasonable to expect that taxpayers referendum legislation can help avoid future erosion of tax competitiveness and small-business optimism.

* (19:00)

CFIB is concerned with two specific sections under the taxpayer protection heading of Bill 21. In section 9(2)(a), it is unclear whether or not the time frame for change is limited to no later than 2023. In the case of Manitoba's climate and green plan, any carbon tax imposed, whether revenue-neutral or not, should not—should be limited to the minimum federally mandated price.

CFIB members in Manitoba have made it clear that they do not support the federal government's proposed price on carbon, with 62 per cent of

members opposed, so the provincial government should take steps to minimize any federally or provincially mandated price on carbon.

Lastly and certainly not least, the Taxpayer Protection section specifies that any results from the referendum are non-binding. We are very concerned that these associated circumstances remain vague, as the legislation is ineffective without certainty that voting intentions are to be respected and acted upon.

Entrepreneurs are looking for the government to lay a strong foundation of policies to improve Manitoba's business climate. We believe that the taxpayer referendum legislation can help accomplish these goals, but only if the act is strong enough to warrant the confidence of the public's small-business owners.

Similarly, balanced-budget legislation can only be effective if it is strong enough to hold governments accountable. Not surprisingly, when surveyed, 89 per cent of Manitoba's small-business owners support Manitoba having strong balanced-budget legislation. However, we worry that the government's proposed balanced-budget legislation lacks the regulatory teeth necessary to ensure that the deficit will be reduced as quickly as necessary.

Currently, the government needs to reduce the deficit by just \$1 annually to avoid any financial penalties imposed under the act. More bold, defined goals are needed in this section to add urgency to the government's efforts to return to balanced budgets. CFIB therefore recommends that the government make amendments to the section 4(1) such that the baseline amount reflects the lowest annual deficit incurred for any fiscal year, beginning in or after 2017, less \$200 million until returning to balanced budgets. Furthermore, summary spending increases should be limited to no more than 1 per cent annually until balanced budgets are reached.

We're concerned that the legislation further ignores the uncertain financial results of Manitoba Hydro, but welcomes surplus funding from Manitoba Liquor & Lotteries. Similarly, the government can still draw on funding from its fiscal stabilization account without penalty while ignoring the necessity to account for funding placed into the account.

Lastly, CFIB is worried that the government is not required to clearly define a year-to-year strategy return to balanced budgets under this act for which we have been a vocal proponent in meetings with the

Minister of Finance (Mr. Friesen) and opposition members. Clearly, these stronger rules are needed to meet the laudable intentions of balanced-budget legislation.

It is my understanding that The Balanced Budget, Fiscal Management and Taxpayer Accountability Act was eliminated by this government because it was no longer an effective legislative tool. I challenge the committee members here this evening to determine whether or not the current legislation being debated accomplishes the outstanding goals that provoked the former act to be removed. If it does not, as I believe, I urge you to strengthen Bill 21 until it has the teeth necessary to help the government get back to balanced budgets and sustainable spending levels to the benefit of all Manitobans.

Make no mistake: the provincial government has taken many positive steps over the past year to begin improving Manitoba's small-business climate. But Manitoba's small-business owners still face high taxation levels and understand that today's deficits and debt will become tomorrow's tax increases. Balanced-budget and taxpayer referendum legislation will build upon the positive steps already taken if they are strong enough to be effective.

As the big voice for small business in Manitoba, CFIB will continue to be a strong advocate for fair taxation, sustainable spending and the credible tools necessary to help governments accomplish these goals. We look forward to seeing the changes necessary for Bill 21 before it receives royal assent.

CFIB once again thanks you for the opportunity to present this evening, again.

Mr. Chairperson: Thank you—excuse me. Thank you for your presentation.

Do committee members have any questions?

Hon. Cameron Friesen (Minister of Finance): Thank you, Mr. Alward, for your presentation here at the table this evening, and I appreciate the perspective of CFIB on the proposed legislation. I've welcomed your conversation. We haven't always agreed on these measures, but we—I've always enjoyed the exchanges that we've had on these issues.

What we do agree on in principle is the need for accountability and for progress to be made. And I did appreciate your analysis showing that, you know, really what needs to be controlled, and what wasn't

controlled in the past, of course, was the annual increase to government spending and that government will not make progress so long as that increase year over year is left unchecked. And you will note, I'm sure, with a certain amount of comfort that we are controlling that year-over-year spending growth within government, and even now in our '17-18 budget, showing that growth, again, controlled.

I did want to accept the point you were making about the necessity to make progress that is significant, so I accept that. You said in—on your page 5, that legislation can only be effective if it is strong enough to hold governments accountable, and I accept the point that your organization is making. Certainly, we have said as a government that we have the commitment and determination to make the progress we're saying. I hear you saying, though, there's a need to galvanize that intention and that will, that we have to make sure that not just this government but all governments thereafter are held to the same standard.

Just on one last point, I know you do indicate in your last point of your presentation, you know, some very, very significant year-over-year targets that we have been clear as a government we have to take a balanced approach because we had some very significant front-line services that we must continue to invest in and some challenges with respect to service delivery that we can't walk away with. Nevertheless, I would want to leave you with the clear reply from government that we would be in support of measures to strengthen the accountability measures in this bill when it comes to penalties for ministerial salary and the direction and quantum that government would have to make every year in order to create and sustain the kind of directional change that we believe is required in the province of Manitoba. Invite your reply in any way.

Mr. Alward: We certainly look forward to seeing what those recommendations will be and what, if any, will be implemented. You know, certainly, having a context around the amount needed to reduce the deficit every year is going to be important. There are still outstanding concerns aside from that that I believe that CFIB members will have remaining—but.

Mr. Chairperson: Thank you.

Mr. James Allum (Fort Garry-Riverview): Mr. Alward, it's good to see you again. It feels like déjà-vu all over again, as Yogi Berra would say.

You and I had a chance to speak a little bit this morning, and, I think, and correct me if I'm wrong, that we both came at the bill from different angles but both felt that it didn't really meet any kind of standard that would be useful. Would it be your opinion that the Finance Minister should do the right thing tonight and withdraw this bill and start over?

Mr. Alward: Look, the legislation before us tonight has laudable intentions if it has the teeth necessary to meet realistic but significant goals. If the committee here can decide on, you know, redefining those targets, clarifying existing vague comments within the legislation, if you can agree to that tonight, I would certainly look forward to seeing the results of that. I don't think that there's necessarily a need to start over. We, clearly, identified a lot of the concerns that small-business owners would have with the legislation. It's a matter of whether or not committee members here can agree to address those concerns.

Mr. Chairperson: Thank you.

Hon. Jon Gerrard (River Heights): I note that one of the concerns that you've got is that there's no requirement to clearly define a year-to-year strategy to return to balanced budgets. Would you suggest that that is an essential requirement for this bill if it's going to be effective?

Mr. Alward: Look, I would say even further I believe it's an essential goal for any government to have, regardless of this legislation or not. We made it clear when we met with members of your party that the government needs to have a road map, so to speak, back to balanced budgets and a year-to-year-to-year plan of how to accomplish that goal. Whether it's in this legislation or not, and it certainly doesn't need to be in this legislation, that's an—very, very important piece for any government to have.

Mr. Allum: So, just following along on your comments there, are you privy to some amendments that the prime—that the Finance Minister is going to be tabling tonight?

Mr. Alward: Look, other than what I've heard in the media, I don't know of any specific amendments. I know that I believe it was right after the bill came out and was met with some concerns from the public that the minister had clarified or amended that some changes might be coming. We certainly look forward to what changes those might be. But, again, there are still many concerns here not only with the balanced

budget piece of the legislation but the taxpayer referendum section that need to be addressed on top of that.

* (19:10)

Mr. Allum: So, I'm sorry if I don't quite get you here, it's just me. So you were consulted on amendments to the legislation?

Mr. Alward: We've made it very clear in prebudgets what our members expect of this legislation. So I don't think anything here is coming out of the ballpark. We've made it clear what targets our members want to see for balanced budgets. So, if you look backwards to that, you can certainly figure out what targets the government would need to have each year to be able to meet those goals.

Even just to meet their own goals of getting back to balance by 2024, they would have to, in theory, reduce the deficit by more than probably \$125 million each year.

Mr. Chairperson: Mr. Allum, we only have 15 more seconds, so therefore we'll—*[interjection]* Thank you.

The next presenter that we have is Mr. James Beddome, who is a private citizen. Mr. Beddome. *[interjection]* Mr. Beddome will be removed from the list because the Chair has called twice.

That concludes the list of presenters I have before me. There are—excuse me—are there any other persons in attendance who wish to make a presentation? Seeing none, that concludes public presentations.

* * *

Mr. Chairperson: In what order does the committee wish to proceed with clause-by-clause consideration of these bills? Numerical order? *[Agreed]*

During the consideration of a bill, the preamble, the enacting clause and the title are postponed until all other clauses have been considered in their proper order. Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages with the understanding that we will stop at any regular—or any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? *[Agreed]*

Bill 21—The Fiscal Responsibility and Taxpayer Protection Act *(Continued)*

Mr. Chairperson: We will now proceed with Bill 21.

Does the minister responsible for Bill 21 have an opening statement?

Hon. Cameron Friesen (Minister of Finance): I'm pleased to speak briefly about Bill 21, The Fiscal Responsibility and Taxpayer Protection Act, which we believe sets out a—which sets out a principled course of sound decision making.

We know that this legislation replaces the previous Balanced Budget, Fiscal Management and Taxpayer Accountability Act, which was originally introduced in 2001, was subsequently repealed by our government following the 2016 election.

This legislation confirms our commitment to move the Province towards the path of balance in a responsible way while representing the rights of citizens in this province. It is important that government is accountable to Manitobans. It is important that the government indicate the progress that it intends to achieve, and it is important that government achieve its targets.

We know that this—these measures will entail that there's a fiscal responsibility strategy published with a budget, as it was this year. We know that features of this bill include future fiscal year projections being made, and we had committee presenters speak about the necessity to include that this evening. We know that we have to show progress each and every year. We cannot allow government to continue to miss its targets as the previous government did year after year. Bond rating agencies commented on the government's inability to hit its targets, commenting—using terms like adjustment, fatigue and continues to disappoint, when it came to the government's inability to reach its own targets.

As we mentioned earlier today, government is open and proposing to take further steps, understanding that Manitobans have an appetite to include further steps to enhance those measures we have provided in this bill to make sure that government does hit its targets and to make sure that the penalties to ministers are significant when government does not hit those targets.

We know that this bill does allow the same flexibility as the previous bill when it comes to unforeseen events, significant events or the sudden loss in revenue sources from the federal government and other exceptional circumstances like that. We know, as well, that the bill is designed to make sure the calculation of government progress is done by netting out Manitoba Hydro. We continue to believe that it's important to see Manitoba Hydro as a separate entity, responsible in and of itself, for making its own progress towards stability.

At the same time, we have said that it's important that there be accountability to Cabinet members for making the progress, and that is why this bill contains provisions not just for a 20 per cent removal of minister pay, but to actually remove it proactively and only award back ministerial pay on the basis of merit after the Public Accounts would determine that progress is indeed made.

So we're grateful that members of the public and members of organizations came out today and to share their point of view with us. We promised, originally, as a government, that we would bring this legislation and we are doing it now. The long-term financial sustainability of our province matters very much. We cannot make the investments in front-line services in health, in education, in social services and infrastructure that we need to make so long as we pay more and more money to our creditors.

I note that in the third quarter results of the '16-17 year, we saw an extraordinary increase in debt service charge—\$61 million just in a single quarter. That is significant. It's challenging for our government to make the right contributions in the right places when it is hamstrung by debt and deficit.

So we welcome the discussion, and we welcome the agreement at this table that the bill should advance.

Mr. Chairperson: Thank you, Minister.

Does the critic from the official opposition have an opening statement?

Mr. James Allum (Fort Garry-Riverview): I do, Mr. Chair.

Mr. Chairperson: Proceed.

Mr. Allum: I try to subscribe to the advice provided by the Minister of Infrastructure (Mr. Pedersen) to keep it short. The official opposition has no intention

of supporting a bill whose intent really belongs in the 1990s, not in the second decade of the 21st century.

We know, absolutely, that the provisions of the legislation both from the left, and, I think, represented by one of our public speakers tonight from the right, both find it wanting in great detail. It's our suggestion that the minister couldn't amend this bill enough in order to improve it, whether in terms of its accountability issues—even the journal of record, the Winnipeg Sun, calculated that it would take a billion years under this particular formula to balance the budget and actually constitute any value to the people of Manitoba.

We know, as well, that the non-binding referendum is poorly thought out. The Finance Minister was unable, at any time, to provide any indication of whether 60-40, 70-30, 51-49 would be the threshold. He certainly hasn't calculated the cost to the people of Manitoba for holding such a referendum, and, at the end of the day, it's non-binding. So it really holds no legal authority whatsoever.

The Finance Minister concentrates on the total amount of the debt. He knows full well that every reputable economist talks about debt-to-GDP as the important and critical number. In that sense, Manitoba has a very solid debt-to-GDP ratio. He ignores what modern economics suggests in order to import legislation best left with the Filmon government of the 1990s. He would do well to withdraw this bill tonight.

* (19:20)

Mr. Chairperson: Would like to thank the member.

Now we'll go to the clauses, clause by clause.

Clause 1—pass; clauses 2 and 3—pass; clause 4—pass; clauses 5 and 6—pass; clause 7—pass.

Shall clause 8 pass?

Mr. Friesen: Mr. Chair, I have an amendment to bring to the committee.

Mr. Chairperson: Amendment is being distributed.

Mr. Friesen: I'm moving an amendment

THAT Clause 8 of the Bill be amended

(a) in Clause 8(2) by striking out "or (5)," and substituting ", (5) or (5.1),";

(b) by replacing Clauses 8(4) and (5) with the following:

Full payment—no deficit

8(4) If the report under section 7 for a fiscal year shows that the government did not incur a deficit, an amount withheld from a person under section—sub (2) for that fiscal year is payable to the person for that fiscal year, without interest.

Salary reduction—contravening deficit

8(5) If the report under section 7 for a fiscal year shows that the government incurred a deficit in contravention of section 4 or 5, the ministerial salary of a person to whom subsection (2) applied for that fiscal year is reduced by the amount withheld for that fiscal year under that subsection.

Salary reduction—non-contravening deficit

8(5.1) If the report under section 7 for a fiscal year to which section 4 applies shows that the government incurred a deficit that does not exceed the baseline amount for that fiscal year, the ministerial salary of a person to whom subsection (2) applied for that fiscal year is reduced according to the following formula:

$$\text{Reduction} = A \times (\$100,000,000 - B) / \$100,000,000$$

In this formula,

A is the amount withheld for that year under subsection (2);

B is the lesser of \$100,000,000 and the amount by which the baseline amount exceeds the deficit.

If the amount withheld for the fiscal year exceeds the salary reduction for that year, the excess is payable to the person for that fiscal year, without interest.

(c) in Clause 8(6) by striking out "or (5)" and substituting "or (5.1)".

Mr. Chairperson: It has been moved by Minister Friesen

THAT Clause 8 of the Bill—clause—

An Honourable Member: Can we go dispense?

Mr. Chairperson: That's what we're waiting for. Dispense?

An Honourable Member: Dispense.

Mr. Chairperson: Is it agreed to accept as printed? [Agreed]

THAT Clause 8 of the Bill be amended

(a) in Clause 8(2) by striking out "or (5)," and substituting ", (5) or (5.1),";

(b) by replacing Clauses 8(4) and (5) with the following:

Full payment—no deficit

8(4) If the report under section 7 for a fiscal year shows that the government did not incur a deficit, an amount withheld from a person under subsection (2) for that fiscal year is payable to the person for that fiscal year, without interest.

Salary reduction—contravening deficit

8(5) If the report under section 7 for a fiscal year shows that the government incurred a deficit in contravention of section 4 or 5, the ministerial salary of a person to whom subsection (2) applied for that fiscal year is reduced by the amount withheld for that fiscal year under that subsection.

Salary reduction—non-contravening deficit

8(5.1) If the report under section 7 for a fiscal year to which section 4 applies shows that the government incurred a deficit that does not exceed the baseline amount for that fiscal year, the ministerial salary of a person to whom subsection (2) applied for that fiscal year is reduced according to the following formula:

$$\text{Reduction} = A \times (\$100,000,000 - B) / \$100,000,000$$

In this formula,

A is the amount withheld for that year under subsection (2);

B is the lesser of \$100,000,000 and the amount by which the baseline amount exceeds the deficit.

If the amount withheld for the fiscal year exceeds the salary reduction for that year, the excess is payable to the person for that fiscal year, without interest.

(c) in Clause 8(6) by striking out "or (5)" and substituting "or (5.1)".

The amendment is in order, and the floor is open for questions.

Mr. Friesen: Mr. Chair, I just want to clarify, and I realize we're bringing this amendment at the committee stage, so I want to clarify that the government believes that we have listened to Manitobans and that we're taking steps to enhance the accountability measures in Bill 21. That's why we've introduced these further amendments today for the Legislature's consideration at the committee.

The amendments would ensure that Bill 21 would have sufficient and enhanced penalties should government fail to meet its targets for deficit reduction or maintaining a balance, and these provisions are in concert with our government's mandate for making sure to fix the finances.

So I have respect for this process and I have respect for the members at this table, and because of that, the—and we have respect for Manitobans, and so, because of that, we brought amendments that would essentially enhance the provisions of the original iteration of the bill by doing the following: Essentially, instead of the government returning that 20 per cent of ministerial salary to ministers if progress was made, we've clarified this to say \$100 million of progress must be made from public accounts of one year to the next in the form of deficit reduction in order for the entire 20 per cent ministerial salary holdback to be paid out as merit to ministers.

If \$100 million of progress were not made, but perhaps \$50 million were made, only half of the 20 per cent holdback would be returned to ministers. Were the government to actually increase the deficit in that year as shown in the public accounts even by \$1, the entire ministerial 20 per cent holdback would be forfeited.

We believe that this provides the kind of significance that we've heard members of the public talk about and even the members of the opposition who said the problem with the bill is that it didn't have significant enough provisions. We believe that this would satisfy the concerns that have been made along the way. We've always said that the government was open to creating the conditions in which government would be held to account. We were pleased to hear that Manitobans agreed with us.

What we believe this does is while this government has signalled in the most strong terms that we have the will and determination to make our targets, it entrenches into the legislation the necessity for all governments thereafter, any successive government, to have to make sure they hit these targets or suffer the consequences.

Mr. Allum: So, we're just asking questions of the minister, I guess, so I guess we have to start with the obvious, which is, after all your alleged consultations and all those conversations you had with Manitobans, how is it that you got this provision so wrong to begin with?

Mr. Friesen: We actually believe that we responded to Manitobans and that would show that this process actually works. We respect the committee process. We also respect the dialogue that we continue to have with Manitobans. We brought a bill; Manitobans were interested in the bill that we brought; Manitobans have expressed to us in communication to the Finance Minister's office in our prebudget consultations which were the most comprehensive and extensive of their kind in this province, over 16,000 unique interactions with Manitobans received in a variety of methods. The information we received back is that there were an appetite to make even more stringent conditions. We've contained those in this bill. I think that that would be a win-win.

Mr. Allum: So am I to understand that the original 20 per cent raise that you locked in for yourself and for other members of Cabinet, that's the starting point for this particular bill?

Mr. Friesen: So the member is once again trying to spin misinformation. I would like to correct him. I take him back to the previous bill that was in place in this province. That previous of taxpayer accountability bill actually required the former government to take a 20 per cent administrative salary after missing their targets for the second straight time. The NDP government did not want to take a successive salary penalty, so they amended the legislation to remove that protection. The whole point of that law was to protect taxpayers and balance budgets, but they watered down the provisions.

* (19:30)

When they could not—when they saw that they could not make the progress again in the next year, they entered into a period that they called a fiscal recovery period in which they would not have to make debt payments—debt service payments in which the rules—and in which time the rules of these provisions would not apply.

Now that's all fine and good if you said that 2008-09 was a period of constraint, but they then artificially extended the period that they had formerly described as the economic recovery period another few years to take them all the way to the election to make sure that they would not be held accountable for the provisions of that legislation.

Let us be clear that tonight we are bringing amendments that enhance and strengthen the

provisions of this bill. Let us be clear that, in the past, the NDP also brought amendments to this type of legislation and their amendments were always to water down the provisions of the bill. We stand on the side of accountability to Manitobans.

Ms. Flor Marcelino (Leader of the Official Opposition): Thank you, Mr. Chair. Through you, I'd like to ask the minister the goal is a reduction of 100 million a year, so as not to affect the minister's salary. How would that be achieved? Is it one, two, three departments or across the board—all departments?

Mr. Friesen: I thank the member and the interim Leader of the Opposition for the question.

So nothing in the amendment changes the original bill. The provisions that show what is taken to—in account in terms of calculating that deficit, where that accountability in terms of expressed through the Public Accounts when they are released in—by the September deadline or previous to that.

And just remind me again one more time of the question, so I can answer the last part.

Ms. Marcelino: How will that be achieved, like, will you be ordering all departments?

Mr. Friesen: I thank the member for the question. I remember now.

So, of course, this applies broadly to all Executive Council members, all members of the Cabinet and the Premier. This doesn't apply department by department. It includes the summary reporting of government progress, netting out the profit loss of Manitoba Hydro.

Mr. Allum: So the Finance Minister turned himself into a pretzel trying to explain how it is that he locked in a 20 per cent raise for himself, and yet, at the same time, proposes another legislative circumstances to freeze the wages of workers. He's failed to increase the minimum wage.

So it's hard to understand why it is that he thinks that this is an acceptable motivator when he, himself, is taken care of, but everybody else in Manitoba is forced to deal with less.

Could he explain that for us?

Mr. Friesen: Well, the member for Fort Garry-Riverview (Mr. Allum) is mistaken; MLAs do not set their own pay in this Legislature. Years ago, we gave that responsibility to a commissioner responsible for MLA pay. If he advocates for a

different method, he should say so on the record. The rules of the Legislature were quite clear; when it comes to this provision, the legislation on taxpayer protection, that legislation in place made very specific requirements for penalties that would accrue to ministers of a cabinet were they not to make their targets.

Let us keep in mind that the former NDP government declined to take those penalties that the legislation prescribed. They brought amendments that would prevent them from accepting the loss that was supposed to go to them because of their failure to meet the target.

Now, the member can call that pretzelling, but, I think, it's quite clear; they brought amendments to weaken the provisions of the bill, to make it less accountable, to make them less accountable. These measures make the government more accountable.

I think that the member for Fort Garry-Riverview should applaud these measures. He spoke only moments ago about the fact that he was concerned that the bill did not create the necessary kind of progress, year over year.

We've provided exactly here, in these amendments, the progress that he, himself, said he was looking for. Now, I think, he finds himself quarrelling with himself. It's—both goes too far and not far enough all at once. It seems to me that he has, himself, defined the issue of pretzelling.

Mr. Chairperson: Further questions?

Seeing none, is the committee ready for the question?

An Honourable Member: Question.

An Honourable Member: Mr. Chair? Withdrawn.

Mr. Chairperson: Shall the amendment pass?

Some Honourable Members: Pass.

Mr. Chairperson: The amendment has accordingly passed.

Okay, shall clause as amended pass—shall clause 8 as amended pass?

An Honourable Member: Mr. Chair?

Mr. Chairperson: Minister Friesen.

Mr. Friesen: Thank you, Mr. Chair. I have one other amendment for clause 8.

I move

THAT Clause 8 of the Bill be amended by adding the following after Clause 8(9):

Transitional—20% of annual ministerial salary to be withheld for 2017-2018

8(10) Despite subsection (2), amounts totalling 20% of the annual ministerial salary are to be withheld under that subsection from the ministerial salary otherwise payable to a minister for the 2017-2018 fiscal year.

Mr. Chairperson: It's been moved by Minister Friesen

THAT Clause 8 of the Bill be amended—

An Honourable Member: Dispense.

Mr. Chairperson: Thank you.

The amendment is in order, and the floor is open for questions.

Mr. Friesen: This is a much smaller amendment, just—it requires a brief explanation because we are into the new fiscal year, the 2017-2018 year, and the Committee of Supply books clearly show that withholding of the minister's salary, but we do not yet have the bill passed in the Legislature, has not received royal assent. It has not been passed into law; therefore, at the point in time if we could contemplate the bill would pass, that withholding a ministerial salary, we would now have authority to do so. Problem is you would not have enough pay periods remaining in the 2017-2018 fiscal year in order to fully take in that number of payments divided by 26 pay periods.

We did not want there to be any feeling in the public that somehow the government was being untrue to its word by not taking the full 20 per cent of ministerial salary in the 2017-2018 year. This amendment simply allows that provision to be able to fully withhold the 20 per cent of ministerial salary within the 2017-2018 year in the pay periods that are remaining should the bill be passed.

Mr. Allum: So you're taking a 20 per cent pay cut?

Mr. Friesen: So the member for Fort Garry-Riverview will know from being in the Committee of Supply that all ministers of the Crown, the Premier (Mr. Pallister) as well, in the Estimates book, on the page that speaks to ministerial salary, he will see the 20 per cent withholding of salary, exactly as the bill explains.

We have explained that it's not somehow paid out to a minister and then clawed back should

progress not be made. Instead, it is withheld at source and only returned to ministers on the basis of the progress made by the government against the deficit target, as we've now spelled out in the amendments. What this provision, of course, does is simply make sure that the full 20 per cent is on a biweekly basis, still being withheld appropriately and fully for the purposes of this current fiscal year.

Mr. Allum: Well, I'm not sure I'm still understanding the Finance Minister's explanation. He locked in a 20 per cent increase for himself and every other member of Cabinet. Is he now suggesting that he's going to take 20 per cent off?

* (19:40)

Mr. Friesen: The member is, once again, wrong when he makes his assertion. The member knows how the former legislation on fiscal accountability worked; I assume he knows how it worked. I assume that he read that bill. I assume that he read the provisions of that bill.

If he would have read the bill—and I could almost cite him the exact section and subsection here, because I've quoted it to him so many times in the House. He understands that, in the year of transition—and I know he has some time adopting—accustomizing himself to the fact that he's no longer in government. But that former bill makes very clear that, in the year of transition, the incoming government cannot be held responsible for the loss and failure to make progress against a deficit-reduction target that the previous government did not achieve. It provides for that one-year transitional period.

That bill also made very clear, though, that after that one-year transitional period, that new government was fully responsible for its own progress. And, if it failed to make that progress, it would have to accept that penalty.

Now, that member for Fort Garry-Riverview (Mr. Allum) has tried time and time and time again to weave his tortured narrative that, somehow, that the government is giving itself some kind of benefit when, indeed, this government has followed the rules. Let us be clear: this provision calls for more accountability. If the member for Fort Garry-Riverview is advocating for less accountability, as he has in the past with their amendments to the bill, he should say so in this committee.

Mr. Allum: Well, actually, I think it's—would be better described as a tortuous narrative, which is winding and meandering, which is what the Finance Minister continues to provide us in almost every answer to every question that's asked.

So let me ask him this, then, Mr. Chair: If he meets his phony \$100-million decrease next year, is he saying, then, he can collect his full 20 per cent increase on top of the 20 per cent he's already given himself?

Mr. Friesen: I don't know to what the member is referring when he talks about a phony reduction. I would remind him that he's talking about the summary budget, and he's talking about the release of the government's progress in respect of the 2017-2018 year, as reported in the public accounts. And those reports he's talking about are subject to the provisions of generally accepted accounting practices.

So, when he uses the word phony, I'm wondering: is he criticizing international accounting practices and the methodologies that are accepted worldwide as to how governments report on their annual profit loss?

Mr. Tom Lindsey (Flin Flon): I certainly don't claim to be a financial genius, so I'll just ask a simple question.

Can the minister indicate what penalty will apply to the salary for 2017-2018?

Mr. Friesen: So the way the legislation is written—it makes clear that the baseline for starting would then be this current year, the 2016-2017 year, which will be released in—later in this year. I—is—it's—I believe it is the convention that that—those public accounts must be released by the end of September.

Now that will be the baseline starting point, and the progress made on 2017-2018, one year later, would then be the point at which government either returns full, partial or no part of ministerial salary to those—to ministers.

Mr. Lindsey: So, basically, what the minister's saying is there's no penalty applied to their salaries for 2017-2018. The 20 per cent increase that they previously got will remain in effect, and then the future penalty is based on whatever number they come up with for the baseline for this year.

Is that correct?

Mr. Friesen: Could the member just repeat the question?

Mr. Lindsey: So there's no penalty in place for 2017-2018. The only penalty will kick in for 2018 and beyond?

Mr. Friesen: I believe I can give the member the clarification he's looking for. So—and I will clarify what I said earlier. For the first time, the test becomes the 2017-2018 budget, so, from last month when the government brought its 2017-2018 budget, that becomes the baseline, and then the measurement happens through the Public Accounts release of the 2017-2018 reports one year hence. At that point, that's when either the penalty will be made: government ministerial salary will be forfeit entirely, forfeit partially or returned to ministers. In the years thereafter, that test would happen Public Accounts to Public Accounts.

Mr. Chairperson: Further questions?

Seeing none, is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: Shall the amendment pass?

Some Honourable Members: Pass.

Mr. Chairperson: Clause 8, as amended—pass;

Shall clauses 9 and 10 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Shall clause 11 pass—*[interjection]* Sorry. I've been informed I've got to put something back on the record, so I'll repeat: Shall clauses 9 and 10 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Clauses 9 and 10 are accordingly passed.

Clause 11—pass; clauses 12 and 13—pass; enacting clause—pass.

Shall the title pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Allum: We object to the title, as we object to the bill in its entirety. We would request a voice vote, please.

Voice Vote

Mr. Chairperson: A voice vote has been requested.

All those in favour of the title passing, say yea.

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Recorded Vote

Mr. Allum: A recorded vote, please, Mr. Chair.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 4.

Mr. Chairperson: I declare it passed—I declare the title passed.

* * *

Mr. Chairperson: Shall the bill as amended be reported?

Some Honourable Members: Agreed.

An Honourable Member: No.

Mr. Allum: Recorded—a voice vote, please, Mr. Chair.

Voice Vote

Mr. Chairperson: A voice vote has been called.

All in favour?

Some Honourable Members: Yea.

Mr. Chairperson: All opposed?

Some Honourable Members: Nay.

Mr. Chairperson: The Yeas have it—in my opinion, the Yeas have it.

Recorded Vote

Mr. Allum: Recorded vote, please, Mr. Chair.

Mr. Chairperson: A recorded vote has been called for—has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 4.

Mr. Chairperson: Bill as amended be reported.

* (19:50)

Bill 22—The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act
(Continued)

Mr. Chairperson: We'll now proceed to Bill 22.

Does the minister responsible for Bill 22 have an opening statement?

Hon. Cameron Friesen (Minister of Finance): I thank, again, those individuals who came to make presentations at the committee stage tonight for the regulatory accountability act. And it's my pleasure to just make a few comments and say that our government—we have said—is committed to making Manitoba Canada's best province when it comes for regulatory accountability by 2020.

We know that, over the last 17 years, Manitoba has lagged behind other jurisdictions when it comes to regulatory accountability. We know that, in 2016, Manitoba received an F on the Canadian Federation of Independent Business red tape report card, and we know that a lot of work is necessary to create the conditions for business, for industry, for non-profits, for other levels of government to be able to interact with the government. We want a regulatory system in this province that is fair, that is transparent, that is aligned, that is efficient. And we want to create the quality of community services and the experience for business and prosperity for all Manitobans.

In order to do this, we have to focus on managing our regulatory requirements, and—those being the actions or steps the province requires of non-profits, businesses, municipalities and private citizens in order to access government programs and services, participate in regulated activities or simply do business in the province.

This bill has a number of features that set it apart, and—(1) it requires that government, first of all, count and then establish and maintain a comprehensive inventory of the number of regulatory requirements that exist; (2) it requires that all government forms and policies that contain regulatory requirements are posted online, where Manitobans can see them; (3) it makes sure that Manitobans have the opportunity to review and comment on proposed regulations that contain regulatory requirements; (4) it makes sure that the new system ensures Manitoba complies with all official notification obligations contained within provincial and international trade agreements; (5) it makes sure that we, first of all, work to reduce the number of regulatory burdens by going on a

two-for-one ratio, and then reconciling down to one-to-one to address the backlog that we have to deal with in this province.

Mr. Chair, to be clear, these are not new ideas. To be clear—unlike the member for Fort Garry implies—these are not ideas that belong in the past. That member then glosses over the fact that many other jurisdictions have comparable legislation in place. Places like BC, places like Saskatchewan, the federal government, many US states, the US federal government. In BC alone, 157,000 regulatory requirements were reduced without any impact on human health or safety or damage to the environment.

(6) this bill ensures that regulatory requirements are reviewed on a regular basis to make sure that they are still appropriate, they are still working as designed, and they still meet a strategic end; and (7) this bill formalizes the function of regulatory accountability by setting up a Cabinet subcommittee to oversee that work and keep it the focus of governments.

Mr. Chair, we need this work that the bill would accomplish. We look forward to the support of this committee, and we know that we have had, tonight, three groups come and indicate that they stand in support of the measures and the principles that this legislation represents.

Mr. Chairperson: We thank the minister.

Mr. James Allum (Fort Garry-Riverview): It goes without saying that we have strong objections to this bill as well.

The minister just said that I had suggested that this bill belongs in another century—and, well, no, that was the previous bill we were talking about, which is a strongly discredited economic theory from another time. Here, we're talking—if he wants to keep up with his own legislation about his red tape regulatory accountability bill. So we try to keep him up to date on which bill we're actually talking about in committee tonight.

We know for certain that this particular concept was taken directly from the Trump textbook of de-regulation. No sane, rational political party would back this kind of endeavour. And we would do it for three primary reasons.

First of all, it is absolutely an arbitrary target that the Finance Minister has taken. It concerns me that he doesn't know what the definition

of arbitrary is. He was, after all, a schoolteacher. We can get him a dictionary, but, of course, he knows that arbitrary means not based on reason or evidence. And there's clearly no reason or evidence to support a two-for-one proposition when it comes to deregulation.

We—the second reason we would object to this bill is, quite clearly, it creates an enormous amount of red tape. Instead of having our public servants, our valued public servants—the Finance Minister has demonstrated through other legislation he does not respect. Instead of having them concentrating on improving public policy in order to improve the programs and services that Manitobans rely on, he's going to send public servants out counting regulations. And then he's going to create an additional amount of red tape and bureaucracy in order to deal with all of this inventory of regulations that he has created. He is, in fact, quickly becoming the minister of red tape.

But, finally, and thirdly, and most importantly, Mr. Chair, we object to this bill, because of the potential implications of threatening health, safety, environmental and workplace standards in this province. These are absolutely essential to the well-being of every citizen in this province. And for the Finance Minister to put forward an arbitrary piece of legislation that may well undermine environmental safety, health and workplace standards is not something that the NDP would ever support.

Mr. Chairperson: Thank the member for his statement.

We'll now go clause by clause.

Clause 1—pass; clause 2—pass; clauses 3 and 4—pass; clauses 5 and 6—pass; clauses 7 and 8—pass; clause 9—pass; clause 10—pass; clauses 11 and 12—pass; clauses 13 through 15—pass; clause 16—pass; clause 17—pass; clauses 18 and 19—pass; enacting clause—pass.

Shall the title pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All of—all those in favour of the title—pass?

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed?

Some Honourable Members: Nay.

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

Clause is accordingly—Mr. Allum.

Recorded Vote

Mr. Allum: Recorded vote, please.

Mr. Chairperson: Recorded vote has been called for.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 7, Nays 3.

Mr. Chairperson: The clause is accordingly passed—the title is accordingly passed.

* * *

Mr. Chairperson: Shall the bill be reported?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of the clause, please say aye—sorry—all those in favour of the bill, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed to the bill, please say nay.

Some Honourable Members: Nay.

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

The bill is accordingly—the bill is to be reported as passed.

You know, I don't think—Mr. Allum.

Mr. Allum: Mr. Chair, if I understood correctly, we were just voting on the enacting clause? Shall the bill be reported. Thank you for that clarification.

* (20:00)

Mr. Chairperson: The question that's in front of the committee is shall the bill be reported.

Recorded Vote

Mr. Allum: Recorded vote, please.

Mr. Chairperson: A recorded vote has been called for.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 7, Nays 3.

Mr. Chairperson: I declare that the bill shall be reported.

* * *

Mr. Chairperson: You know what? The resumé won't be submitted for the Speaker, I can tell you that.

The hour being 8:01, what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee's risen.

COMMITTEE ROSE AT: 8:01 p.m.

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