

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

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The Honourable Myrna Driedger  
Speaker*

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

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 19, 2018

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

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

Good afternoon, everybody. Please be seated.

### ROUTINE PROCEEDINGS

#### INTRODUCTION OF BILLS

##### Bill 19—The Planning Amendment Act (Improving Efficiency in Planning)

**Hon. Jeff Wharton (Minister of Municipal Relations):** I move, seconded by the Minister of Agriculture (Mr. Eichler), that Bill 19, The Planning Amendment Act (Improving Efficiency in Planning); Loi modifiant la Loi sur l'aménagement du territoire (efficacité accrue), now be read for a first time.

*Motion presented.*

**Mr. Wharton:** Madam Speaker, it gives me great pleasure to introduce Bill 19, The Planning Amendment Act (Improving Efficiency in Planning). The bill will modernize The Planning Act, as well as introduce changes to how livestock operations and aggregate quarries are approved. Bill 19 contains measures that will strengthen our commitment to fair say or—on important local matters, reducing red tape for municipalities and grow Manitoba's vibrant rural economy.

The proposed legislation takes a balanced approach and maintains current environmental accountability while enabling producers to upgrade their existing facilities, thereby improving animal safety.

Madam Speaker, we're joined in the gallery today by president of AMM, Chris Goertzen; Mayor Martin Harder, city of Winkler; representatives from Manitoba Heavy Construction Association; Manitoba Chicken Producers; and Manitoba Pork. Thank you.

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

##### Bill 22—The Queen's Counsel Act

**Hon. Heather Stefanson (Minister of Justice and Attorney General):** I move, seconded by the Minister for Crown Services, that Bill 22, The Queen's Counsel Act; Loi sur les conseillers de la Reine, be now read a first time.

*Motion presented.*

**Mrs. Stefanson:** I am pleased to introduce The Queen's Counsel Act to the Legislature. This bill reinstates the Queen's Counsel designation which recognizes lawyers in our community who demonstrate exceptional merit. The bill establishes a new act and provides for consequential amendments to The Legal Profession Act. Queen's Counsel would be appointed by the Lieutenant Governor-in-Council on the recommendation of the minister, following consultation with an advisory council.

I'm pleased to introduce legislation that will allow us to recognize and honour the contributions of outstanding lawyers in Manitoba with a designation of Queen's Counsel.

Thank you, Madam Speaker.

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

##### Bill 23—The Commodity Futures Amendment and Securities Amendment Act

**Hon. Cameron Friesen (Minister of Finance):** I move, seconded by the Minister for Growth, Enterprise and Trade, that Bill 23, The Commodity Futures Amendment and Securities Amendment Act; Loi modifiant la Loi sur les contrats à terme de marchandises et la Loi sur les valeurs mobilières, be now read a first time.

*Motion presented.*

**Mr. Friesen:** Madam Speaker, I am pleased to introduce this bill today. The Commodity Futures Amendment and Securities Amendment Act represents improvements in the ability of self-regulatory organizations such as the Investment Industry Regulatory Organization of Canada,

IROC, to work co-operatively with the Manitoba Securities Commission in regulating capital markets in Manitoba for the benefit of protecting the investing public.

Additional protections will, among other things, enhance their ability to enforce payment of fines and costs against securities and mutual fund dealers and their sales representatives that break the rules to the detriment of their clients and the markets.

These amendments will increase efficiency of the futures and securities markets oversight in Manitoba and foster a greater level of confidence among investors that bad actors will be held accountable.

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

#### **Bill 216—The Human Rights Code Amendment Act**

**Hon. Jon Gerrard (River Heights):** Madam Speaker, I move, seconded by the MLA for Burrows, that Bill 216, The Human Rights Code Amendment Act; Loi modifiant le Code des droits de la personne, be now read a first time.

*Motion presented.*

**Mr. Gerrard:** Madam Speaker, this bill would provide that physical size and weight be protected characteristics under the Human Rights Code, as are gender, race, ethnicity and so on.

One of the people who's instrumental in bringing this bill forward was Dr. Moe Lerner. He, sadly, passed away not long ago, but his sister-in-law is in the gallery today to be here when this bill can be introduced in bill—in Moe's memory.

**Madam Speaker:** Committee report—oh, sorry.

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

#### **Bill 18—The Child and Family Services Amendment Act (Taking Care of Our Children)**

**Hon. Scott Fielding (Minister of Families):** Madam Speaker, I move, seconded by the Minister of Agriculture (Mr. Eichler), that Bill 18, The Child and Family Services Amendment Act (Taking Care of Our Children), be read a first time.

*Motion presented.*

**Mr. Fielding:** Well, Madam Speaker, I am honoured to introduce the amendments to The Child and Family Services Act to support customary care of indigenous children.

We are—listened to First Nations and Metis leadership and communities and we have strengthened the work initiated in this respect to provide customary care.

I'd like to thank Elder William Osborne from Cross Lake for offering the name of the legislation and I'm honoured to welcome—I know a number of the grand chiefs are here. Grand Chief Daniels was—is in the crowd. I believe Minister Judy Mayer is here and Grand Chief Wilson will be joining us later on. I do want to recognize them for their hard work with the government in terms of this legislation going forward, Madam Speaker.

\* (13:40)

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

Committee reports?

#### **TABLING OF REPORTS**

**Hon. Rochelle Squires (Minister of Sustainable Development):** It is my pleasure to table The Future is Ahead of You: Summary Report of the Manitoba Government and City of Winnipeg Joint Task Force on Transit Electrification.

**Madam Speaker:** Ministerial Statements?

#### **MEMBERS' STATEMENTS**

##### **Relais des Pionniers**

**Mr. Andrew Smith (Southdale):** I rise in Legislature today to recognize members of the Franco-Manitoba community for their generous volunteerism, especially the time they donate to Festival du Voyageur.

Today, we honour volunteers from Relais des Pionniers, who successfully donate their time and efforts to make their community a better place to live: volunteer Paul Dupré, Grand Knight Rheal Maynard and volunteer co-ordinator Denis Beaudry.

We acknowledge those who devote their time to the positive development of their neighbourhoods, their cities and their province. Manitobans are among the most generous people in the world, boasting a long history of volunteerism and philanthropy. This province takes pride in preserving its multicultural

heritage, and we endeavour to continue working together in order to honour our history.

Madame le Président, je prends la parole à la Législature pour reconnaître les membres du communauté franco-manitobain pour leur bénévolat, 'espécialement' le temps qu'ils donnent au Festival du Voyageur. Aujourd'hui, nous honorons les volontaires du Relais des Pionniers, qui ont fait de son temps et de ses efforts pour effectuer un événement plein de succès qui profite notre communauté: volontaire Paul Dupré, Grand Chevalier Rheal Maynard, et puis coordonnateur des volontaires Denis Beaudry.

Nous remercions ceux qui sont dévoués au service pour leur quartier, leur ville et leur province. Les Manitobains comptent parmi les personnes les plus généreuses au monde, ayant une longue histoire de bénévolat et de philanthropie. Cette province est fière de préserver son héritage de 'multiculturalisme', en tant que nous continuerons à travailler ensemble pour honorer cette histoire.

Merci, Madame le Président.

### **Translation**

*Madam Speaker, I rise in the Legislature to recognize members of the Franco-Manitoban community for their volunteerism, especially the time they donate to Festival du Voyageur. Today, we are honouring volunteers from Relais des Pionniers who gave their time and effort to carry out a very successful event that benefits our community: volunteer Paul Dupré, Grand Knight Rheal Maynard, and volunteer co-ordinator Denis Beaudry.*

*We thank those who devote themselves to the service of their neighbourhood, their city and their province. Manitobans are among the most generous people in the world, boasting a long history of volunteerism and philanthropy. This province takes pride in preserving its multicultural heritage, and we endeavour to continue to work together to honour this history.*

*Thank you, Madam Speaker.*

### **English**

Thank you, Madam Speaker, I would like to ask the House today to honour these fine gentlemen.

#### **West Central Community Program**

**Mr. Andrew Swan (Minto):** Madam Speaker, on February 28, board members, staff and the

community gathered at WestEnd Commons to celebrate 40 years of the West Central Community Program. Over a delicious dinner prepared and served by the Spence Neighbourhood Association's Youth Crew, we reminisced and celebrated the many achievements of the program.

The walls of the Commons were lined with an incredible photo montage of the program's history, showing newcomers getting a taste of winter sports, or kids being able to experience—sometimes for the first time in their lives—swimming in Lake Winnipeg or camping in the Whiteshell. Most of all, the pictures show youth finding belonging, happiness and confidence.

The program had modest beginnings in the late 1970s, offering activities to kids aged six to 12 in the West End, then lacking much in the way of recreation centres and other amenities. The program started in the basement of St. Matthews Maryland Community Ministry, but over time began delivering programs at John M. King, Wellington and Greenway schools.

For the first 39 years, the program was led by Mark Titheridge. Mark's Club became the place for hundreds and hundreds of West End youth. Mark began as a summer student and stayed on for nearly four decades, giving West End kids stability, caring and a lot of fun at the same time.

I want to take this opportunity to thank Mark for everything that he has done, and I wish him all the best for a happy retirement. I hope to continue flipping pancakes with Mark in the future.

The program now moves forward with new executive director Kerris Chinery. Kerris has worked at the program for many years and, with the support of the United Way, area schools and a great volunteer board, I am confident that she and her staff will continue to provide kids with a fun and safe place to hang out.

Congratulations to the West Central Community Program for being there for West End kids for 40 years.

#### **Anna Pazdzierski**

**Mr. Alan Lagimodiere (Selkirk):** Madam Speaker, I rise in the House today and introduce Anna Pazdzierski, an individual who spent her career promoting and raising awareness of women's rights, and empowering others to be the best they could be.

Anna has always championed that as a woman you don't have to accept being treated differently or unequally and that the same opportunities should exist for all.

At one point Anna was a co-ordinator assisting indigenous students who did not have schools within their home communities. Anna's goal: to empower students to build the necessary confidence to graduate and take control of their own lives. She saw over 20 students from northern fly-in communities graduate each year.

Anna made the staff, residents and families feel valued and loved when she was the co-ordinator of an independent living seniors' home.

On International Women's Day we celebrated Anna's retirement from her 18-year career at a home for abused women and children called Nova House. At Nova House Anna ensured women and children suffering abuse had a warm, welcoming, safe place to go, much needed counselling, support groups and the necessary resources to move forward with their lives. Fulfilling that takes endless hours of self-sacrifice, fundraising, volunteering and community education.

Since beginning her career at Nova House, Anna had the vision of having a new shelter. Thanks to her never-quit attitude, this vision came to fruition last year.

Anna embraced this the same way she did everything else: with heart, commitment and a belief that you get more by giving more. Success doesn't result from how much you get but from how much you give, and, if you want an abundant life, give as much as you can.

Anna spent several years on many community-driven boards, became a Commissioner of Oaths, a Guide and Cub leader, a 4-H leader and a baseball coach.

I ask my Chamber colleagues to please rise and recognize Anna Pazdzierski.

**Madam Speaker:** The honourable member for The Maples.

Oh, pardon me, the honourable member for Selkirk.

**Mr. Lagimodiere:** Madam Speaker, I ask for leave to include a more complete list of Anna's involvement in community into Hansard.

**Madam Speaker:** Is there leave to include that information in Hansard? *[Agreed]*

*Anna Pazdzierski's community involvement: Manitoba Association of Women's Shelters Canada, past chair and current treasurer; Legal Aid Manitoba Advisory Committee, past member; RESOLVE five-year longitudinal study of women survivors of domestic violence, provincial community partner; developed Twice Over, which supports both the clients and the work of Nova House and provides a service in the community, and Ledarney Manor, a heritage home that was donated to Nova House for their use, and assisted in operating the manor as a fundraiser for four years for Nova House as a bed and breakfast hosting events; Teulon volunteer ambulance services, first responder; Interlake Community Foundation, founding member and active board member; Teulon United Church, Sunday school co-ordinator and teacher; Provincial Mental Health Advisory Council, member; RCMP Community Advisory Committee; Selkirk Presbytery, chair, and chair of Pastoral Relations Committee; sexual assault and harassment committee, member; Provincial Council of Women of Manitoba, past member; University of Manitoba Access Program, advisory committee; Selkirk Community Renewal Corporation*

### Family Care Providers

**Mr. Mohinder Saran (The Maples):** No matter our age, we all strive for and enjoy independence.

I am often contacted by senior citizens needing help to keep their independence with some support for basic daily living and household chores, such as grocery shopping, light cleaning, cooking and other activities. But they don't want isolation. Isolation has been associated with cognitive decline, decline in health, depression, increased rates of infection and even mortality.

So they ask for the physical presence of loved ones in their lives and to help care for them; the people they trust with their daily functions and whom they feel most comfortable with, get emotional support from and can reminisce with.

This is often someone living in another country, but the caregivers' work permit currently depends on the Labour Market Impact Assessment, and there is a requirement of income for family members to qualify for LMIA. This makes it difficult to bring a caregiver into Canada.

There are exemptions to LMIA. So I ask this Manitoba government to lobby for the—lobby the federal government to include family care-providers in the LMIA exemptions list. The LMIA requirement should be eliminated for seniors who invite their trustworthy relatives on work permits as live-in care providers.

Because it makes sense to have family as care providers for an aging population, family-stream caregivers will contribute to reduction of health-care spending by the government.

In compassion for our senior citizens, to give them better physical and emotional support while maintaining their independent living, as well as to reduce unwanted spending in the health-care system, I urge this government to lobby the federal government to eliminate the LMIA for seniors wanting family-stream care.

Thank you.

#### **Reading to Children in River East Community**

**Hon. Cathy Cox (Minister of Sport, Culture and Heritage):** Madam Speaker, February was I Love to Read Month, one of my favourite times of the year, when I am provided the opportunity to share the joy of reading with children of all ages.

\* (13:50)

Every February, I look forward to sharing wonderful stories with students at elementary schools and daycares across our River East constituency. From books about friends and family, to dragons and distant magical places, sharing stories with hundreds of children brings back wonderful memories of reading to my own three sons when they were very young.

This year I was fortunate to share stories with students at Emerson, Sun Valley and Donwood elementary schools, all located in the generous community of River East. I was also very fortunate to read to my very own granddaughter, Chloe, and her little friends at KinderWorld Day Care.

Madam Speaker, we know the value of reading to children. I especially cherish the looks on the students' faces as they turn pages and curiosity piques about what happens next. The discussions that follow are often some of the most memorable and uplifting; it's what truly makes reading such a special and enjoyable opportunity for me.

I've been fortunate to meet many educators in my community, and they are doing a fantastic job guiding our children and promoting a genuine love for reading. Our early childhood educators, teachers and school staff are some of the hardest working professionals and serve as great role models to all children. I am very proud to say that River East is blessed with some of the best.

Madam Speaker, it takes a village to raise a child, and I would like to say thank you and recognize all the dedicated educators who share their passion and love of reading with all of our children, not only in February but throughout the entire year.

#### **Introduction of Guests**

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

I would like to draw your attention to the Speaker's Gallery where we have with us today His Excellency Mr. Bálint Ódor, who is the ambassador of Hungary to Canada.

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

Also joining him is Mr. László Sinka, the deputy head of mission at the Embassy of Hungary in Canada. And we, too, welcome you here to the Manitoba Legislature.

#### **ORAL QUESTIONS**

##### **Changes to Health Services Impact on Manitobans**

**Mr. Wab Kinew (Leader of the Official Opposition):** Madam Speaker, the Premier's cuts to our health-care system continue. The emergency room at the Victoria General Hospital is now closed. The urgent-care centre at Misericordia is now closed. QuickCare clinics across the city are also closed. Patients and their families are worried and wondering about these changes, maybe most of all because nobody voted for these changes in the last election.

We know that nurses and doctors are also frustrated. Their voices are being ignored by the Premier as he proceeds with his plan to close the emergency rooms at Concordia and at Seven Oaks hospitals here in the city of Winnipeg.

The Premier is moving too quick, too fast, and he doesn't appear to care about the consequences of his cuts.

When will the Premier stop listening to the high-priced consultants and instead listen to patients and their families? These patients and their families are speaking loud and clear.

Will the Premier stop his plan for cuts?

**Hon. Brian Pallister (Premier):** Well, some folks know the cost of everything and the value of nothing, Madam Speaker. Listening to experts is how we get a better system. These experts were, in fact, hired by the previous government. They failed to act on the advice they received from these experts and failed to listen to the advice of Manitoba experts included in the consultation process that come up with the recommendations. And the result was the longest wait times in Canada, people waiting twice as long, on average, in Manitoba as they do in most provinces for emergency care.

It was hardly a good system. It was a broken system. And while they broke it, Madam Speaker, we are fixing it.

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

#### **Emergency Room Services Mental Health Supports**

**Mr. Wab Kinew (Leader of the Official Opposition):** We know that much of the pressure on emergency rooms comes because people head there with undiagnosed mental health issues. For many people, they're going into an emergency room with a mental health crisis. This is what the experts tell us.

Dr. Rehman Abdulrehman, the director of the Clinic Psychology Manitoba, tells us that some 70 per cent of people who present in an emergency room not only have a physical ailment but are also dealing with a mental health condition.

We've only seen inaction and evasion on the part of this government. We know that they've received tens of millions of dollars from the federal government to act on mental health and related priorities, and yet we see no new investments. They've refused to act on a proposal from Mood Disorders Manitoba that they received in July of 2017. All of this would help ease the backlog in emergency rooms. The Premier's ducks and delays are impacting the care that families receive.

When will he step up to invest in mental health supports for Manitobans when they go to the emergency room?

**Hon. Brian Pallister (Premier):** Sadly, Madam Speaker, the member dips into mythology again. This year's budget commits a full \$600 million more to health care across our province than the NDP ever-ever-invested in health care, so the myth of cuts is exactly that, just a myth.

We are investing in many, many areas to improve the health system. Early indications are that we are succeeding in reducing the emergency room wait times that have afflicted Manitoba for far too long. We're investing in, fully, 60 full-time, new paramedic positions, lower ambulance fees—down by 30 per cent from the record levels of the previous government—expanded access for renal dialysis, many capital projects that were left unattended to.

Madam Speaker, these are the investments we're making to fix up the mess that we were left with. Where they broke it, we are fixing it up.

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

#### **Misericordia Hospital Community IV Program**

**Mr. Wab Kinew (Leader of the Official Opposition):** Actually, in the Premier's budget, he called capital investment conspicuous consumption. I have a hard time believing that the new CancerCare facility would qualify as conspicuous consumption.

We know that there was also no money in this budget set up for mental-health-crisis peer supports in our emergency room. In fact, the Premier left out his plans to close Concordia and Seven Oaks from this year's budget. He left out the fact that he closed the Victoria ER and the Misericordia urgent care from this year's budget.

The Premier would probably prefer that Manitobans forget about his broken promises. We know that he's trying to rewrite history here. In fact, when the Misericordia Urgent Care Centre was closed, the Premier fired 15 I.V. nurses. He promised that there would be a new community I.V. program at the Mis by October 2017. Nearly six months on, we are still waiting on this community I.V. clinic.

When will the community I.V. program at Misericordia be open?

**Hon. Brian Pallister (Premier):** I believe, Madam Speaker, the member is yet again mistaken. When I referred to conspicuous construction, I was referring to the construction of over \$2 million worth of signs

that the NDP put up all over the province of Manitoba saying steady growth. The only signs of steady growth were the signs.

The fact is that he wants to rewrite history. He speaks of rewriting history; he wants to rewrite the history of himself and his party, Madam Speaker. He ignores his party in his own literature and doesn't—isn't willing to acknowledge the challenge that comes with being inattentive to health-care management, such as the previous government left us. Being inattentive to the needs of Manitobans results in a mess, and that's what the previous government handed us in so many files.

So, we don't mind. We like a challenge on this side of the House. We're facing up to it. They broke it; we'll fix it.

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

#### **Education Funding Student and Teacher Supports**

**Mr. Wab Kinew (Leader of the Official Opposition):** Well, Madam Speaker, now the Premier's turning his attention to teachers in our province, and we know what that means: the wrong direction. Those who work with our kids are being forced to do more—*[interjection]*

**Madam Speaker:** Order. Order.

**Mr. Kinew:** —with less. More cuts, more confusion.

Now, the Premier has made it clear that he thinks that bigger class sizes—*[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** —are okay, even though he still can't point out a parent who wants their children to have less one-on-one time with their teacher. I don't think there are too many parents like that in our province. But the Premier has no plan for our education system that isn't a cut. It's funding below inflation; it's funding that is shrinking relative to the size of our economy. And then in here, they underspend the education budget by over \$100 million.

Why is the Premier cutting supports for students and for teachers?

**Hon. Brian Pallister (Premier):** Well, it looks like it's pretty clear, Madam Speaker, that the member wants to ignore in his preamble the situation as it really was when the NDP left government. But I can't do that, and we won't do that.

\* (14:00)

We are, again, going to dispel the myth of cuts that he always puts in his preamble by saying this: we are investing fully \$500 million more in this year's budget than the NDP ever did in education. It's nothing but a myth.

But more importantly than the amount is the focus, the focus on improving early years reading, for example; the focus on improving the schools by building new ones where they have been needed for so, so long and were not built by the previous government; on repairing those other schools where roofs are leaking, foundations are damaged, where wiring needed repair, where plumbing needed repair, and the previous government chose to put up signs instead of actually building and fixing up the schools.

These are the investments we're going to make. Where they broke the school system, Madam Speaker, we'll fix it up.

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

#### **Nova Scotia Legal Challenge Manitoba Government Involvement**

**Mr. Wab Kinew (Leader of the Official Opposition):** Madam Speaker, I'll table some documents that show the Premier's focus when it comes to education.

We've now learned that the Manitoba government has intervened in the legal challenge being brought against the Nova Scotia government—the Nova Scotia government—for their Bill 148. Now, why would the Premier do that? Maybe it's because he's using the Nova Scotia playbook to chart his attack against students, schools and teachers in our province. See, what Bill 148 does is it freezes wages for thousands of public sector workers, including teachers, and reverses the promises made to teachers about their retirements.

Now, we know what happened in BC when that government stood against teachers. They lost. We know that the Nova Scotia government also took a hit. They ended up locking out students and teachers.

So why is the Manitoba government spending thousands of dollars on a legal challenge in Nova Scotia for a law that is clearly unconstitutional?

**Hon. Brian Pallister (Premier):** I appreciate any question from any member of the NDP on money management, I really do, Madam Speaker.

This is the party that doubled their provincial debt in just six fiscal years, doubled it. And they're asking questions about investing intelligently. It's hilarious, Madam Speaker. And I'm glad they're asking those questions because they can ask themselves these questions: How is it that they increased spending dramatically in every portfolio of government while doubling our debt and raising taxes, yet the results in education went to the bottom of the list? How is it that the results went to 10th out of 10? While they were doing all these investments—*[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** —Madam Speaker, they weren't bearing fruit because children weren't being educated, because schools weren't getting built, because roofs weren't getting repaired. While taxes went up on Manitoba families, while the debt went up on the future of our province, they're trying to talk about astute money management now?

They broke it; we'll fix it. *[interjection]*

**Madam Speaker:** Order.

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

#### **Churchill, Manitoba Canadian Transportation Agency Filing**

**Mr. Wab Kinew (Leader of the Official Opposition):** I wonder if the Premier will tell us how much money he's spending on these pointless legal challenges, both here in Manitoba, but also in Nova Scotia.

We know that a teacher fresh out of university will earn some \$38,000 a year, but the Premier should say how many teachers he could have hired instead of launching these pointless legal challenges—*[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** —in other provinces.

Now, it's not enough—if that weren't enough, we should also know that this sticking his nose in in other provinces' legal battles is only going to complicate things here at home when he refuses to listen to teachers, refuses to listen to parents and refuses to 'lisen' to students. *[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** Now, instead of this, the Premier has money for legal challenges in Nova Scotia, he's got money for consultants, but, again, he's freezing funding for early years education and he's cutting money from the post-secondary budgets.

So I have a question: Why is the Premier spending so much money on fighting teachers in court in Nova Scotia when he can't even lawyer up to stand with the people of Churchill and join our filing at the Canadian Transportation Agency? *[interjection]*

**Madam Speaker:** Order.

**Hon. Brian Pallister (Premier):** That lengthy 'proamble' had a seed of a question in it, and the question was: does value for money matter? And the answer is: yes, it does.

The amount invested in the court case the member cites is a tiny—and I repeat, tiny—fraction of the amount that the NDP spent going to court to stop Manitobans from having the right to vote on their PST hike. It's a tiny fraction—

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

**Madam Speaker:** Order.

**Mr. Pallister:** —Madam Speaker.

The member talks about value for money, and yet his party promised—they went to the doors, looked people right in the eye and said, we promise we won't raise your taxes. Then they did, and then they went to court and spent tons of money, Madam Speaker, telling Manitobans, telling the judge, that they shouldn't have to listen to Manitobans, because they didn't want to keep their word to Manitobans, and they used Manitobans' money to do it too.

Any question on value for money—the member should probably answer, what was the value for money in that particular investment?

#### **Post-Secondary Education Tuition Increases**

**Mr. Matt Wiebe (Concordia):** Madam Speaker, just a week after the minister slashed \$5 million for Manitoba's post-secondary institutions, he now released a report that says the Province must increase college graduates by 15 per cent in five years.

What is the biggest barrier to entry for post-secondary education? We know it's the cost. By cutting funding—[interjection]

**Madam Speaker:** Order.

**Mr. Wiebe:** —and forcing colleges to jack up tuition, the minister has made it harder for students to afford to finish their degrees.

Will the minister admit that his cuts to post-secondary education have put Manitoba's graduation rates further behind?

**Hon. Ian Wishart (Minister of Education and Training):** I thank the member for the question. We were very pleased this morning to release the colleges review, one that had been done by our government when their government was supposed to do one five years previous. So it had been in—10 years since they had done a colleges review. And we found that there were considerable gaps in terms of what needed to be done to make sure that there are opportunities for all Manitoba students, post-secondary education in particular.

Our government is fixing the problem; theirs broke it.

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

**Mr. Wiebe:** Well, we know that Brandon University has already announced that it will be raising its tuition by 6.6 per cent, and Assiniboine Community College will increase fees by \$250 per program.

Madam Speaker, we know that this is just the beginning. A BU board member said, quote, I'm not seeing how we can keep the lights on for the next year until the government decides to change its mind in the next budget. End quote.

The minister is backing down from supporting colleges and universities and is backing them into a corner where students will have to pay for this minister's underfunding.

Will the minister reverse his cuts to post-secondary education and start giving students a fighting chance in this province?

**Mr. Wishart:** I thank the member for the question. He's certainly reflecting on the results in terms of colleges and post-secondary education in the province. And while they were government, the percentage of Manitobans that had a post-secondary education dropped from the middle of the pack to the lowest in Canada. We're not only the lowest in

Canada, but we're 10 percentage points off the average. Clearly, they didn't have a formula to help post-secondary students.

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

**Mr. Wiebe:** Madam Speaker, the reality is, the minister has flung open the door to higher tuition and for universities and colleges to get their funding cut, and he's cancelled the tax rebates that support students getting into university and college.

Higher costs for university and college will only deter students from enrolling, and it will also force students to drop out and get back to work instead.

The minister's report indicates that Manitoba's colleges are struggling with completion rates, and at Red River it's only 61 per cent. And this government's disregard for students and the institutions that provide this education will further compound the issue. Barriers are going up and supports are going down.

Madam Speaker, will this minister reverse tuition hikes so students can stick with their programs?

\*(14:10)

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

We're certainly working with all sectors in the education, including the K-to-12 system and post-secondary, to make sure that we are reducing the barriers that have been in place for so many years to post-secondary education.

Clearly, while they were government they didn't have the solution. We will fix the problem and make post-secondary education more available to Manitoba students.

### **Public Transit Affordability Concerns**

**Ms. Nahanni Fontaine (St. Johns):** It becomes painfully more and more obvious every day this Pallister government doesn't care about public transit, more importantly, the citizens who rely on this critical service. Every chance this government gets, they cut transit funding, making life more difficult for citizens and actually targeting them financially with their agenda of cuts. Today, a single mother, Madam Speaker, who needs to get her kids to daycare and herself to work, will pay over \$100 for her monthly bus pass.

Does the Minister of Sustainable Development feel \$100 is an acceptable price for a monthly bus pass in Winnipeg?

**Hon. Rochelle Squires (Minister of Sustainable Development):** Our Made-in-Manitoba Climate and Green Plan is better for the environment and better for the economy because we're going to do three things simultaneously: we're going to reduce our carbon footprint in Manitoba, we're going to reduce taxes on Manitoba families throughout Manitoba, and we're going to reduce the deficit in Manitoba, unlike members opposite.

Every year they increased the carbon profile in the province, they increased carbon emissions, increased taxes and increased deficit. We're going in a better direction.

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

#### Carbon Tax

**Ms. Fontaine:** As the confusion around the Premier's (Mr. Pallister) environmental plan continues, it seems everyone is questioning why they decided to apply new gas taxes to public transit, driving up the cost of taking the bus. Everyone except this Premier and his Minister of Sustainable Development gets that the more expensive transit gets, the harder it will be for Manitobans to make the green choice and take transit.

Mine, and everyone else's, question is why the Minister of Sustainable Development sat at the Cabinet table and supported applying a carbon tax to public transit.

**Ms. Squires:** Our Made-in-Manitoba Climate and Green Plan is very comprehensive. It's working with industries throughout the province to help them reduce their emissions profile.

And we know in Manitoba that transportation is responsible for a significant amount of carbon emissions. We're going to be working with everyone in the transportation industry, including transit and municipalities, as they transition to that low-carbon future, and we'll be working with Winnipeg Transit and other transit systems in the province to help them transition to the low-carbon future.

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

#### Report Recommendations

**Ms. Fontaine:** We learned yesterday a government report recommended Winnipeg Transit begin a transition to electric buses. This report was delivered in July of 2016, but the government has hid this from the public for nearly two years. And yet, when she was asked about this report last week, the Minister of Sustainable Development said she was still waiting to see it.

Why did the minister sit on the report for two years, and more importantly, Madam Speaker, why did the minister deny knowing about a report that she has had since July of 2016?

**Ms. Squires:** In keeping with the theme of this member's questioning, she never lets the facts get in the way of a good question, but we did release that report today.

Very pleased to be working with Winnipeg Transit and all our partners—want to congratulate everybody who was involved in putting this pilot together, and it was a very successful pilot—and we're looking forward to moving forward with all our partners on a very successful transition to the low-carbon future.

#### Carbon Pricing Revenue Percentage Used on Climate Change

**Mr. Rob Altemeyer (Wolseley):** The theme for this budget is certainly many broken promises, the climate initiative being first and foremost among them. Many media commentators and reporters have taken this government to task, saying that, in fact, the carbon tax revenue is not revenue-neutral this year

So let's ask the Finance Minister: Is the carbon tax money that's being collected this year all being returned to Manitobans?

**Hon. Cameron Friesen (Minister of Finance):** I thank the member for the question. He didn't read the budget, but the budget, of course, the main theme is keeping our word to Manitobans and getting better results for all Manitobans, Madam Speaker.

And I really welcome a question from any member on that side that goes to guarding household affordability. Manitobans only know too well how deeply that NDP government dug into their pocket on a PST increase, on widening the PST, on applying it to all kinds of things like the benefits for those same transit workers—benefits at work, PST applied.

Madam Speaker, we are standing up for Manitoba households. We are bringing very, very significant tax relief, the most significant in Manitoba's history. *[interjection]*

**Madam Speaker:** Order.

The honourable member for Wolseley, on a supplementary question.

**Mr. Altemeyer:** I thank the minister for confirming that the theme for this budget is broken promises.

The broken promises get deeper. Manitobans, I think, would be very surprised to learn that there is, in truth, no new money in the government's new so-called green fund. That money has been taken from other departments, most specifically Infrastructure, and then returned to Infrastructure for things such as cutting the grass and ditches, repairing culverts and paying—*[interjection]*

**Madam Speaker:** Order.

**Mr. Altemeyer:** —the amortization rate on existing bridges.

Can the Finance Minister confirm that this is yet another broken promise this government has brought in in this year's budget?

**Mr. Friesen:** Well, Madam Speaker, we are proud to be presenting a budget that does a couple of very significant things all at once. We exceed our targets for deficit reduction while we keep our word on putting more money back in the hands of Manitobans while we establish, for all time and in perpetuity for the benefit of all of our grandchildren, a one-time \$102-million conservation trust. We're standing up for Manitobans to this government.

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

**Mr. Altemeyer:** Well, I would direct the Finance Minister to his own budget, specifically pages 86, pages 90 and page 91, where it's all laid out quite clearly that \$30 million was taken temporarily out of the Infrastructure budget, put into the green fund and then returned to Infrastructure for precisely the purposes that I mentioned.

Could the Finance Minister today confirm for Manitobans that, in truth, none of the revenue collected under the carbon tax this year is actually going to be spent fighting climate change?

**Mr. Friesen:** Well, Madam Speaker, I commend the minister's facility with the budget documents.

Too bad he couldn't get past page 100 because, had he been able to, page 119 clearly shows, in 26.3, appropriation, millions of dollars more this year alone for Manitoba climate and green fund. *[interjection]*

**Madam Speaker:** Order. Order.

### **Immigration Services Budget Reduction**

**Ms. Cindy Lamoureux (Burrows):** On March 12th, we saw this government take away \$195,000 from the department of immigration. Just the other day, I asked the minister responsible what areas of the department will be forced to make cuts, and the response I was provided had nothing to do with the question.

\* (14:20)

So allow me to rephrase the question, Madam Speaker: Will any staff at immigration Manitoba be losing their jobs because of the \$195,000 cut?

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

We're certainly very pleased that we've been able to provide a higher level of service when it comes to Manitoba Provincial Nominee Program than the previous government was able to bring into place. We've reduced the waiting list. We're far more efficient in terms of the turnaround time and we've been able to deal with any backlogs that existed, and we have a six-month turnaround.

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

**Ms. Lamoureux:** Madam Speaker, nothing in job security in that answer.

How about resources? This government cut \$195,000 from the department of immigration. Something has to give.

Can the minister be specific and share with us what resources are going to be affected?

**Mr. Wishart:** Certainly on this side of the House, we like to measure a program's success by its results, not necessarily by the amount of dollars that are spent on that program, and we're certainly pleased to be able to offer better results faster out of this program than the previous government did, and I think the member should appreciate that.

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

**Ms. Lamoureux:** Again, no answer to employment or resources, Madam Speaker.

In reducing this funding, the government is continuing its approach in putting up barriers for new immigrants, rather than providing better support and a welcoming environment.

Why is this government abandoning the principle of the Manitoba Provincial Nominee Program by making it more difficult for people choosing to immigrate to Manitoba? *[interjection]*

**Madam Speaker:** Order. Order.

**Hon. Brian Pallister (Premier):** Madam Speaker, the Progressive Conservative government established the Provincial Nominee Program. The NDP government made the program not work effectively by causing delays of up to three and a half, four years for many applicants. We now have addressed those wait times. The minister should be commended for that work. The minister's done a great job.

The member should be congratulating the minister and she should ask her colleagues why, if they're willing to ask questions on these programs, why not stand up and oppose the federal government reduction in health support of over \$2.2 billion over the next 10 years. Please join with us and stand up for Manitoba health care rather than being Ottawa-west. *[interjection]*

**Madam Speaker:** Order.

#### **Post-Secondary Student Aid Fixed Contribution Model**

**Mr. Wayne Ewasko (Lac du Bonnet):** Under the NDP, the student bursary program was in shambles and was a failed system. I, along with my colleagues, fought for the truth but was stonewalled by multiple NDP Education ministers.

Our PC government is taking a different approach and is repairing our services to ensure their sustainability for all Manitobans. We care about the sustainability and competitiveness of post-secondary institutions, unlike the NDP.

Can the minister please inform the Assembly on the exciting new initiatives that will lead to better access, better service and will be of better benefit for post-secondary students in Manitoba? *[interjection]*

**Madam Speaker:** Order.

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

Madam Speaker, our PC government is making significant changes to Student Aid to adopt the fixed-contribution model that will focus on students who have the most need. We are improving Manitoba Bursary Program to the tune of about \$2.7 million, which includes \$1 million specifically for low-income indigenous students, to expand their eligibility and availability for these students to get post-secondary education.

Our PC government was elected on a promise to repair the services to Manitoba, and we are doing that. *[interjection]*

**Madam Speaker:** Order.

#### **Sole-Sourced Contract Release of Tabulation Sheets**

**Mr. Jim Maloway (Elmwood):** My question is to the Minister of Infrastructure.

The department has routinely shared information for all contracts given by the department, regardless of whether the contract has been tendered or untendered. These are shared in something called tender tabulations. This practice is crucial to the transparency of public spending because it will show the true cost of the project.

Why has this government not shared the tabulation sheets for the Lake Manitoba–Lake St. Martin road contract, which was announced a few weeks ago? What is this minister hiding?

**Hon. Ron Schuler (Minister of Infrastructure):** What I would like to share with this Legislature is, on Friday our government introduced legislation to protect both drivers and passengers on our roads.

Conversely, members opposite—the NDP Leader of the Opposition and his caucus—first of all stalled the legislation, then, on a voice vote, they voted against safe-road legislation. Then they said they were for legislation, and then their hapless critic went out and said, well, they are generally supportive of the legislation.

Madam Speaker, one piece of legislation, one opposition, four positions. We want to be clear we are going to stand up and protect drivers and passengers on our roads. *[interjection]*

**Madam Speaker:** Order, please.

The honourable member for Elmwood, on a supplementary question.

**Mr. Maloway:** Clearly the minister didn't understand my question.

The fact of the matter is, for many years tabulation sheets normally are out within 24 to 48 hours after the close of a tender deadline. It's now several weeks since the contract actually closed. Madam Speaker, this sole-source contract was done with the approval of Treasury Board and the Cabinet.

I ask the minister: Will he release the detailed information about this contract, as he's supposed to, allow the industry to see if he truly got value for money for his sole-source contract with a Conservative Party donor?

**Mr. Schuler:** On Friday, I tabled legislation and wanted to make sure that we divulged to all Manitobans how we were going to protect not just drivers and passengers on the road.

And Madam Speaker, who blocked that legislation? Who blocked that legislation from being tabled? It was the NDP Leader of the Opposition and his NDP caucus. Not just did they block legislation from being tabled, then on a voice count they voted against safe-roads legislation. Then they said they were for it, and then their hapless critic said, well, actually, no, they weren't entirely for it; maybe they were, maybe they weren't.

One piece of legislation, one opposition, four different positions. Madam Speaker, we will stand up for safe roads, for safe driving, for safe passengers, because it's the right thing to do.

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

**Mr. Maloway:** This sole-source contract was done with Treasury Board approval. The MLA for Interlake sits on the Treasury Board, serves as the legislative assistant to the Minister of Infrastructure.

I ask the minister: Did his legislative assistant recuse himself from considering this matter at Treasury Board?

**Hon. Brian Pallister (Premier):** I appreciate any question from an NDP member on shopping smart, Madam Speaker.

\*(14:30)

The member might like to refer to the Auditor General's report of just about four years ago in which she described the situation with the previous government as epidemic. The situation she was describing was the government offering untendered sole-source contracts and then not disclosing them, Madam Speaker.

She reported that the contracts that they were giving out were not reported. A subsequent rebellion within the NDP was, some say, caused by that very fact that the NDP government and a minister—*[interjection]*

**Madam Speaker:** Order.

**Mr. Pallister:** —named Steve Ashton gave out—on six different occasions, Madam Speaker—gave out untendered sole-source contracts to an NDP donor. And members didn't like it on the other side, perhaps including the member for Minto (Mr. Swan), and they staged a rebellion about it and it divided their party.

Now, the member needs to do a little bit of research and understand that that was the situation then, and that certainly isn't the situation anymore, Madam Speaker.

### **International Students Health-Care Coverage**

**Ms. Flor Marcelino (Logan):** Madam Speaker, the Education Minister is hurting our reputation with international students. Cuts to health-care coverage for international students could force newcomers to pay nearly \$1,000 a year in premiums.

Manitoba stands to gain enormously from international students. They bring experience and skills to Manitoba's industries, generate over \$400 million a year for our economy and help to keep university affordable for domestic students.

Why is the minister making it harder for Manitoba to attract international students?

**Hon. Ian Wishart (Minister of Education and Training):** I thank the member for the question. We're certainly pleased to be an open and inclusive province and very attractive to international students, not only because of our cost-effective tuition, but also because of the welcoming atmosphere in this province.

We are working with the stakeholders to make sure that coverage will be available for all international students so that no one is left in a

vulnerable position as not having health-care coverage.

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

#### **MPNP Application Fees**

**Ms. Marcelino:** We know Manitoba's Provincial Nominee Program encourages applicants with post-secondary degrees who are coming here to pursue more education.

The minister instituted a \$500 fee for MPNP applicants, which means international students wishing to apply for MPNP could face up to \$1,500 in fees even before they pay for tuition or housing. For students with a family, they could face almost \$6,500 in health-care premiums and application costs.

Why is the minister making international students set their sights to other provinces instead of Manitoba?

**Hon. Brian Pallister (Premier):** Winnipeg and Manitoba offer some of the lowest cost locations for raising a family and for locating of any cities in the country. There was a StatsCan report, an article the members might like to read in *The Globe and Mail* last Friday, that states Winnipeg and Montreal—two most attractive cities, in fact, in terms of costs.

So, there's a lot to attract people to our city and to our province. That will continue and grow under this Province's management, and I would encourage the member to understand that when—with tuition levels that are guaranteed to be the lowest in western Canada, currently third lowest in the country of Canada, we're not going to lose students, as the Leader of the Opposition has said, to Saskatchewan. Anyone who's travelled to Saskatchewan knows there's nothing to keep them there. Manitoba is the place to be, and we're going to continue to promote people coming here and staying here in the future. We can compete with Saskatchewan on tuition, football and everything else, Madam Speaker.

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

### **PETITIONS**

#### **Medical Laboratory Services**

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

The background to this petition is as follows:

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

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

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

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

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

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

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

clinics and physicians, hampering their ability to provide high-quality and complete service to their patients due to closures of so many laboratories.

We petition the Legislative Assembly of Manitoba as follows:

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

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

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

Signed by Charlie Salina, Loree Rowan, Wayne Berezowski and many others.

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

Any further petitions?

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

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

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

This House will now resolve into Committee of Supply to consider the resolutions respecting the Interim Supply bill.

Mr. Deputy Speaker, please take the chair.

\* (14:40)

### COMMITTEE OF SUPPLY

#### Interim Supply

**Mr. Chairperson (Doyle Piwniuk):** Will the Committee of Supply please come to order.

We have before us our—the consideration of two resolutions respecting the Interim Supply bill.

First resolution representing Operating Expenditures for the Interim Supply reads as follows:

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

Does the Minister of Finance have any opening remarks?

**Hon. Cameron Friesen (Minister of Finance):** I'm pleased to bring this Interim Supply bill today to commence authority for spending in this fiscal year. As we all understand, we will still conclude our budget debate in the coming days and have the vote on the budget. We are looking forward to the opportunity to also have the Committee of Supply.

Of course, as the members of the opposition understand, what we are seeking today is a broad authority to give partial authority to commence spending in this new fiscal year, 35 per cent of the total amount to be voted as set out in part A, that is our Operating Expenditure; 75 per cent of our capital investment in part B for the year, as well as other sums pertaining to things like outstanding liabilities.

So I welcome the exchange this afternoon, and I hope that all parties will understand, as always, that this is not the crux, this is not the full focus of our budget debate. This is a routine bill that seeks simply to pay civil servants, to pay bills that are coming in. It is about accounts receivable and accounts payable, and it allows government in all departments and the government reporting entity to continue to transact in—until that time as the budget is passed.

So I look forward to the debate this afternoon and welcome my new critic to his role.

**Mr. Chairperson:** Does the official opposition Finance critic have any opening comments?

**Mr. James Allum (Fort Garry-Riverview):** Thank you, Madam Speaker—or Mr. Chair—Madam Speaker—

**An Honourable Member:** Mr. Chair.

**Mr. Allum:** Mr. Chair. I appreciate that, and we're looking forward to a debate on Interim Supply. We're a little uncertain as to why a government would interrupt debate on a bill for Interim Supply measure. It seems that he wants—maybe the Finance Minister wants to talk about anything else other than the budget that he tabled just a week or so ago.

It's our concern right from the beginning, Mr. Chair, that it's a budget that breaks its commitment to the people of Manitoba on a whole range of issues, and yet here we find today that instead of continuing that very important debate on the—for the people of Manitoba on Interim Supply—on the budget, here we are debating Interim Supply today. And I have to say, that doesn't make any sense to us.

We certainly have a number of questions and a number of issues we want to raise with the Finance Minister this afternoon, and we intend to do so, but, Mr. Chair, why wouldn't the government want to continue with the Finance debate instead of doing Interim Supply today? I think that's one of the primary questions that the Finance Minister needs to answer.

Thank you.

**Mr. Chairperson:** Okay, thank you for your comments.

Is there any other questions? The floor is now open for questions.

**Mr. Allum:** Thank you, Mr. Chair, much appreciated.

One of the things that is being foretold about our economic circumstances going forward is both GDP and unemployment rates forecasts are not healthy. In fact, quite—put simply, they're bad: projected to have the slowest GDP growth and highest unemployment rate west of Quebec for 2018 and 2019. And yet neither the Finance Minister nor the Minister for Growth, Enterprise and Trade has given any assurances that they have a jobs plan for Manitobans.

What is the Finance Minister intending to do to ensure that our GDP continues to grow, as it did under our government, and that unemployment rate will continue to be among the lowest in Canada?

**Mr. Friesen:** Well, the critic has it all wrong because he should acknowledge that there was a sharp decrease in GDP growth under his government, down to 1.3 per cent in the final year of their mandate. However, since we took government, that GDP has bounced back.

I will refer that member to page A18 of the economic review in the budget, which makes clear that once again the Manitoba Finance survey of economic forecasts is calling for a 2.0 per cent growth in '18, and a 1.6 per cent growth for 2019,

nominal GDP expected to increase by 3.8 per cent and 3.5 per cent in 2019.

**Mr. Allum:** The Pallister government has spent nearly \$10 million on high-priced consultants, increased the budget for political staff by more than \$500,000. What's more, the minister has announced plans to terminate hundreds of civil servants this year alone.

Why is the minister wasting so many millions of dollars on these endeavours while at the same time cutting civil servants and the services that Manitobans rely on?

**Mr. Friesen:** I welcome the question, but I don't know who's writing the member's questions.

That member will understand that it was a pledge of this government to Manitobans that we would reduce the number of technical officers. We did so by more than 40 positions. We found technical officer positions under the former NDP government wherever we looked.

\*(14:50)

We have been very deliberate to be a leaner executive government, and we have done so. We are saving millions of dollars each year. To the member's point, we have said this is all hands on deck. What the member does not want to talk about is that we inherited an almost billion-dollar deficit. Our pledge is to Manitoba to reduce the deficit, eliminate it within eight years of government, give tax relief to Manitobans. Why? Because they deserve it—and, along the way, to make good investments in education, health care and families.

**Mr. Allum:** The Finance Minister created a deficit that was close to a billion dollars, but let's remember that he's fudged the numbers on—any number of times on deficit projections. He has rarely gotten it right, and yet he has the temerity to tell us today that he's inherited something, which is actually factually untrue.

The minister was asked about where his jobs plan is. The only jobs plan he seems to have is one for high-priced consultants and also for political staff.

So could he answer the question for us today, if he would: Where is his jobs plan?

**Mr. Friesen:** I want to address the myth that the member just brought up again. He indicated that

somehow government had invented—invented—the loss in the final year of his government.

That member should suffer this small history lesson. In the fiscal year 2015-16, that government budgeted for a loss of \$441 million. Their second quarter report said, we are on track to miss it by almost \$100 million—505-million loss. That was that former government's numbers. In their third quarter update, that former government revised that figure to \$666-million loss, an over \$200-million loss. The actual showed at \$865-million loss.

I fail to see the fiction that the member refers to. I only see the hard numbers of the NDP failure to financially manage.

**Mr. Allum:** Mr. Chair, now, about that jobs plan: Where is it?

**Mr. Friesen:** This government has set out three principal tasks that it has taken on with earnestness and vim and vigour: first, to fix the finances of our province after the almost billion-dollar inherited deficit I just referred to; the second, to rebuild our services after years of deterioration and failure to get results, things like wait-times that exceed the national average, things like literacy and science attainment levels in K-to-12 that trail the nation's average. The third area is to grow the economy. We take that challenge very, very seriously. We have undergone a review of the broad array of programs supported, in part, by government. The report that came back said: overlap, waste, duplication, failure to measure, failure to monitor.

We will do better where the previous government failed.

**Mr. Allum:** Mr. Chair, that's still falling well short of a jobs plan for Manitobans, one that offers job security to Manitobans of middle ages for their families, one that offers hope and opportunity for young people in this province, who will be looking for a job and instead are forced to rely on increasingly precarious labour practices that he seems to support.

I'll ask one more time: Will he be tabling a jobs plan any time soon, to give some hope to the people of Manitoba that there'll be jobs for them in the future?

**Mr. Friesen:** I want to assure the member he does not even have to wait. I want to refer him to economic data that shows the number of full-time jobs created from January '17—before January 2016,

up 14,000 jobs. Good jobs are being created, full-time jobs in this province, and it's because we have a government that is clearly being consistent to hit its targets and give a powerful message, that this is a good economy in which private sector can undertake risk, put money to work and hire new employees.

**Mr. Allum:** The minister has made it clear that he doesn't have a jobs plan and that he's not interested in looking at forecasts for GDP and unemployment rates that pretty much every reputable economic organization in the province has predicted, and yet he seems to have no plan, nor any interest in ensuring that there are jobs for Manitobans well into the future.

He's also broken his promise to protect front-line services in relation to health care, in relation to education, in relation to social services, and then he, on top of all that—on top of all that, in the budget he broke his promise on the carbon tax.

My friend from Wolseley asked him today in question period if the carbon tax would be fully returned to the people of Manitoba this year. He dived, he bobbed, he weaved, but he was unable to admit what the truth is, and so that is the carbon tax will not be returned fully to people of Manitoba this year.

So I have to ask him: Does he agree with the Winnipeg Free Press that his budget was simply a shell game?

**Mr. Friesen:** I agree with the Free Press when they say that this is a government that is not blinded by ideology and one that is focused on results, two comments that I saw recently in the Winnipeg Free Press.

To the member's question: It is clear that our government is focused on getting better results. He talks about the economy. I can tell him that real GDP growth in this economy has increased to 2.2 per cent in 2017 alone.

Now, we understand that this is a different landscape in which all governments—not particular to Manitoba, everyone from BC right to the east coast—must concern themselves with the real economic situation of lower annual growth, and in that context we are concerning ourselves with inviting new business, hitting our fiscal targets. Driving down the deficit has never been more important.

He talks about job growth. Roquette and Simplot—500 new jobs coming to this province in just the next 24 months and an investment of over \$1 billion.

**Mr. Allum:** The question was on why the Finance Minister broke his promise to the people of Manitoba on the carbon tax.

Why is the Finance Minister engaging in a shell game with the carbon tax? Why is he keeping tens of millions of dollars for himself, and why is he not investing in the very kinds of programs and services both to mitigate emissions but also to promote adaptation for climate change in the future? He really only seems to be interested in the here and now and not in the future, and yet he was elected to govern on behalf of the people of Manitoba, not only for yesterday, not only for today, but for tomorrow.

So I ask him again: Why did he break his promise on the carbon tax?

**Mr. Friesen:** I'm happy to have this conversation with the member, and I only regret that the time allotted to me is not sufficient to fully answer the mythology he puts forward.

So the member's premise is this: Because taxation happens on the annual year and the budget is brought for a fiscal year and they don't align, therefore somehow there is incongruity.

Nothing of the kind. We have promised to return all of the revenue plus, collected in the carbon tax over a four-year period. Why over a four-year period? Because the trigger date for CRA, for the Canada Revenue Agency to be able to return to Manitobans their own hard-earned money on the basic personal amount, can only trigger in January of next year because of a notice period that the federal government provides and requires of any provinces.

So we are giving back to Manitobans hundreds of dollars each year to every worker, every student, every retired person, every household wage earner. We're very proud of that. We'll continue to give more back.

**Mr. Andrew Swan (Minto):** I want to ask the minister a couple of questions dealing with the Estimates of Revenue, because we know it's the budget going forward that determines the amount of the Interim Supply, and I'd like to refer the minister to page 135 of his Estimates of Expenditure and Revenue report, and that shows that the revenue that

this government is getting from the Government of Canada is actually going up by an astounding amount in this year.

For last year, the revenue anticipated from the Government of Canada was at \$3,850,840,000. We see this year the anticipated revenue is \$4,201,345,000, which is an increase of about 9.1 per cent.

\*(15:00)

I want to talk a little bit about a few pieces of that, but I wonder if the minister could answer a very basic question. How much of the revenue from the Government of Canada in the Estimates of Revenue for this year are from the additional revenue from the health care accord that his Minister of Health entered into last summer?

**Mr. Friesen:** I thank the member for Minto for the question.

He knows the process very well. And I will invite him—I'm happy to answer questions for the afternoon. That's why we're here. So I welcome the exchange.

The member also does know he will have the opportunity with the Supplementary Information for Legislative Review to undertake line-by-line questions on any area of the Estimates of Expenditure in any of the departments as put forward. However, I will answer the question and say the member is essentially, I believe, asking: Does revenue help?

I absolutely concede, as the Minister of Finance, that revenue always helps.

The problem with former approaches was always crossing the fingers of the NDP hoping they could overspend, but the growth in the economy would overtake their own bad habits on over-expenditure. It did not happen. Careful financial management is essential because revenue gains will never be sufficient to offset bad management practices.

**Mr. Swan:** Well, I guess I'm not surprised that the Minister of Finance is going to respond to what I think was a pretty important and a pretty basic question. So I'll try it again, because we would like to get answers, as we're entitled to get in this process.

How much of the \$4.2 billion the minister will be receiving from the Government of Canada this year, how much of that is the additional money that's

going to be received under the health care accord that his Minister of Health entered into last summer?

**Mr. Friesen:** So the member will remember that about 18 months ago the federal government served notice that they would not renew the Canada Health Transfer at the former rate of 6 per cent annually increased, and that was on the basis of nominal federal GDP on a three-year rolling average.

We fought hard in Manitoba to have the federal government see the error of their ways. Simply, experts agreed that even 4 per cent–4.2 per cent was the bare minimum that the feds should be giving in addition every year just to keep the lights on. So we fought hard for that.

The federal government did move away from what they opened up for negotiation, which was a 3 per cent federal nominal GDP escalator. This year, much of the increase that the member actually sees is due to the growth of the Canadian economy in this year. Now, that doesn't take the sting out, because over 10 years we are still set to lose over \$2.3 billion as a result of the decision of the federal government to move away from that former escalator.

Economy is doing better right now. As the Canadian economy is expected to decline, it means we will see less each year as a percentage of that, the additional money for Home Care and for other services accounts for a small amount.

**Mr. Swan:** You know, I've—I'll ask the question for a third time now.

I was rather careful not to put any value judgments or anything partisan. I'm not saying that the increase from the federal government is or isn't appropriate. What I do note is that the Finance Minister and his Cabinet colleagues have tried to say that a 3.5 per cent increase in funding from the federal government is somehow the worst cut that the Province of Manitoba has ever experienced. Yet, at the same time, their embarrassingly small increase of 0.5 per cent to the education system in Manitoba is somehow a historic investment. So I'd—I would rather just get—have the minister go on the record answer the question.

I tried asking the Minister of Health a number of times last week to give the answer, and he wouldn't. Surely, the Minister of Finance knows because that is one of the components that went into the numbers on page 135 of the Estimates of revenue in his own budget. How much additional money from the federal government under the health accord does the

minister anticipate receiving in this fiscal year, which would then form part of the revenues from the Government of Canada?

**Mr. Friesen:** I don't believe that Manitobans would suggest that over \$6.5 billion—6.6 this year—for health-care expenditure in this province, the biggest amount ever spent in this province on health care, is a abysmal amount, as the member described it. Health-care spending is up over 10 per cent over any budget ever brought by the NDP government; Education up over 11 per cent; Families spending, over 12 per cent.

That member will understand that Canada Health Transfer basic amount—basic transfer last year—was more than \$1.354 billion, and I believe, in that year, the funds he talks to amounted to no more than \$11 billion.

**Mr. Swan:** I'm not sure if the Minister of Finance (Mr. Friesen) is having difficulty understanding the question. I could put it in writing, I suppose, if that would make it easier.

We know that the revenue that this government will be receiving from the Government of Canada is going to be 9.1 per cent more than the estimates of revenue that were contained in last year's budget. That's roughly \$350 million more. We know that comes from a number of sources. We know that, as Manitoba's population is growing, at least for now—we know that more money is coming under the various programs the federal government has. We know that there's more money coming from equalization. And I appreciated the minister's spin on that. We'll talk about that more in a few minutes.

But we also know that the Minister of Health agreed to an accord last year which would see \$399.6 million additional dollars flowing into Manitoba's coffers over the next 10 years. I appreciate from the minister that that amount may be back-end loaded. It may not flow \$40 million every year. I'm asking the question, though, how much is either going to be received or does he anticipate receiving, which must be part of the estimates of revenue contained in his own budget?

**Mr. Friesen:** So, I thank the member again for the question. I don't thank him for his sarcasm. Happy to have the exchange with him this afternoon.

That member said it himself. His own answer is contained in his preamble. He knows what the amount is for the federal government flowing over 10 years; he knows that the agreement is for

10 years, and he knows that those amounts for both home care and mental health are not comprised of the escalator; they're broken outside of the annual escalator.

So, as a percentage of that, he's not wrong when he suggests that about one tenth of that—I would suggest, probably because of some back-end loading, it probably is just less than one tenth of the number he cited for those amounts combined for those expenditure areas.

In other words, basic CHT for the year increasing by 4.1 per cent, and don't quote me on this, but I believe that with the other amounts in, the total amount is about 5 per cent.

**Mr. Swan:** Well, I thank the minister for that answer because maybe that moves us ahead. I will take the minister at his word that it's \$399.6 million over 10 years. And the minister has put on the record that it is perhaps adjusted over the years for inflation. Although, as opposition members, we don't know that.

I realize this would not be a normal procedure, but I'm wondering—if we will be hoping to vote on Interim Supply in the next couple of days, I wonder if the minister could undertake to provide our caucus with the answer for the actual amount of revenue from the health accord that's being included in this year's budget.

**Mr. Friesen:** I thank the member for the question. I would again advise the member that under the House rules, 100 hours are allowed for the full consideration of the departmental Estimates of Expenditure. And that means that that member, as the critic for Health, will have, well, as much time as he requires because, essentially, he holds the throttle. And he can ask line by line on any item pertaining to the budget.

I can commit to the member that I can take his question to the Health Minister and see what I can get back. I am a servant of the Legislature, and so, as our House leaders continue to confer about what tomorrow will bring, we'll see if we can conclude these proceedings today or tomorrow, and I'll try and bring back information if I'm able to on behalf of the Health minister to additionally break down those amounts.

**Mr. Swan:** I thank the minister, I believe. I hope he'll be successful. The reason I'm putting this to the Minister of Finance, of course, is that it is the Minister of Finance that delivers the budget. It is the

Minister of Finance who I presume is still the chairperson of Treasury Board. But what the minister has acknowledged is that something close to \$40 million has been received by the government due to the health-care accord. And, again, I'm not suggesting that is or isn't the right amount of money. All we know is that there is an amount that's been received.

\* (15:10)

I do want to ask, though, another question about the revenues from the Government of Canada. The Minister of Finance, a few minutes ago acknowledged that, of course, there's more money coming under what we know, colloquial, as the equalization program. So we know that because other governments in Canada have made other choices and other governments in Canada have been more successful at growing their economy than the Province of Manitoba, we know that the amount of equalization for this year is actually up substantially. I understand it's somewhere in the range of \$180 million to \$200 million.

Again, can the minister put on the record the actual additional amount of equalization that he anticipates receiving in this upcoming fiscal year than in the previous year?

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

He is right. Manitoba is the recipient of higher payments under the equalization program this year. That member will understand that, in the absence of equalization, provinces with lower fiscal capacity would need to have higher taxes. So, under Confederation, there are rules set up to allow provinces to share to a certain degree under a framework set out by the federal government.

As that member says, as Ontario is exiting the equalization framework, it means that there is more capacity. That capacity is then divided—those are the rules of the game—and in this case, Manitoba is in receipt of approximately \$200 million more.

I wonder why the member does not want to talk, though, about the over \$262 million that this government is under on its budgeted amount for personal income tax because of changes that the federal government made when it rejiggered the rules on small corporations taxation. I would invite from that member a question about what it's like to be like: a day in the life of the Finance Minister when the federal government fails to inform us that they've changed the rules and we should be expecting to

hemorrhage hundreds of millions of dollars from our revenues of—from our revenue estimates.

**Mr. Swan:** Well, I can let the Minister of Finance know I spent five years as the Minister of Justice with the Conservative Harper government in Ottawa in which that was a regular occurrence. So I do have some sympathy for the Minister of Finance.

And, again, I'm not putting a value judgment on the decisions that the federal government has made. I think the minister has stated quite fairly that the equalization program is something which is an important part of the Canadian framework. We did have a Premier (Mr. Pallister), of course, who, in the lead-up to the election ever since has, of course, talked about how this will be Manitoba's most improved province. It is ironic that is now Manitoba, I believe, more than any other province, that is benefiting from the equalization system in this year.

And, again, I just asked the minister, I believe it's somewhere in the nature of \$180 million to \$200 million additional dollars. Can the minister just give us the actual number of the increase in equalization for the upcoming year, which, of course, has been built into the request for Interim Supply?

**Mr. Friesen:** I made a statement to media last week that said I am the Minister of Finance, not the minister of revenue. So that member understands some of the challenge, the variance, that is very real, both in the department that he gave leadership to and from my seat, from my perspective, as the Finance Minister.

He is correct. I believe that the exact number is \$202 million, and I will endeavour to verify that exact number for him, under equalization. The exact loss on personal income tax revenue due to federal changes to small corporation tax is right now estimated in our third quarter report at \$262 million with threat that it could climb even higher. This is what happens when changes are made without proper regard or a dialogue or a discourse or consultation to the federal tax act.

**Mr. Swan:** If I could just ask the minister about that very issue. As I understand it, it was really a timing issue that in the previous year, certain corporations decided to book certain items which resulted in a higher amount of income, and there's now rebound this year and there is a roughly equivalent loss. Is that a fair way to describe it?

**Mr. Friesen:** Individuals do their own tax planning. The member will remember in last summer—going back a year ago, when the federal government said that they wanted to make changes to small corporation tax structures, and at the time, the Finance Minister, federally, said it would be changes that only applied to the richest 1 per cent.

However, what became clear when Manitobans and Canadians had their first reading of the measures, is that these were large measures that cut a swath across 40 years of accepted understanding of tax planning for small corporations, having to do with the ability of those small corporations to divide income, to make passive investment and other variables.

So this is very significant, and as the member has said, as a result and in fear of what might become, individuals were probably advised by their professionals to take their profit the year before. We did see a bump in revenues before, but nothing like the \$262 million reduction downward, against our estimate, that we are seeing play out before us in Manitoba.

**Mr. Swan:** I'll just ask a couple of questions on one other issue, before I give way to some other members.

One of the things that this Finance Minister and his colleagues have been busy touting is how much money has been returned to low-income Manitobans over the past two years, and I was very interested to read on page C8 of the minister's budget papers, for the first time maybe, the government actually admitting the total value of what they've done.

And as—look at figure 3, on page C8, I see that in 2017, the indexing of the marginal tax rates for low-income people, those earning less than \$31,000, was a grand total of nine dollars in 2017, and that in the current—well, the year just finished, 2018, the maximum taxpayer savings from indexation for these same people was seven dollars.

So can the minister just confirm that in two years, the total relief from income tax for those earning less than \$31,000 has been \$16?

**Mr. Friesen:** I welcome any question from this member on the subject of tax relief for Manitobans. I cite, as my first article, the 2012—when I was a new member of this House—widening of the retail sales tax to include whole areas of our economy that had never been subject to tax. Things like your home insurance products, haircuts for individuals

over \$50, esthetician services, all of these areas, group benefits at work.

Those measures brought the NDP more than \$200 million on the backs of hard-working Manitobans, and how did they answer? The next year they raised the PST to 8 per cent, dropping another \$270 million on their table, more than \$500 million of new taxes.

That member knows that within two years, the measures that we have brought will return to every single Manitoba worker. A household of two income earners, more than \$400 in the place of just two years. That is significant tax savings. We stand for Manitobans and household affordability.

**Mr. Swan:** So, just to make clear the litany of complaints that Minister of Finance (Mr. Friesen) had, the sum total of the quote, tax relief, end quote, for low-income Manitobans over the last two years was \$16.

**Mr. Friesen:** So the member is wrong, and I'll inform him why he's wrong. If he refers to the pages of the budget and budget papers that talk about the Manitoba government's borrowing program, I will remind him that the borrowing program is more than the sum of the deficit annually.

So, of course, as we understand, if a government spends into the red, it must borrow the additional to make up the cost of operating government. However, beyond that, it borrows for capital investment and it borrows for the requirements of other reporting entities within the government, both for loan act and part B, capital. One big concern, of course, being the completion of Hydro legacy capital projects equal to and excessive of \$20 billion.

So that member knows that the tax savings to Manitobans include the amount that we have reduced the deficit by from last year to this year, which is equal to more than \$100 million.

**Mr. Swan:** Sorry, could the minister just confirm, on the record, how much that \$100 million then, he's giving out to low-income people, because I must have missed it in the budget papers.

\* (15:20)

**Mr. Friesen:** I'd like to advise that member he's—he talks about standing up for low-income workers and yet I read, only a week and a half ago, a CBC article that said that the problem with a progressive tax system is that while it sounds like raising the

minimum wage is a great idea, higher wages translate directly into increased tax revenue.

As a matter of fact, it says that Ontario's raise of \$2.60 of the minimum wage has translated into more than \$220 million of tax revenue.

What does the article conclude? It says if you are really focused on providing more money to low-income households, you raise the basic personal amount. This government historically raised the basic personal amount in Budget 2018.

**Mr. Swan:** It's interesting the member wants to cite Ontario. I had a look at the employment statistics that came out just before the budget, as a matter of fact, and despite raising the minimum wage substantially, it appears in the last 12 months the province of Ontario has gained 111,000 full-time jobs at the same time as the province of Manitoba has lost 5,800 jobs.

So we understand the minister's point. He believes that a \$16 tax cut to Manitobans paying tax but earning less than \$31,000 is somehow sufficient.

We don't think it is. I guess I'll have to disagree with the minister on that front, but I would encourage him to open his mind and pay more attention to what's going on in other provinces, including Alberta, which has raised its minimum wage substantially. Alberta gained 67,000 full-time jobs in the last 12 months, again, compared to Manitoba's decrease of 5,800.

So I would hope that the minister would be open to that, but I suppose that's something that we and provinces which are actually doing better and giving him more equalization payments believe works differently.

**Mr. Friesen:** [*inaudible*] to talk about the disparities between the Ontario Income Tax Act and this one. For years, the NDP spun the myth that somehow they were standing up for the poorest income earners. However, a Manitoba tax expert informed me last week that very few people fail to recognize that the Ontario effective tax rate for the lowest bracket is almost half what Manitobans' is.

That means, for all the years that the NDP said that they were standing up for low-income earners, they were double-taxing them, according to our cousins in Ontario.

We have many inequities in our tax system. It will take some time to get at all of them, but let us make no mistake: the former NDP government

wasn't standing up for taxpayers; they were standing on their neck.

**Hon. Jon Gerrard (River Heights)** In this year's budget, the budget for health care went up by \$56 million. At the same time, the government received not \$56 million from the federal government, but \$86 million from the federal government as specific specified health transfers.

So, at a minimum, the government has, in fact, put in, in provincial own-source revenues, \$30 million less this year into health than it did last year.

Can the minister provide an explanation for where that \$30 million less into health care is now going?

**Mr. Friesen:** I'm happy to see the member for River Heights wanting to stand up for fairness when it comes to the Canada Health Transfer and the federal role. That member knows that, at one time, under that broad agreement, the federal government was responsible for 50 per cent of the cost of providing health care in the provinces. That shrunk to 25 per cent and now it's going south of 20 per cent because we have a federal government who says they like to do other things, rather than pay for even what the evidence suggests is necessary every year in the provinces.

This is not just Manitoba's quarrel. It's every Health minister's quarrel, it's every Finance minister's quarrel, and it should be every Manitoban's quarrel, to make sure the federal government comes to the table in a more adequate and sustainable way.

We have not cut health-care spending, as the member presumes; we have increased it. As a matter of fact, health spending in this province is more than 10 per cent over any budget brought by the former NDP government. We are investing more, we are getting better results and we are undertaking the broadest, most significant health-care transformation of our generation. It's difficult. We are asking for the patience of Manitobans while we do it, but we are proceeding with caution. Why? To get better results for Manitobans.

**Mr. Gerrard:** I'm sorry to listen to a minister of Finance who has trouble adding and subtracting.

Now one of the things that the Minister of Finance (Mr. Friesen) is doing is blaming federal taxation changes, and specifically not only the

forward planning that was done last year by some, but I understand that the minister is also blaming the increase in income tax on the highest income earners and the resulting changes that Manitobans individually have made, who are among the highest income earners, to avoid taxes, and these are—they are avoiding provincial taxes.

So the minister has actually set up the system so it's easier for high-income Manitobans to avoid taxes in this province and in other provinces. And I would ask the minister to do an analysis of exactly why this is, and I would ask him to look into whether, in fact, it may be his fault in the way he's designed the tax system in Manitoba that he has more high-income Manitobans avoiding their taxes.

**Mr. Friesen:** The member for River Heights knows that I have designed no tax system in Manitoba. I've had the great honour of acting as the Finance Minister in Manitoba for the past 22 months, or thereabouts, and it's been my honour to do so.

I agree with him there are many inequities within our tax system, both corporately and personally, and we were just referring to some of those inequities whereby we know that in Ontario the effective tax rate at the lowest marginal rate is half that of Manitobans.

In Manitoba, because of a failure to index tax brackets, the former NDP called anyone making \$67,000 the top elite income earner for all of Canada. And one has only to compare the tax charts that come in schedules in this budget to see the gross inequities. These will take time to address. We can address them and we are addressing them even now by finally applying indexation to our tax brackets. This helps to keep more money in the hands of Manitobans.

We have other inequitable tax structures to address, and we are cognizant of the fact. For years business and individuals told the NDP that. We're getting to this business, but this is all about the ability to be able to accommodate that tax fairness. And that means foregoing revenue, and that means getting into balance. What lies ahead for all of us—the aim of balanced budgets is not balanced budgets.

I remember—I don't know how much time I have left before my answer expires—but I can recall that—oh, thank you, but I recall that I was rereading a budget speech from 1996 last week. I know, what Finance ministers do for fun in their free time, and I came across a line by Eric Stefanson, former Finance

minister who sat in this chair at one time, who said: balanced budgets are not about balanced budgets. They are not about statistics and debt forecasts; they are about Manitobans. They are about providing the services that we know and trust not only now but into the future.

We need a fair taxation system, and the member for River Heights (Mr. Gerrard) and I are agreed on that.

**Mr. Gerrard:** Individuals who earn \$9,000 or less, and there are quite a number of them in Manitoba who get absolutely no benefit whatsoever from the increased in the personal income tax exemption because they're below the existing income–personal income tax exemption, and so, in fact, the people who are the lowest income earners in this province have no benefit at all from the current minister's budget.

I would ask him to confirm that that indeed is the case, and to explain why he had forgotten about the lowest income earners of all in the province.

\* (15:30)

**Mr. Friesen:** That seems like an uncharitable way to gloss over the largest tax decrease to Manitobans in the history of our province. I would want–while I can–while I believe I understand the general direction in which the member is trying to move, I would remind him that, in 24 months, any individual–any individual–earning income in the province of Manitoba will be able to keep \$2,000 of their own money before they even begin to pay tax. That means that that two-earner household sees a benefit of almost \$500 by the year 2020. The combined years for a single earner, \$225–I think it's \$218. It means that an income earner, for the next 10 years, will keep almost \$1,000 more of their own money, and that is not insignificant. It's the largest tax reduction in the history of this province.

When the member asks, yes, but what is this budget doing for low-income earners? This budget is doing a lot. This budget is keeping our commitment to a 75 per cent of median market rate for our Rent Assist program. This budget has stood up for financial management to make sure that we are not leaving larger deficits and the promise of higher taxes. We know that consumption taxes disproportionately affect those of modest means, and it means that our fundamental promise to reduce the PST from 8 per cent back to 7 per cent–because it never should have been increased–will

disproportionately actually help those at the lowest end of this spectrum. And, even the Opposition Leader for the NDP, at one time, tweeted out his support for that measure. And you probably–

**Mr. Chairperson:** The honourable member for Fort Garry-Riverview.

**Mr. Allum:** It's really hard to reconcile the often contradictory statements that the Finance Minister makes, but that's all part of the theatre of the Legislature, I suppose, although it would be a disappointment to most Manitobans to see him talking out of both sides of his mouth.

He's made it clear today that he's quite satisfied with breaking his promise around front-line services, both in relation to health and in relation to social services, in relation to education. He's made it clear that he has no problem breaking his commitment on the carbon tax, so why don't we keep going here?

He made a commitment in relation to infrastructure several years ago. It's pretty transparent, I think, in reading the budget that the government has cut their funding for infrastructure by, really, \$150 million, almost by one third.

Can the minister explain to us why he pretends that investments in infrastructure are going up when, in fact, it's transparently obvious that they're going down and they're going down significantly?

**Mr. Chairperson:** Before we begin with the minister's comments, I just want to remind the member just to watch–you said both sides of the mouth–if you just watch what you say in the Chamber and parliamentary language.

Okay, the honourable member from–the honourable minister.

**Mr. Friesen:** Oh, that member will never waste an opportunity to go after my character or my competency, and he will know that I will not respond in kind.

However, I will respond to the issue of integrity in government. And he knows only too well the price that his government paid for breaking its fundamental promise, a promise to not increase the PST, but also a promise to do better when they said that it would be a real problem if the net debt to GDP in this province ever got above 32 per cent. I believe Jennifer Howard said that. And then it rose above that, and she says, well, it's not so bad after all–broke their promise to low-income earners, broke their promise to teachers and to wage earners, some of

whom are in the gallery this afternoon, because they did things like attach taxation to things like insurance benefits and home insurance policies, haircuts over \$50.

They brought a fuel tax of 3.5 per cent and brought a new \$50, I believe it was, registration cost for MPI that had never been in place before. So his government paid the promise—paid the price.

We've said that we're keeping our promises. We are reducing the deficit, and we're ahead of schedule. We are keeping our promise to leave more money in the hands of Manitobans. And we're keeping our promise to Manitobans on infrastructure. We made a pledge to spend no less than \$1 billion in infrastructure. And he will note, in the pages of the budget, that we actually exceeded that promise with over a \$1.3-billion expenditure in the last year infrastructure

**Mr. Allum:** Well, I'm not sure which budget he's looking at or what budget papers that the Finance Minister is consulting. Maybe it's old NDP budgets where we actually did spend on infrastructure, we did build new roads and bridges, we did build new schools. In fact, I remind him, former teacher himself, that we built one right back in his own community, Morden-Winkler—he and I were there for that very good event—and we built 35 new schools across this province during our time in government.

We built new shops, new gyms, new science labs. We renovated schools all across the province. We created the University College of the North, which his party voted against, we expanded Red River, both out on the Notre Dame campus, and downtown as well. We've expanded ACC up onto the North Hill—mind you, there's nothing about the North Hill in the budget, as one might expect. When it comes—we hired more teachers and we made classrooms smaller.

I think he knows perfectly well that when it comes to our investments in education, in health care, in social services, we're among the best in the country, and he has a record of pretending to spend more but never actually doing so.

The question I just asked him was about infrastructure, so I'm going to ask him again. Why does he pledge to spend so much and then he fails to do so almost by less than one third?

**Mr. Friesen:** Well, the member is betrayed by his own use of words. He said more than once in his preamble, the word spend. And I refer him to page

15 of the budget, under the section dealing with the fiscal responsibility strategy. And he will see there a debt finance capital spending graph that projects from 2004-05 to 2018-19. And it looks like a rocket heading out of space because one line measures the growth of the GDP, the growth of the economy. And the second line measures this out-of-control, off-the-charts upward trajectory, part of which actually tells the story of the NDP doubling our province's debt in less than seven years. Our analysis showed, when we took government, that there was no capital plan, there was no plan to reference that out-of-control growth against the growth of the economy. It was just spend. It was just spend.

So, if that is the member's quarrel, then he, indeed, has one because I cannot help but look at that chart and think about my children and think about the children that they may someday have. There is no sustainability in the chart that shows a four times the average increase of the economy in the expenditure and borrowing financing by the previous NDP.

It says on that page in the budget that that level of growth in core debt finance capital resulted in a \$2-billion increase in net debt in just the past five years and a corresponding interest increase to the Province of Manitoba. Not only did that growth reflect unprecedented and unsustainable increases in spending, it also recurred—occurred without a focus on return investment. We've brought a return-on-investment model, an ability to look at potential expenditure and measure it for better expenditure, to make sure it hits key priorities, reflects key policies, serves communities better and not worse.

I don't know what the process was in Treasury Board before. I was expecting to find a kind of apparatus. I was expecting to be able to review rubrics and see templates and see how expenditure had been carefully measured, quantified and adjudicated. There was no such framework. So it was pedal to the metal and spend.

What would've been interesting would've been to see an increase in the expenditure investment level against a backdrop of NDP popularity and see if you could actually find a symmetry between the acceleration of borrowing to try to buy the next election. We believe in keeping our word. We will spend a good investment on infrastructure, not just spend.

And to the member's question about schools, I believe, in the first three years of their mandate, they built three schools. We've now announced seven.

\* (15:40)

**Mr. Allum:** You know, Mr. Chair, it's—minister mentioned rubrics, but that answer was like a rubrics cube, it was so complicated. It's so complicated. But it's nice of him to pontificate for us about all of the fine things that were accomplished under our government. I say this all the time. We have a proud record to defend. In almost—in any area of this province, you will have seen a dramatic improvement and increases.

But the thing that he never mentions in all of his doom and gloom about spending is that the size of Manitoba's economy doubled from 1999 to 2016—twice the size—which meant an increase in employment. Our unemployment rate went down. It was among the lowest in Canada. People were working. People had good educational opportunities that they could rely on. Young people had opportunities to stay in Manitoba to continue to grow.

And I dare say, Mr. Chair, every member of the Conservative caucus benefited and profited by the investments in the economy made by our government over time, whether you were a teacher like the former—like the Finance Minister, or the House leader was a teacher at that time, whether or not they were a businessperson. I bet the Premier (Mr. Pallister) never made so much money as he did when the economy was doubling during our time in government.

So he can talk about doom and gloom. Manitobans actually know that there's a solid foundation to the economy that he inherited, and piece by piece, cut by cut, the death of a thousand cuts to Manitoba is going to result in the lowest GDP rate in a generation. Plus, we have the highest unemployment rate in a generation that's happening under his watch.

Now, we've already established today during the course of the questions that he's abandoned commitments to protect front-line service. He abandoned his promise on the carbon tax. He abandoned commitments on infrastructure. Now we'll get on to his abandonment to his commitments to municipalities. He continues to download costs onto municipalities. There was no mention in the budget for supports for electric vehicles at all. You actually have to have dollars to do this kind of stuff. I've always maintained that that's one of the greenest things that we can do.

You have electric buses made by a Manitoban company that will create good, green jobs, high-paying manufacturing jobs. Those are the very kind of investments that we started down the road for and the very kind of investments that he's stopping.

This is a government that froze funding for municipalities for two years, eliminated the 50-50 funding model for transit. Why is the 'finance' minister so intent on downloading costs onto municipalities?

**Mr. Friesen:** Well, thank you, Mr. Deputy Speaker. I almost feel like petitioning you to see if we can add more time to the clock to fully address the inaccuracies that the member just put there.

Now, I'm going to start with his comments on the labour market. Now, I don't know what province that the member thinks he's serving in, but if he goes to page A8 of the Economic Review and Outlook from Budget 2018, he will see that Manitoba's labour market is right now the most stable in all of Canada. He will see that our labour market continues to demonstrate resiliency. He will see that we're maintaining the second lowest unemployment rate in all of the country. He will see that we are the third highest labour-force participation rate in Canada.

We led the country for most of last year on the lowest unemployment rate. So that member for doom and gloom should understand that there is reason to be optimistic about our labour growth in this province.

Did you know, Mr. Deputy Speaker, that the number of jobs increased last year by 10,500. It's the largest gain of jobs in 15 years. That's not just full-time; that's youth. That's university students, and so forth.

However, the other inaccuracy he continues to try to put on the record is somehow the fact that the GDP growth for Manitoba is going south fast, and on that he could not be more wrong.

Now that member has been in the Legislature long enough to understand that Manitoba produces a composite, through our Bureau of Statistics, of key indicators of growth. Now, if he wants to look at global economic macro trends and pretend that somehow his government was responsible for the global trends in the 1990s, he can do so. But I will tell him very, very clearly, what I've learned in my role is that governments have a small ability to project outward, even for things like borrowing rates, perhaps three to six months. Beyond that, who makes

those decisions? Markets. Markets make those decisions.

So, in the same time that he purports to have grown the economy, single-handed, in Manitoba, he knows that was a trend in Ontario, in BC; it was a trend in Nebraska; it was a trend in EU; it was a trend in Asia. And, for those things, we are thankful. We are thankful, as members of society, that we had that growth, but one thing is certain. Any economist I sit down with says this is the new normal. It doesn't matter if you're Ontario, Manitoba, Saskatchewan, Alberta, this is a new, low-growth environment.

But, within that environment, it is not doom-and-gloom, as the member says. I refer him to page A1 of those same documents, showing that real GDP growth in Manitoba was quite low when he was last in power, at 1.3 per cent. Do you know what it was last year? 2.2 per cent. From 1.3 to 2.2. So that composite of indicators that I referred to, the Manitoba Finance Survey of Economic Forecasts indicates, for this coming year, 2.0 per cent growth.

Well, that's pretty impressive, considering that the Canadian growth is 2.3 per cent. What's the projection for 2019? Just under 1.7 per cent. What's Canada's? 1.8 per cent. So let the member understand that if he wants to quarrel with these GDP numbers, he's quarrelling with the Western world, and I would allow him to do so if he wants to.

Manitoba's doing well, and there's all kinds of evidence that we're doing well, not just on those labour signals. New jobs, private sector business confidence. We had the largest farm receipts in the history of Manitoba. MASC reported the largest gain to the overall reporting entity. So there's plenty of reasons to be optimistic about the economy in Manitoba.

**Mr. Chairperson:** Before we continue, I just want to remind the minister and any other members here, when you refer to somebody in the Chamber, another member, to refer them to their—as their constituency, not doom-and-gloom.

**Mr. Allum:** I appreciate that clarification. Gosh knows I've never wrongly ascribed any name to anyone in the House. That's—my tongue was firmly in my cheek when I said that, Mr. Chair.

But the question, even as the minister pontificated there for a full five minutes, was around downloading costs on to municipalities. Can he clarify for us: Why is he so insistent on downloading costs to municipalities in Manitoba?

**Mr. Friesen:** So I'm pleased to speak about our relationship with municipal government. That member will know that we've taken the view that, as a government, we must recognize that municipalities have their own voters, they have their own priorities, and we have sought a better relationship with them than the former NDP government.

Indeed, AMM, Association of Manitoba Municipalities, told us that one was necessary. Our mayors of the cities and towns, our reeves have told us that such a relationship is needed in Manitoba.

It's why we have brought our basket funding approach, to give more latitude to municipalities to choose their own priorities. We've talked about municipalities and municipal government having a fair say in infrastructure projects, so I can understand why this is curious to the member, because his government never went down this road of seeking a better relationship with these municipalities, but we welcome it.

\*(15:50)

It means that in all areas, municipal relations, our minister is working hard to broker a better conversation. The member spends a lot of time in his office just conferring, listening to municipal leaders, to understand better what their challenges are. We know in other areas of government, we continue to intersect with all of these leaders and will continue to do so, getting a good infrastructure investment in place.

As a matter of fact, just last week we brought a new framework, new legislation, that would specifically create more autonomy for these municipal governments when it comes to The Highway Traffic Act, and that member will remember this, and this is not a partisan comment. It's an area of specific concern to me, because I was the member for Morden-Winkler when a 16-year-old girl was tragically struck and killed in front of the NPC high school, and I appreciated remarks by that member and others on this side of the House. I brought my first private members' bill at the time.

I didn't blame anyone. I was heartbroken that a young woman had died in our community. We were just completing a new high school at the same time as the left hand didn't know what the right hand was doing. The city had applied for a speed-limit reduction in front of that school. The Highway Traffic Board had said we haven't gotten around to it yet. It was an issue of red tape; it's why the member

will forgive me if sometimes I get a little excited about cutting red tape. It was exactly that situation where the municipality knew what they needed. The Highway Traffic Board was slow to respond, and within two weeks of that school opening, she was hit and killed in front of the school.

It was so preventable. What was the solution? The municipality knew what they needed. They needed a lower speed limit. What could we have done to bring a lower speed limit? Devolve the responsibility. I'm so proud of this minister for Manitoba Infrastructure to bring such a bill that will locate decision-making control in the hands of municipal authority and not here on Broadway.

Yes, we will set speed limits on the highways and in municipal zones. It will be the province—just one—or it will be the municipalities. Just one more example of working more effectively, co-operatively together to get better results for all Manitobans.

**Mr. Rob Altemeyer (Wolseley):** Mr. Chair, does the minister have a copy of his budget handy, particularly specifically the Estimates of Expenditure?

**Mr. Friesen:** Yes.

**Mr. Altemeyer:** I'm wondering if he might be kind enough to turn to page 86.

**Mr. Friesen:** Yes. *[interjection]*

**Mr. Altemeyer:** Shows you how well things usually go when this—this counts as progress, but, at the bottom of page 86, when we're in reference to the Department of Infrastructure, the Reconciliation Statement, it indicates that there's a transfer of enabling appropriations to the Green Fund in the amount of \$30,616,000.

Could he please—please—is it the pleasure of the court for the minister to tell us what that money was used for the previous year?

**Mr. Friesen:** I should have revised my answer before and I should have told the member for Wolseley that I couldn't turn to page 86, because I was already on that page in the Estimates of Expenditures. So I'm on the same page as him, and it's not every day that the member for Wolseley and I can say that we're on the same page.

Okay. So, in this new spirit of co-operation, I want to refer the member to a few numbers if he can take his book and also turn to Internal Service Adjustments, on page 119, and keep a thumb in both

pages. Now what he will see is that there is a Green Fund established under appropriation 26.3, and he will notice, as well, that there's a number there that refers to additional Manitoba climate and green fund, additional capacity in existence to existing that has been brought under one envelope.

So I think, in trying to telegraph where he's going, he's going to say: Where is your investment for green? There is both an investment for green, under part A, where he sees it on page 86 under Infrastructure. There is also a green, of course, under Green Fund, Manitoba Climate and Green Fund funding, which is a composite of both SDIF previous funding, existing green infrastructure, funding things like channels and ditches and drains and other—but also additional revenue printed as specifically to increase that investment.

**Mr. Altemeyer:** Yes, thanks to the minister and—for that answer.

So picking up on his comment that funds that are now—have been moved out of Infrastructure into the Green Fund are, in fact, funds that will continue to be used for the same purpose that they were used last year, namely, that includes the maintenance of drainage ditches and the mowing of them and fixing of culverts and that sort of thing? Is that accurate?

**Mr. Friesen:** No, the minister is not correct. That—the category of expenditure that he just suggested is only one area and the starting point, because, as previous governments do as well, we have taken various appropriations and combined them to provide additional opportunity to government to spend in accordance with its own priorities and the priorities of Manitobans.

So we are, indeed, finishing some of the projects that he just talked about and we are folding the Sustainable Development infrastructure fund money into that appropriation; however, it's also net new money for the projects he has outlined. However, let us be clear that the amounts we're talking about here are in addition to the establishment of a historic \$102-million infrastructure conservation trust. And that trust will grant in perpetuity as a legacy amount, with a hard divide between government and private sector, amounts for applicable projects. So that fund will go on giving. It will be—the investment will be managed by The Winnipeg Foundation, and the amounts themselves and the granting of amounts will be managed by the Manitoba habitat and heritage corporation, two fantastic Manitoba partners.

**Mr. Altemeyer:** Still seeking clarity on what the money—where the money has come from that is being rebranded as a green fund by the government and what the money will be doing this year. Perhaps it will help if the minister and I continue our great rapport here and we can be on the same page yet again.

Page 90, please, sir, would be where I'm next looking. Again, under the Infrastructure budget, item B, Maintenance and Preservation of Water Related Assets. There's a 17-and-a-half-million dollar expenditure, but that is being recovered from another appropriation.

Can the minister confirm that it is, in fact, the Green Fund that receives this money from Infrastructure and is now giving it back to Infrastructure so it can keep doing what it was doing already?

**Mr. Friesen:** The member knows that it's always the challenge of a Finance Minister to bring in an interim appropriation bill, because, while I sponsor the entire budget, I am not the Minister for Sustainable Development. So there will be, at a certain point, and I assure him it will come early, a point at which my specific knowledge will be exhausted.

But the good news for a legislator is he can pivot from that point to the Estimates of Expenditure, wherein I can commit to him that within days this hard-working minister will table her Supplementary Information for Legislative Review. You will then be—the member will then be in position—possession of all that considerable information and some of the additional detail that you're seeking today, then, you can have answer to. However, I would be very clear that the investments we are making in infrastructure are very significant not only in the area of highways infrastructure, maintenance and preservation left neglected for far too long, but also water-related infrastructure, and while the—our opposition members are talking about what they're seeing as a reduction of amounts, I see the opposite on page 16 of the budget document.

\* (16:00)

Under the section called the Fiscal Responsibility section, you will see an increase for water-related infrastructure of more than \$59 million from this year—from the previous year to this current expenditure year. It is very significant, and an investment that will go in part towards the repairs and complete capital projects for Lake Manitoba.

We accept the challenge of building the additional flood mitigation framework infrastructure that we need in this province, that we have needed since the 1960s when it was first contemplated, and we will do the work.

**Mr. Altemeyer:** So continuing with our hope of being on the same page, I think I just heard the Finance Minister say that he doesn't know if the 17 and a half million dollars I referred to, where it came from and where it's going, but that perhaps his colleague, the Sustainable Development Minister, would know that.

So, if I may, Mr. Chair, I'd like to just repeat my previous question for the Minister for Sustainable Development.

Is the money, described on page 90 for maintenance and preservation of water-related assets of 17 and a half million dollars, is that money coming out of the Green Fund, so-called, this year?

**Mr. Friesen:** The member has a hundred hours of Estimates time, Committee of Supply, and he has ample time to ask all the questions, particularly of his minister. That's why the House rules are set up to give that very adequate amount of hours to each of the critics.

In the meantime, though, I would again address that member. He doesn't seem to have any questions about our made-in-Manitoba green plan and the \$102-million allocation to the—to this conservation trust. We could not be more excited about the partnership that we have struck. We could not be more excited about the legacy investments that this fund will go on funding long after we're gone. That member will understand as well that we have made that fund irrevocable to make sure that no successive government would ever try to claw back those amounts.

I heard the member say in question period a week ago that it was unadvisable that the government was making \$102-million investment in a conservation trust; unadvisable, he said, because it would be far better for the government to have kept the money.

Well, Manitobans could ask themselves, how did it go in the past? As my kids like to say, how does that work out for you, Dad? How did it go with Manitobans giving the NDP the money? I did not see the establishment of \$102-million conservation trust in the NDP. As a matter of fact, I think that all of

their various iterations of a green and climate plan have failed to actually take off the runway.

**Mr. Altemeyer:** How much money is that Conservation Trust Fund going to provide for people to use to fight climate change this fiscal year?

**Mr. Friesen:** Could the member repeat the question.

**Mr. Altemeyer:** How much money is the Conservation Trust Fund going to provide this fiscal year for Manitobans to use to fight climate change?

**Mr. Friesen:** I will endeavour to bring the member a complete answer but I could point him to the \$102 million. What we endeavour to do with that number—that's not a round number, I thought it might invite some questions. We printed that at \$102 million to make sure that even in its first year, it would be able to make allocations without the sum of the fund falling beneath a \$100-million threshold. And, of course, in perpetuity in years thereafter, the investment strategies of the Winnipeg Foundation will be responsible for targeting a return on that fund. I did look back at the previous year annual report of the Winnipeg Foundation and this will be the largest 'bequeathment'—I'm not sure if 'bequeathment' is the right word—Hansard will correct me, I'm sure, later—but this is the largest one-time, I believe, investment into that fund, and we have full confidence in their ability to derive value.

So as—if those—if this additional amount can assist the Winnipeg Foundation in its comprehensive investment strategy of making a better return, that additional return amount will always come back for good investments in Manitoba.

**Mr. Altemeyer:** If the Winnipeg Foundation meets the industry average for investments, what is the annual return the minister is expecting?

**Mr. Friesen:** I'm just looking for a clarification from the member, whether he's wondering what my expectation is for the amount to be invested—is that correct.

**Mr. Altemeyer:** My turn to say yes.

**Mr. Friesen:** The idea of establishing a trust is to take it outside of the area of expectations for the minister and to set it apart from government in perpetuity to allow the amounts to be invested, to allow the dividend to be returned and that dividend to be invested for the benefit of all Manitobans.

I can tell the member I had an opportunity to meet with the CEO for Manitoba heritage and habitat

corporation. He indicated to me that he was very honoured. I walked through the stakeholders lock-up on Monday of budget, met with him. I had not met the individual previously. They're tremendously honoured for the opportunity to be able to be involved, as is The Winnipeg Foundation. They seem very, very confident that they can work quickly to make sure that a significant investment is made, even in this first year. I believe that some of the member's concern that somehow—that the money could slip and not be invested in the first year—I believe they have every intention of getting out the door very early to make a full effort, even in this inaugural year.

**Mr. Altemeyer:** No, the minister is not accurate and guessing at my line of questioning and its purpose. What I have been asking—and I'll try again—is: What is the rate of return that The Winnipeg Foundation would be expected to achieve on an annual basis if they hit the industry average for investments such as this?

**Mr. Friesen:** I'd be happy to return to the Legislature with that information and provide it to the member. Right now, what I'm using as my base assumption, having read their annual report for '16-17 is I'm going off their returns from the previous year. However, the member will understand that the—because of the significance, the materiality of this one-time contribution, it will actually increase an enhancement for The Winnipeg Foundation. It is a material part of their overall invested amounts.

And so we're hoping that this will additionally help them to be able to get a better return. Nevertheless, I'm basing my assumptions off of their '16-17 year and what the annual report says about how they did.

**Mr. Altemeyer:** What direction has the minister given to The Winnipeg Foundation in terms of what they should be investing the money in?

**Mr. Friesen:** Well, that sounds like a trick question because I've made it very clear that the funds established are transferred one time. And then the whole idea—and this might be a concept that's a little more difficult for the member to grasp because it's not a fund that they established. The whole idea is to put it beyond the reach of a sitting government. Executive government sets no instruction for The Winnipeg Foundation.

The Winnipeg Foundation, I can assure the member, with their investment board, takes these obligations very, very seriously. It's why we chose

this entity to be in charge of this part of the trust. We have every confidence. We know that The Winnipeg Foundation has been a community partner for many, many years now. We know that they fully report on the gains in the fund every year. We know that that fund will go on in perpetuity granting. I think that—at one point in time, I think I was a beneficiary from one of those amounts through some kind of scholarship I won for music, so I've even been the first-hand recipient. However, there was no conflict of interest, I assure the member.

\* (16:10)

So I think we would all agree that The Winnipeg Foundation is beyond reproach. We understand that it's been an important community partner. It's got the support of businesses, individuals, corporations. I believe they received their first amount 100 years ago. So the government will have no say, or will set no instruction, on how it would expect the Foundation to invest amounts, only that they be invested.

**Mr. Altemeyer:** So what the minister's saying, the government has sent no instructions to The Winnipeg Foundation on how this public money to fight climate change is to be spent. We could very easily end up in a scenario where The Winnipeg Foundation is investing Manitobans' public climate change money in fossil fuel extraction projects here and abroad.

That seems silly.

Does the minister have any comment?

**Mr. Friesen:** We don't believe that The Winnipeg Foundation is silly.

**Mr. Altemeyer:** It is not in any way The Winnipeg Foundation's fault if the government has abdicated its responsibility to provide appropriate direction on what a climate change investment should be investing in.

The Winnipeg Foundation has done marvellous work in our community for over 100 years. You'll never hear any argument about that from any of us on this side of the Chamber, but the Finance Minister has just acknowledged that his climate change money could, in fact, end up being invested in activities that increase climate emissions.

Does he perhaps want to rethink that policy?

**Mr. Friesen:** So the member is confused, and I will endeavour to disabuse him of his ignorance. So he's

conflating two things. If he would have read the budget documents more carefully, he would've seen, clearly, that the establishment of the conservation trust to protect wetlands, grasslands, forest and natural areas by providing matching funds, by the way, with partnerships from individual and private sector investors, land owners and community-based conservation groups that will go on in perpetuity—the monies will be managed by The Winnipeg Foundation.

The decisions about granting will not be undertaken by The Winnipeg Foundation.

**Mr. Altemeyer:** None of my questions were about how the grants were going to be allocated.

My question was about the use of the \$102 million of public money, and the very real potential that, not to the fault of The Winnipeg Foundation, they could end up investing perhaps significant portions of that \$102 million into business investments or mutual funds which, directly or indirectly, increase climate emissions, either here in Canada or abroad, or to pick up on the minister's last attempt at an answer, could end up removing additional wetlands or wilderness areas.

Can the minister today commit that he will revisit his government's decision to not provide any ethical direction or priority to The Winnipeg Foundation in how this public money in the so-called conservation trust is going to avoid actually destroying parts of the environment?

**Mr. Friesen:** Member should proceed with caution. He is challenging the reputation of The Winnipeg Foundation, an organization that received \$42.4 million in gifts last year and awarded \$38.1 million in the community. So I won't go where he seeks to go; however, that member should understand that it's called the Manitoba Climate and Green Plan. It's about building Manitoba initiatives in conservation for wetlands, grassland, forestry—forests and natural areas through partnerships in Manitoba.

So, if the member's concern is that we're going to Scandinavia to help them with reforestation, he should not be concerned. If he's concerned that we're going to Botswana to help with sustainable agriculture practices, those could be other measures we undertake. But not part of this plan, and it's probably best left to the federal government for international development.

However, if he is conflating the work of The Winnipeg Foundation to manage money and the work of the Manitoba Heritage and Habitat Corporation to actually receive applications, measure those according to criteria and grant amounts, then I would want to clarify the record for him.

The Winnipeg Foundation will do the former; the Habitat and Heritage Corporation will do the latter, the beneficiaries of which will be the citizens of Manitoba and our conservancy. I would note for the record that the legacy of the NDP government, when it came to conservation, was \$17 million in cuts.

**Mr. Altemeyer:** Yes, I think we've probably reached the point where we can agree to disagree on this particular item. The minister's answers are not contributing anything new. He has made his points. I have made mine.

One additional question: Can he give any indication if the \$66 million or thereabouts that Manitoba will now receive from the federal government due to this government finally signing on to the Pan-Canadian climate strategy, has that money been received? Where will it go in this year's budget?

**Mr. Friesen:** The amounts that the member is referring to is a five-year commitment between the federal government and provinces that are signatures—'signatories'—signatories—there we go—signatories. It's got Tory in it, so I should get that right. Please excuse me, Mr. Deputy Speaker, while I torture the English language—signatories to the agreement, so the member is quite right. There is a—I mean, I refer to it as signing bonuses. I don't know much about the amounts. I have read the framework. I have looked at these amounts. I believe that they are received in year, and you would see these as some kind of a receivable in the Department of Sustainable Development.

If, in any way, I'm wrong on that, the minister in the Estimates of Expenditure will be able to bring clarification. I will open that door to say I may be wrong.

Also, these may be accelerating amounts, so the member shouldn't make the mistake of thinking that somehow it'll arrive on the doorstep in the same packages. I believe that the initiative will be ramping up, and I believe that the federal framework actually specifically addresses that fact and says the amounts will be smaller and accelerating over the five-year

agreement. And I believe that all provinces are in possession of those amounts and I believe, still, that not all determinations have been made as to the parameters in which those investments can be made.

**Mr. Allum:** I thank my friend from Wolseley from trying to get to the heart of the matter, both in relation to the government's green plan and also in relation to how they're actually spending money that's supposed to be generated for the implementation of the green plan, but seems to be being spent pretty much on everything else but, which is imperilling, I think, future generations here in Manitoba and something the Finance Minister might want to think about instead of just talking about the public relations of it.

The Finance Minister will know that he is, right now, on the end of unprecedented revenues, hugest increase in federal transfers in a generation. He's got a carbon tax that is going to generate upwards of 250 million—\$300 million a year, and yet the funny thing about the budget is that he didn't book any revenues for cannabis.

Can he explain to the House why he did that?

\* (16:20)

**Mr. Friesen:** So, first of all, on the issue of federal transfer payments, I would refer the member to the section of the budget called Fiscal Arrangements, Budget Paper D. What he should note is that we are still backfilling against losses in Manitoba through the equalization program that go back a long, long way. So we are not where the NDP enjoyed more substantial equalization payments. I would remind people that even now in the year 2018-19, we will still not be in receipt of the kind of equalization payments that that member enjoyed when he was a member of this House in '09-10—oh I forgot; he was elected when I was. When his colleagues were here in 2009-10, in '10-11, those were more significant payments for equalization. And, of course, we know that equalization is a capacity program so that as more provinces come into the program there is essentially less to go around on a per capita basis.

And as that member says, now through mathematics and according to the formula, there is more capacity in the program, and latent capacity does not go unexpended; it goes to provinces that are deemed net recipients. It is not designed to create a level playing field but rather backfill against inequities; in other words, reflecting on a province's fiscal capacity. So, while the government welcomes

200 more million dollars in equalization than last year, we would've said it was our money and we are thankful for it. However, the member doesn't want to talk about an over \$262-million loss in personal income tax revenue that we have in this year.

To the second part of the member's question, I would refer him to the Internal Service Adjustments pages of the budget and budget papers where he will see that we have, indeed, not printed any line for revenue in this budget. Was the mistake of the former government, thinking that everything would become a cash cow and thinking that all they had to do was get revenue and then revenue would disguise the extent of overspending. And, indeed, the period that the member referenced earlier, a period of the mid-2000s, when the growth of the economy was almost three times what it is today, there were years in which that government could overspend its planned budget, and yet on a summary line, the bottom line of government, still appear to be doing all right because of profits coming from the Crown corporations and other reporting entities. But, of course, that kind of thinking in all provinces, eventually the music stops. And like we've seen, this rate of economic growth is much, much lower, not just for Manitoba but for all provinces.

So the member says, why didn't you print a line for cannabis? Aren't you going to completely make a whole lot of money on cannabis that you're not telling Manitobans about? I wish that somehow out of all of this terrible and undesirable narrative on cannabis legalization, I wish a few things. I wish that the federal government would've allowed more time. Even now, I wish they would. I understand that the Senate committee is working to try to convince the government that more time is needed. I can tell that member we truly do in this province require more time to do this right, and I think if he were in my place, he would say the same thing. And on that, we have broad agreement with Finance ministers and Health ministers and Education ministers regardless of their political stripe.

The second thing I wish is that in all of these conversations, we would have started the conversation not on the issue of revenue generation, which is where Mr. Morneau wanted to start, but rather on costs and looked more comprehensively at jurisdictions like Oregon and Colorado to understand what did legalization of cannabis do to roadside fatalities. What did it do to mental health issues in teens? What did it do in high school culture? These are questions that have remained unanswered. What

we can say for certainty is a few things: No. 1, revenue will not exceed expense; and No. 2, the Province bears the majority of the expense. It would be imprudent to print a line for revenue, and that's why we have not.

**Mr. Allum:** Well, it's not clear to me why the Minister of Infrastructure (Mr. Schuler) clapped for that particular answer, but it's also not clear to me, even 'having'—having listened to the minister's answer why he didn't try to project revenue sources that will come from the sale of cannabis. He—surely he doesn't think that no cannabis is going to be purchased in the province of Manitoba after July 1st. He knows full well that there are numbers out there for the pricing of cannabis that will be sold in the way that they've identified it, I take it, through the private sector.

And he must know that there will be considerable dollars available to the provincial government at year's end, whether that's the regular year or the fiscal year. Either way, significant dollars are going to flow. I'm not suggesting for a moment that it's some kind of cash cow, but I think it's unfair to the people of Manitoba not to project at least what he thinks will be the revenues associated with it. And we think we understand why that will be, is because it's going to generate several million dollars likely next year, and he's going to come in as a hero to show that he somehow raised more money for Manitobans, somehow put a stop to the growing deficit. He will get on his high horse, as he typically does, and tell us about how great his government is and how poor we were.

But this is the problem that has been identified not just by us, on this side of the House, but by the Winnipeg Free Press who noted that the budget was a sleight of hand, that the budget was smoke and mirrors, that the budget was a bait and switch.

And so I ask him again: Is he really suggesting to the House today that revenues will equal costs when it comes to the sale of cannabis in Manitoba?

**Mr. Friesen:** So there's a difference between gross and net. And so the member wants to have a talk about gross revenue, which is really all the opposition members ever wanted to talk about. The promise of revenue, whether it was from corporate tax increases, tobacco tax increases, personal income tax increases, health and education tax levy increases, land transfer tax increases, fees and other fines, levies, tax increases—the problem is that I'm not the minister for revenue. I'm the Minister of

Finance, which means that I have to talk net, because net is the only thing at the end of the day that I have.

Here's what I know: In jurisdictions, including Oregon and Colorado, we know significant additional expenses were incurred in the area of mental health following the legalization of cannabis. We know that incidents of cannabis-involved drinking—or sorry, cannabis-involved driving impairment and bodily injury and death increased multifold from previous to legalization.

We know that the court costs will go up, because there still are fines and there are still penalties and there are still infractions. We know that incarceration rates will be affected. We know that the black market has a real interest in protecting their market share. And that means we will have costs incurred in that area. We have areas of health care that we haven't even begin to contemplate cost yet.

And so, all taken in, we know that revenues will be very small compared to expenditure. And the minister is saying, well, why don't you just take a stab at—or the member is saying, why don't you just take a stab at it; why don't you just kind of hold the thumb up and pick a number out of the air? Because that is not how we do prudent budgeting on our side of the House. There is no way to know what revenue will be derived.

However, he does know the framework that we've just indicated last week in the budget that we would sign to. And the framework works like this: What do we hold to be the principal aims of the government legalizing cannabis? Principal aims for government are move consumer behaviour away from black market. It's, essentially, capture more of the market and take away from black market.

\* (16:30)

The second thing is, keep this out of the hands of kids. It's why we've set the age of use at 19. Someone could say, why not 25? Well, I could assure you that behind the scenes there's lots of debate that happens. We heard a wide variety of perspectives from Manitobans when I travelled across the province in our pre-budget consultation meeting, but we try to arrive at a place that would give clear signals that we're standing up for safety.

Now, within that federal framework, there is a shared revenue, but the very first area that we agreed on, as provinces, at the Finance ministers' meeting, is that revenue could not run above 10 per cent of, approximately, what's perceived to be the retail value

of an ounce of marijuana. It meant keeping taxation low and, on that principle, we could agree.

So the federal excise framework describes a \$1 per gram approximate shared revenue, and then from there you have to jump to what do you believe the Manitoba market exists of. And from there what you have to do is you have to project what do you believe that a retail model that is legal could actually take back from black market in the first six months. Nine months? 'Cause it's not a fiscal year. The member forgets, it's not a fiscal year. It is only a portion of fiscal year yet to be determined.

We don't even know the implementation date because the last I heard is, the federal government is entertaining the idea of moving back the implementation date. How can we possibly come up with a revenue estimate when we don't know when we start?

Well, that might be the way the NDP designed revenue estimates. It is not the way that this government will design revenue estimates. They chewed a piece of paper and threw it against the wall to see what would stick. Our process is a little more—bit more involved than that.

**Mr. Allum:** That's a very interesting analysis of budget-making that the Finance Minister just gave the House. I don't think I'm inviting you into any economics classes anytime in the future, I have to tell you. But—I'm inviting him, inviting him to any classes.

But I find it kind of interesting that the government—and the Finance Minister will know this—he was able to identify expenditures for cannabis—their book in the Enabling Appropriations, and yet he can't find a way to book anything for revenue. Why the contradiction?

**Mr. Friesen:** No contradiction. We were able to, with considerable work, go to all departments in all areas of government, including the Liquor and Gaming Authority and Liquor & Lotteries as well, and ask them for a rough order of magnitude based on other jurisdictions, what they could entertain. But, of course, even there the roughest estimate because what we don't know is when cannabis will be legalized.

So I simply cannot, as the Finance Minister, with any degree of confidence, arrive at a number and say, I think that's the number, because there's so much speculation, across the country really, on what a gram sells for at a retail level, and what government

efforts—how successful government efforts will be to change consumer behaviour.

This is a very significant societal shift, the legalization of cannabis, very significant. Sometimes we sit in this House and we debate, and we do so—and we must do so. But sometimes we wonder how history will record these conversations. We wonder what the evidence of 10 years of experience will tell us about this bold societal experiment.

We know what people tell us now about the fact that, oh, everyone's doing it so you might as well legalize it and take the money from it. I'm not sure that, you know, what we're learning about things like adolescent brain research and development line up well with that, so I think, in this one, you can chalk me up to a reluctant Finance Minister.

However, the framework is the framework and the bus has left the station, and so my focus and the focus of this government will continue to be on safety, letting the private sector do what it does best, which is safety regulation, wholesaling, transportation.

And we're signing on the federal excise tax arrangement—just one more area of co-operation with the federal government, where we can clearly say we examined it and I told Mr. Morneau that I would go back to my jurisdiction, that I did not have a mandate in that meeting to sign on. We needed to understand more fully what the implications were, some of the things they shared in the meeting.

If you read the fine print in that agreement, it talks about a constrained ability of a province to additionally tax in the two-year period. So we had asked ourselves questions: What does that mean? Well, we want to keep taxation low, but we needed to test that. Having done that, we realized that there was benefits. We're a government that's talked about red-tape reduction, more efficiency, more effectiveness, and we thought that this framework allowed us to get to more efficiency than we otherwise would have going it alone in this province of Manitoba.

**Mr. Allum:** I wouldn't do a lot of bragging if I was the Finance Minister about his record on federal-provincial co-operation. We don't need to forget that he went all the way to Vancouver on the CPP, and then he didn't know what to do and he came running back to ask the boss as to what he's supposed to do.

On the Health Accord, they were the last to sign on. On the climate change plan, they were the last to sign on. Yes—and then cannabis, it was like we were seeing the movie all over again with the CPP. The Finance Minister gets to the meeting, he doesn't really know what's going on, he's unsure of the details. So he says to the federal Finance minister: I don't really know. I'm going to go back and check with the Premier; he'll tell me what's what. And then we'll get on with it.

So, you know, when he says about this 'nother'—another marker of getting along with the federal government, I think he knows that the public record on that actually doesn't distinguish him or his government. And, in fact, Manitoba has played a historic and traditional role in not only building this province but building this country, and yet it seems to me every time he shows up at a fed-prov meeting, he only does anything but try to embarrass Manitoba on the national stage.

But I want to ask him again, because this is very odd that they're able to articulate and identify expenditures around cannabis in the enabling appropriations and yet he's unable—or unwilling I think is probably the more appropriate matter—because this is a budget that's been characterized as a sleight of hand, of bait and switch, of smoke and mirrors. He wants to look like a hero later on.

So how is it—could he explain to the House, again, and not such a torturous explanation this time, how it is that he's able to kind of figure out what the expenditures for cannabis is going to be, but he can't figure out the revenues? Why is it that he's unable to do that very simple mathematical equation?

**Mr. Friesen:** The member always feels that he's at his best and finest when he's questioning my competency. I assure him my kids question my competency every day, and they're far tougher critics than he'll ever be.

I would say to that member: There's a very humbling moment that comes when you represent your province at a federal-provincial-territorial meeting. When they put that Manitoba sign in front of your desk, it's very humbling.

*Mr. Dennis Smook, Deputy Chairperson, in the Chair*

I remember the meeting he refers to. I remember going to that CPP meeting, in Vancouver, when I was a newly minted minister approximately four weeks into my role. I very, very proud of the negotiations that we undertook as a brand new

government going toe to toe with the federal government to say: We will not sign on to a framework to make CPP just bigger when we have so many problems right now with working mothers and fathers with a death benefit that hasn't increased in 20 years, with comprehensive reviews for CPP survivor benefits not addressed.

\* (16:40)

Manitoba led the charge when it came to making a CPP framework that would return better value in the CPP, not just for workers in their retirement 30 years from now, but people right now going into their retirement.

I can tell you that because of Manitoba's advocacy we have better provisions inside this agreement for child rearing, better provisions for disability dropout. That means we're standing up for disabled Canadians. We are standing up for moms and dads leaving the workforce, and we are standing up for the lowest income workers who used to get a part of the death benefit dropped off, and we made it whole because who needs that benefit more if their loved one dies. It's a lower income person.

So, if that member takes exception to those efforts led by my Premier (Mr. Pallister), I say, bring it on. We were never prouder than to stand up for all Manitobans and make a better and not just bigger CPP.

**Mr. Allum:** Thank you, Mr. Chair. Good to see you in the Chair, as always.

Yes, I just want to say just quite quickly on that point that that's quite a leap of revisionism that we just heard. We know perfectly well that the Finance Minister went to that meeting, didn't know what to do, was caught like a deer in the headlights, came running back to Manitoba to find out what to do, and in the course of about two weeks, the tall foreheads in the Premier's office came up with some ideas for him that he could take back to try to save face. That's exactly what happened, and he knows well that that was precisely what occurred for him in that meeting.

But we don't want to just go down that road. I just was commenting on his alleged record of federal-provincial co-operation. We know that that has been nothing short of a disaster for Manitoba, whether it's on child care or whether it's on climate change, whether it's been on health care or cannabis or CPP, all of them has shown to be an abject failure on the part of this government.

Page 140 of Estimates shows an increase in \$30 million in revenues from liquor and gambling, I suppose. Could he indicate that \$30 million in increase, what portion is for liquor, what portion is for gambling, and then does that actually include any for cannabis as well and he's just not telling us?

**Mr. Friesen:** Thank you, Mr. Acting Deputy Speaker?

**An Honourable Member:** Chair.

**Mr. Friesen:** Mr. Chairperson. Mr. Chairperson, sorry. Sometimes I get titles wrong.

Thank the member for the question. I was reading on the weekend further evidence of additional revenue at Liquor & Lotteries. I saw in their second quarter report that was revealed, I believe, about 12 weeks ago, some very significant revenue gains, especially in the area of online gambling. So—and that's on the public record. So he can read those reports.

The amount that he sees as an increase represents nominal and predicted additional revenue growth in the corporation, both in lieu of 'liquory'—Liquor & Lottery sales.

**Mr. Allum:** Thank you, Mr. Chair. I appreciate that.

The Finance Minister has spent a fair amount of time talking about deregulation in our province, and we've seen not only one but two pieces of omnibus legislation that are all about deregulation, and we're quite worried about what the implications of that deregulation could be in the future. The government has changed regulations and amended some acts around livestock herds, so I'm kind of putting on my agriculture hat here. Does the government have any goals for increasing cattle or hog herds in Manitoba going forward?

**Mr. Friesen:** The member knows that I am neither the Minister of Agriculture nor the minister who is sponsoring this year's red tape and accountability legislation. I would suggest to the member that in the 100 hours of Committee of Supply that are agreed to under these House rules, he will have a more than adequate occasion to ask the Minister of Agriculture (Mr. Eichler) who will only be too happy to talk about the growth of the livestock industry.

Now, the Minister of Agriculture has told me exciting things about building back herd size since a collapse of herd under the NDP, but no; to be fair, the minister would be clear to say a variety of challenges face the livestock industry—you know,

agriculture sector. Some of those producers, even in my own area, a multiple of factors; some economic, some disease related, some related to regulation in this province that could have been made better but weren't.

Those things are being addressed. We want our economy to grow. We want our agriculture sector to grow, and in the—the minister could take up to a hundred hours to ask the minister those questions and he might go—they might use it all—who knows—so we'll see what the Committee of Supply brings. We can't wait to table that supplementary information for legislative review and to allow that good work to proceed.

**Mr. Allum:** I certainly take up the Finance Minister's offer to have a good conversation and dialogue with the Agriculture Minister on that very question. You know, we ask, of course, because it's that very kind of deregulation that ends up costing Manitoba in other ways, and so we're trying to understand just what the objectives are for the government and what the potential implications from deregulation might be going forward.

Page 9 of the budget papers talks about cutting \$1 billion of government waste. Can the government itemize where and how and what government waste has been cut so far?

**Mr. Friesen:** If we had unlimited time, I could refer the member to the early efforts of our government last year, introducing a bill that did things like take old legislation off the table that was actually never enacted.

There were measures there that required every year for entities to set the annual cost of cashing a government cheque and we simply said if it can be done on a one-year basis it can be done on a three-year basis.

We made changes to make it easier for non-profits to do business with government. I recall speaking of agriculture, a measure in last year's budget to cut red tape whereby veterinary boards—non-profit veterinary boards—had to, as a condition, bring a clean audit opinion every single year of their operation. Some of these veterinary boards have total expenditures of less than \$75,000 and yet the audit requirement could represent as much as \$4,000 of that.

So you can imagine the inequity; you can imagine the frustration, and when they told the NDP it should be changed, what did the NDP do? Nothing.

What did our government do? Changed the condition.

Now, that member claims that every time red tape gets cut, Manitobans are put in jeopardy. Well, I had a chance to talk to some board members on a veterinary board about six months, and they were high-fiving me and said we've asked for this forever, and they said, finally our government got it done.

Now, that member will understand there are various intensities of audit that can be performed that still ensure that good financial practice has been made. I don't know if it was an error of the last government or what, but you could get a review, you could have a compilation, you could bring an audit every couple of years; but the NDP didn't do any of that.

So, if we had unlimited time, I would go line by line and talk about all the important ways that we have cut red tape for businesses, for individuals, for non-profits, and for other levels of government. Just this afternoon, we had a bunch of—a number of city mayors here in the gallery, and they are out there talking about the way in which government is assisting them to cut red tape, to locate decision-making authority closer to the community and get out of the way.

\* (16:50)

But the member will remember that the bill we brought last year was clear to say: without compromising human health and safety. The myth of the NDP is that red-tape cutting goes directly against human safety and human health. Nothing could be further from the truth. However, I would again say to the member, while I invite the questions, they are quite specific, and the degree of specificity of the questions invites the question of whether the Committee of Supply wouldn't be a better avenue.

Now, I notice that we still have time today to undertake, if we had support of all members, the end of these very considerable discussions. What is standing in the way? We could bring a broad agreement, and that member gives up no discretion. Does that member give up any of his abilities—a member of this legislation—to hold the government accountable? No. Does he forgo any Estimates hours as a result of this conversation today? No. Does he lose any ability to go to the individual members—or ministers and ask them about their appropriations? No. But what is he doing by prolonging these conversations this afternoon? Well, he's standing in

the way of the government's ability to pay civil servants.

This is an interim appropriation act. He knows how this works. This bill gives a provisional authority to the government to be able to open the chequebook and pay teachers and nurses and doctors and social workers and infrastructure workers and all the civil servants in this building and throughout the government's core entity.

So let us understand that the member is making choices today. I can recall when a former Finance minister of the NDP said that we were jeopardizing the pay of civil servants by asking questions in Interim Supply. I believe all members would say that we have been very patient this afternoon. I have answered questions since 2:30 in the afternoon. If the member has more questions, I would suggest that the Committee of Supply would be the place to ask them. But let us agree now to not hold up the pay of civil servants and to pass this interim appropriation bill.

**Mr. Allum:** I really don't think it's fair for the Finance Minister to give his House leader such a tongue lashing as he just did. After all, it wasn't this side of the House that introduced an interim appropriation motion today. It wasn't this side of the House that interrupted a budget debate in order to do interim appropriations.

*Mr. Chairperson in the Chair*

And, as far as I can tell, we're following every procedural rule that is provided to us in order to deal with interim appropriations. After all, this was his House leader's big idea. Maybe he got it from the Premier (Mr. Pallister). But don't be bawling out the member for Fort Garry-Riverview on that when this is your appropriation—or your motion today.

So, just so we're clear, we do have a bunch of other questions, and we are going to keep on going because that's the nature of what we have to. And one of the things is that the Finance Minister, along with the Premier and every other member of the chosen 12 or 13 or 14, however many Cabinet ministers there are over now, are going to get a big huge raise as a result of this budget. And so I think, if the people of Manitoba are okay with giving that huge raise that the Finance Minister's likely going to give himself in the balanced budget legislation when he goes to—when he goes on to table that in a while—I think it's probably incumbent upon him that he can

answer questions for a couple of hours in the House from the official opposition.

The—so, I guess I just have to ask him then, if he's so enraged by having to have to do—answer these questions this afternoon, why are we having a discussion about interim appropriations in the middle of a budget debate?

**Mr. Friesen:** I thank the member for that question on the balanced budget legislation and taxpayer protection act. We could not be more proud than to have brought measures to this House that will ensure that government takes very seriously the work of eliminating the deficit and holding ministers to account for failure to do so.

Now, how did that process go under the NDP? There was balanced budget legislation in place when the NDP took power in 1999. But then they amended it. They amended it one time. Oh, no, I'm—I forgot. They amended it a first time to water down provisions and they said, well listen, if we miss a budget, then maybe we should have more time. Like maybe not in one year, but how about if we would balance the budget over a number of years?

Well, when they couldn't do that, they amended it again. When ministers under the NDP became aware that they were going to lose a second part of their salary, they said, well that's no good. So what they did is change the rules and made sure that no minister of the NDP would ever forgo more than 20 per cent of their salary, even though the legislation says clearly they would because they missed two balanced budgets in a row. After that, they watered down the provisions again, and they watered down language around special provisions and general exemptions.

This government was proud to bring measures to make sure that the government would be held accountable. We made a fundamental pledge to Manitobans to eliminate the deficit within the second year—the second mandate of our government. We are on track. As a matter of fact, the budget makes clear, in the first papers, that we are ahead of schedule on deficit reduction. As a matter of fact, in the space of one year, we will have reduced the deficit by \$319 million.

However, the member's ill-advised question gives me the opportunity to go at another NDP myth. It is the myth of salary increases. As a matter of fact, what the member knows but is not quick to share is that every one of these ministers has foregone

20 per cent of their salary, and will not be paid unless the public accounts show that we have reduced that deficit by a minimum \$100 million even in this part of our mandate.

And the member should know that we will bring amendments, even in this session, to further strengthen the balanced budget legislation. Where the NDP amended the legislation to weaken it, this government will amend the legislation to strengthen it. So I will accept no lectures from that member on areas of accountability, or getting results, or driving for—to balance.

Il y a deux ans, nous avons présenté notre plan pour redresser les finances, restaurer nos services et rebâtir notre économie. Notre plan est mesuré, il est responsable et il fonctionne.

**Translation**

*Two years ago, we presented a plan to fix our finances, repair our services and rebuild our economy. Our plan is measured, it is responsible and it is working.*

**Mr. Allum:** Sorry, Mr. Chair, but I don't quite understand. It seemed like the Finance Minister was done, and the clock was reset, and then he started off all over again. Could you just give me some clarity about what just happened there?

**Mr. Chairperson:** Yes, what happened was, I thought he was done, so anyways, I move on to you.

**Mr. Allum:** Thank you Mr. Chair, I appreciate the clarity. I thought he was done too, but he just keeps going on and on and on.

Page 140 of the Estimates books shows government expects to receive \$25 million from the sale of government assets. Can the Finance Minister—*[interjection]*—that seems to be, actually, something to be applauded on their side of the House. I'm not sure if it was the member from Kildonan who said that, or—but could he tell us which assets are on the—have for-sale signs on them here in Manitoba?

**Mr. Friesen:** Well, I thank the member for the question. Due to the lateness of the hour, I assume that means he does not accept my genuine offer that we could accelerate these proceedings past this interim appropriation and pay civil servants today. So let us clearly understand what the member is doing, standing in the way of the payment of civil servants.

On the subject of his question, I have a few words of response to the member: Property Registry unit. Property Registry unit. It was a government entity that that member and his colleagues privatized—privatized—privatized in 2014. Why? Because they saw value—

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

Call in the Speaker.

**IN SESSION**

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 19, 2018

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