

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

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**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
CHIEF, Kevin	Point Douglas	NDP
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	PC
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
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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
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SARAN, Mohinder	The Maples	NDP
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STEFANSON, Heather, Hon.	Tuxedo	PC
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WHARTON, Jeff	Gimli	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian, Hon.	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
YAKIMOSKI, Blair	Transcona	PC

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 13, 2016

*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. Amen.

Please be seated.

### ROUTINE PROCEEDINGS

**Madam Speaker:** Introduction of bills? Committee reports?

### TABLING OF REPORTS

**Hon. Ralph Eichler (Minister of Agriculture):** Madam Speaker, I'm pleased to table the supplementary Estimates for the legislative review for 2016 for the Department of Agriculture.

**Hon. Eileen Clarke (Minister of Indigenous and Municipal Relations):** Madam Speaker, I'm pleased to table the Supplementary Estimates for Legislative Review for 2016-17 for the Department of Indigenous and Municipal Relations.

### MINISTERIAL STATEMENTS

**Madam Speaker:** The honourable Minister for Sport, Culture and Heritage, but prior to beginning, I would like to indicate that the required 90 minutes' notice prior to routine proceedings was provided in accordance with rule 26(2).

Would the honourable minister please proceed with her statement.

### Orlando Tragedy

**Hon. Rochelle Squires (Minister of Sport, Culture and Heritage):** Madam Speaker, it is with a heavy heart that I stand today to express the deepest sympathies of all Manitobans for those affected by this weekend's senseless and tragic event in Orlando. We join with people around the world to condemn the hatred behind this act and to stand with the families and loved ones of those killed and injured.

We live in a country where we are free to love and where one person's love for another is not less or more authentic than any other. Our government will continue to advocate for the principles of love, respect and dignity for all Manitobans.

As a mother and a grandmother, I was profoundly affected by the media images of terrified family members gathering outside the scene, wondering whether their loved one was among the casualties. I cannot even begin to imagine the fear and the heartbreak they are suffering.

On behalf of all Manitobans, our government offers deepest condolences. We will move forward with even greater resolve as we continue the fight for equality and safety for all. May hope triumph over fear and unity prevail over division. Compassion is a value that binds us together as Manitobans. We care deeply about our communities and we care deeply about one another.

And I would ask this House to join me in a moment of silence after the responses.

Thank you.

**Ms. Flor Marcelino (Leader of the Official Opposition):** I thank the minister for her statement. Our heart goes out to the families and friends who lost loved ones in the Orlando massacre yesterday, to those who were injured as well as those who witnessed the tragedy unfold.

This was an act of homophobic violence against the LGBTTTQ\* community, not only in Orlando but for communities and individuals around the world. Here in Manitoba, I worry about our LGBTTTQ\* youth witnessing an event of this magnitude for the first time. There are many who must be feeling vulnerable and terrified. Today, we want to tell this youth: we will not tolerate homophobia or any kind, and we will—of any kind, and we will support them as allies in the struggle for acceptance and freedom from fear.

We all need to stand with LGBTTTQ\* community and make it very clear that they are accepted and safe to be who they are. For many in the LGBTTTQ\* community, gay bars are a place of safety, a place where they can be themselves, a place where they

can safely hold their partner's hand, a place where it does not matter—

**Madam Speaker:** The member's time has expired.

**Some Honourable Members:** Leave.

**Madam Speaker:** Is there leave to allow her to finish her statement? *[Agreed]*

**Ms. Marcelino:** A place where they can safely hold their partner's hand, a place where it does not matter which bathrooms they use, a place where they know they're not alone.

Yesterday's tragic events have threatened those safe spaces, and the LGBTTTQ\* community will need all allies to stand up and help them reclaim their spaces. Violence and fear are daily experiences for many people in the LGBTTTQ\* community. There are groups in Manitoba that are threatening their right to be themselves. These—there are hateful, ignorant things said and challenged every single day against LGBTTTQ\* people.

Love is love, Madam Speaker, and every member of this NDP caucus will continue to stand up and support the LGBTTTQ community. Thank you.

**Ms. Cindy Lamoureux (Burrows):** Madam Speaker, I ask for leave to speak in response to the ministerial statement.

**Madam Speaker:** Does the minister—or the member have leave? *[Agreed]*

**Ms. Lamoureux:** On behalf of my Liberal colleagues and myself, I would like to give our sincere sympathies to the families and friends of the victims of the Orlando nightclub shooting this past weekend. This was a disgraceful and cowardly act against the LGBT community, and it reminds us that we need to show our solidarity and empowerment as a province and a nation. We need to come together, raise awareness and be strong advocates for our human rights.

I take comfort knowing that communities all over the world are gathering together to show their empathy, love and support for one another. There will be a vigil tonight, here at the Manitoba Legislature, in support of the victims of the Orlando shooting. I encourage all my fellow members of the Assembly to join me in attendance.

Thank you, Madam Speaker.

**Madam Speaker:** Is there agreement to observe a moment of silence? *[Agreed]*

*A moment of silence was observed.*

\* \* \*

**Hon. Heather Stefanson (Minister of Justice and Attorney General):** Yes, a ministerial statement.

**Madam Speaker:** Oh, I have to read it again?

\* (13:40)

The required 90 minutes notice prior to routine proceedings was provided in accordance with rule 26(2).

Would the honourable Minister of Justice please proceed with her statement.

### Special Olympics Awareness Week

**Hon. Heather Stefanson (Minister of Justice and Attorney General):** I am pleased to rise in the House again this year to celebrate Manitoba's Special Olympics Awareness Week.

I had the pleasure of playing bocce ball today on the Legislative grounds with Manitoba athletes who will serve on Team Canada at the 2017 Special Olympics World Winter Games in Graz, Austria. I would like to give a warm welcome to those remarkable athletes who are sitting in the gallery today: Darren Boryskavich, Valerie Delorme, Chrissy Peters, Adam Lloyd and Michael Milani.

I would also like to welcome their coach, Sabrina Klassen, and president and CEO Simon Munday; vice-president, sport and program, Jennifer Campbell; board chair, Larry Chornaby—or, Chornoboy and board vice-chair, Robert Klombies.

It was my honour to present private members' Bill 209 three years ago, which received royal assent to proclaim the second week of June each year to be Special Olympics Awareness Week in Manitoba.

Special Olympics Manitoba enriches the lives of people with intellectual disabilities through active participation in sport. It is wonderful to see this organization carrying out its mission to empower people to be all they can be physically, mentally, socially and emotionally. Due to the work of Special Olympics Manitoba, people with intellectual disabilities are able to become accepted, respected and productive members of society. This message of inclusion is reflected in this year's theme: Accept with no Exception.

Special Olympics Manitoba has already held several events as part of this week's celebrations, and there will be more to come throughout this week. I

know that Manitobans across the province look forward to the Law Enforcement Torch Run, which raises millions of dollars for Special Olympics each year. The run is open to all major federal, provincial and municipal police agencies, provincial and federal corrections as well as other federal and provincial enforcement agencies. There are many more media and social events planned for this week, and I encourage all Manitobans to check out the full calendar of events on the Special Olympics Manitoba website.

Madam Speaker, I ask that all members of this House join me in recognizing all Special Olympics Manitoba athletes and to thank the coaches, volunteers and family members who support this incredible organization.

Thank you very much.

**Ms. Nahanni Fontaine (St. Johns):** This week we celebrate athletes and the history of Special Olympics Manitoba and reflect on the positive impact their programming has had on our athletic community. This is a time where athletes with disabilities can be recognized as the role models they are for all of Manitobans. They devote hours to regular practice and training while still offering contributions to society when not competing: visiting schools, attending events and talking to young athletes. Special Olympians stay visible as a reminder that anyone's dreams can be achieved with hard work and commitment. Special Olympics' slogan: Let me win, but if I cannot win, let me be brave in the attempt.

The athletes who come out of Special Olympics Manitoba program are trained in more than just their sport. They learn valuable life skills and know the importance of independence, supportive communities and challenging expectations. These athletes use the program to assist in their physical, mental, social and emotional growth and to become excellent examples of accepted, respected and productive members of society.

In 1978, 28 track and field athletes travelled from Winnipeg to Regina for the first Special Olympics Canada Summer Games. Since then, Manitoba's program, started by hockey player Ted Irvine and executive director Dan Johnson, have become a home for community members of all ages to stay active, make friends, compete and challenge themselves. Now there are over 1,600 athletes participating in 134 different programs all over Manitoba. Each sport is broken up into different

divisions to group of athletes together into the same gender, age and ability so that fair competition is always respected. This model also allows athletes to try new sports as they age or their abilities change. Comprehensive programming ranging from grassroots, community-based clubs to world-class competitive initiatives give participants every opportunity to excel as athletes and individuals.

The program would not be so—such a phenomenal success without the hard-working volunteers and coaches who donate their time to providing excellent training at a range of levels. Their commitments have made—have helped to enrich the lives of Special Olympian participants and the sport community in Manitoba. During this awareness week, I join all members in congratulating all Special Olympic athletes and thank them for positively representing Manitoba in sports around the world.

Miigwech.

**Ms. Judy Klassen (Kewatinook):** Madam Speaker, I'd like to ask leave to respond to the minister's statement.

**Madam Speaker:** Is there leave? [*Agreed*]

**Ms. Klassen:** I thank the minister for her statement on Special Olympics week here in Manitoba. I was delighted to attend the kickoff ceremony this morning at City Hall. I was equally honoured to meet the incredible athletes for Team Canada on the steps of the Legislature who will be traveling to the Special Olympics World Winter Games 2017 in Austria.

Special Olympics helps with those—helps those with intellectual disabilities find happiness, acceptance and accomplishment. As their lives open up, athletes gain the confidence that comes with this achievement. They feel empowered. They are ready to take on new challenges and make use of their new abilities. They can become mentors for other athletes as well. They also move toward a more public role as a speaker or a spokesperson, as we witnessed this morning.

Today, we witnessed the athletes speaking to audiences and journalists about the positive changes that Special Olympics help bring about in their lives at this morning's press conference. It was quite encouraging to be a witness in the excitement of it all.

I would like to thank Special Olympics Manitoba and especially to all the dedicated volunteers that are making this event-filled week possible. There are as many as two million people with intellectual disabilities around the world, and for the past 30 years, Special Olympics Manitoba has provided positive, successful experiences through sport for thousands of persons with a mental disability across our province. I look forward to meeting the athletes and their families today at the reception held here later on in the Golden Boy dining room at 5 p.m.

I'd also like to mention that on July 1st of this year, there will be an ultimate polar bear–polar challenge in Churchill, Manitoba as part of the Law Enforcement Torch Run which will raise funds for the Special Olympics.

Thank you, Madam Speaker.

#### **Introduction of Guests**

**Madam Speaker:** Prior to members' statements, I would like to turn the public's attention to the gallery where we have seated in the public gallery from Island Lakes Community School 78 grade 3 and 4 students under the direction of Kathleen Labelle, and this group is located in the constituency of the honourable member for Southdale (Mr. Smith).

On behalf of all honourable members, we'd like to welcome you here today.

#### **MEMBERS' STATEMENTS**

##### **Residents Supporting Syrian Refugees**

**Mr. James Allum (Fort Garry-Riverview):** Late last fall, South Osborne residents Paula Leslie, Matthew Lawrence and Sonya Jantz decided to explore how our community could respond to the Syrian refugee crisis. With the assistance of Reverend Janet Walker of Churchill Park United Church, they gathered a large group of residents together to brainstorm. Also present was Joseph Chaeban, a Syrian-Canadian from Charleswood. Joseph described the situation of his family–wife's family who, after fleeing the violence in their homeland, were facing many serious challenges to provide adequate living conditions and ensure safety for themselves. He asked the group to consider helping them.

With this opportunity at hand, the South Osborne Syrian Refugee Initiative was formed. Riverview residents Chris Kiely, Harpa Isfeld-Kiely

and Ian Matthey soon became instrumental members of the organizing team.

\* (13:50)

Since then, this group has managed to exceed every fundraising target they've set. Their first goal was \$30,000, which they reached in just five and a half days. Next, they held two community fundraisers where many more South Osborne residents, businesses and non-profits became engaged in the project. As of today, their GoFundMe campaign is just a couple thousand dollars shy of their newest goal, \$90,000. This money will support three Syrian for one year after their arrival as they reconnect with their loved ones and start a new life. I am told that one of the three families is expected to arrive very soon, and this will truly be an occasion to celebrate.

To Joseph Chaeban, Zainab Ali the Churchill Park United Church and the South Osborne Syrian Refugee Initiative, including the members who are in the gallery today, thank you, thank you, for being a bright, shining light in the midst of the darkness of the Syrian crisis.

#### **Western Canadian Aviation Museum–Royal Designation**

**Hon. Steven Fletcher (Assiniboia):** Madam Speaker, this past weekend we saw the joyous celebration of Her Majesty Queen Elizabeth II, the Queen of Canada's 90th birthday party celebrations.

The royal family has many deep connections to Canada and to Winnipeg. I think of the royal Canadian aviation–Western Canadian Aviation Museum, which has just recently received the quote, unquote, royal designation.

In a few days, we will be again blessed with a royal visit from the Duke of York, and during this visit he will participate in many activities, not the least of which is a celebration of the aviation history here in Manitoba.

The aviation industry in Canada began here in Manitoba with the Richardson family, and is celebrated in the fantastic displays that can be found at the aviation museum of western Canada–or should I say the Royal Aviation Museum of Western Canada.

In this museum, you will see vintage airplanes and even rockets from our space program in Churchill to learned articles about aviation throughout Canada.

Congratulations to our longest serving monarch—the largest serving monarch in British history and to the aviation museum, particularly Ross Robinson and Brian King [*phonetic*] for their capital campaign to make a great museum—

**Madam Speaker:** The member's time has expired.

#### **Stanley Cup Champion Pittsburgh Penguins**

**Mrs. Sarah Guillemard (Fort Richmond):** Madam Speaker, with apologies to all those Winnipeg Jets fans in the House today, I rise to congratulate my favourite hockey team, the Pittsburgh Penguins, on their winning the Stanley Cup. A little lone fact about me is I was born in Pittsburgh, meaning that from birth I was a fan of the black and gold.

Throughout the whole playoffs, with victories over exceptional teams like the New York Rangers, the Washington Capitals, and the defending Eastern Conference Champion, Tampa Bay Lightning, the Penguins showed a skill that was unmatched by any of their opponents. Their decisive six-game victory over the San Jose Sharks showed the Penguins were truly the dominant team in the NHL in the playoffs.

From Sidney Crosby and Evgeni Malkin's dominant performances, to the revelation of Matt Murray and Phil Kessel in the playoffs, the Penguins showed how teamwork can move a group forward towards their ultimate goal.

A special shout-out is in order for Winkler's own Eric Fehr, whom I know the Minister of Finance (Mr. Friesen) was cheering on, along with their entire community.

On behalf of all members of this House, I want to congratulate the entire Pittsburgh Penguins organization, including Manitoba's Eric Fehr, on winning the Stanley Cup, and I can't wait to bring the cup back to Manitoba.

Thank you.

#### **Sayisi Dene Forced Relocation**

**Mr. Tom Lindsey (Flin Flon):** Madam Speaker, for many generations, the Sayisi Dene lived off the land, following and hunting caribou herds in northern Manitoba.

But in 1956, the province decided there was a Caribou shortage and that the Sayisi Dene were to blame.

They were wrong. But that didn't matter.

As the CBC reported, the federal government forced the 250 Dene to move far away from the caribou around Little Duck Lake to the barren tundra squeezed between Hudson Bay and the Churchill cemetery.

The government promised housing and jobs but did not come through on either promise. Instead, the community built shacks with remnants from the nearby dump. They also ate scraps of food from the dump.

Starving, culture-shocked and impoverished, they turned to alcohol. Survivors tell stories of how their once-strong community descended into a hell of autocracies.

But they remained resilient. In 1973, on their own terms, they moved north and set up a new community at Tadoule Lake, wanting to return to their ancestral caribou-hunting and gathering lifestyle. Today, many are once again speaking their language freely, being no longer ashamed to speak it.

In 2010, the Province of Manitoba formally apologized for its role in this tragedy, 'mistakingly' telling the federal government that caribou herds were declining, and being complicit while the federal government carried out the relocation.

The Province also proposed, in 2010, to turn over 13,000 acres of land near Little Duck Lake. This transfer was recently completed and, this summer, the Sayisi Dene will finally receive compensation and a formal apology from the federal government.

These gestures will not make up for the colonial actions of the past governments. But I hope it is one more step in the path of the Sayisi Dene—

**Madam Speaker:** The member's time has expired.

**Some Honourable Members:** Leave.

**Madam Speaker:** Is there leave to allow the member to complete his statement? [*Agreed*]

Leave has been granted.

**Mr. Lindsey:** I hope this is one more step in the path of the Sayisi Dene to regain their strength, and one more step for all of us toward reconciliation.

Thank you, Madam Speaker.

#### **Orlando Tragedy**

**Mr. Blair Yakimoski (Transcona):** Madam Speaker, I rise today to speak and to offer solace to

all those whose lives have been touched by the tragedy in Orlando and, especially, to those in the LGBTTQ community and their families and friends.

During the election campaign, I was asked directly my position on the issue of equal rights. It's a serious and important question, so I thought I'd put my thoughts to pen and paper. I sat and I thought about the lessons and values that I try to instill in my children, and about the responsibility that I had to them and to those around me.

I wrote: members of the LGBTTQ community are our friends, neighbours, co-workers and family. They deserve the better education, health care, and accountability from government that we all deserve. I wrote: Manitobans are all equal. Then I went on to say that Manitobans deserve the same protection from discrimination and hatred.

I still strongly believe these words, but realize, in the wake of the tragedy in Orlando that, although we have made progress as a society, there is much more to be done.

Like any parent, I worry about my children's safety. It pains me that parents of LGBTTQ children must also worry about the threat of random, misguided violence rooted in ignorance simply because of who their child is and who they love.

The lyrics of John Lennon's "Imagine" ring true today. "Imagine all the people, living life in peace." Madam Speaker, let us all commit ourselves to replacing hatred and fear with compassion, love and understanding so that we can do more than just imagine this world, we can live in it.

Thank you, Madam Speaker.

## ORAL QUESTIONS

### Education and Infrastructure Government Spending

**Ms. Flor Marcelino (Leader of the Official Opposition):** I want to first say thank you to the hard work of our public servants as we celebrate Public Service Week.

And I especially want to remark on the passing of David Sanders last night, a true champion of the public service.

\* (14:00)

Now, Madam Speaker, I know David would want us to speak truth to power, and it has been clear from day one that this government has used its power

to advance a hidden agenda. It began with the PC code words for cuts and privatization in the Throne Speech; it continued the behind-closed-doors program review. But their list of so-called budget savings clearly shows their approach.

Will the Premier (Mr. Pallister) confirm that the real reason that they put out different versions of budget savings is that they find they did not want to own up to the fact that they are cutting seniors, education programs and infrastructure?

**Hon. Heather Stefanson (Deputy Premier):** I want to thank the member for the question, and, indeed, we have a tremendous amount of respect for all of those in our civil service who do tremendous jobs day in and day out to ensure that we're able to do our jobs as well in—for Manitobans.

And also the condolences for David Sanders and his family, we offer our condolences to the family and loved ones on this tragic death as well.

Members opposite, unfortunately, like to play politics, and they like to instill fear and division in Manitobans, and we saw that throughout the election campaign. We saw that members of our community, Manitobans, clearly rejected that vision of fear and division, and we will continue to offer hope for Manitobans in the future.

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

**Ms. Marcelino:** The Premier is also cutting education capital, but, again, they are hiding their true agenda.

Will the Premier indicate which projects will be cut, or will they continue their hidden agenda that masks that they're slamming the door shut on needed Brandon schools, rural highways and flood protection projects?

**Mrs. Stefanson:** Madam Speaker, the only ones with a hidden agenda were all those members opposite who ran before the last election campaign and promised Manitobans that they wouldn't raise taxes and they turned around and did exactly just that.

So we will take no lessons from members opposite.

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

**Ms. Marcelino:** Madam Speaker, the press release this morning, the PC Party included the list of \$108 million in cuts to investments and services.



These are cuts to investments that build our schools, our hospitals and train our future leaders, and they're being listed by the PC Party as part of their self-described commitment to eliminating wasteful government spending.

Madam Speaker, it is really alarming; it's just one example. We are particularly worried that this government's commitment to midwives.

Will this government provide the necessary resources to continue supports for northern and urban training of midwives, or is this to them just another example of wasteful spending?

**Mrs. Stefanson:** The prime example of wasteful spending is members opposite for 17 years where they overspent their budget every single year for the last 10 years, and that's why Manitobans are faced with the kind of situation that we're in today. It's unfortunate that members opposite can't learn from their own mistakes.

#### **Northern Midwifery Program Government Intention**

**Ms. Nahanni Fontaine (St. Johns):** There's been much confusion and uncertainty in respect of this government's funding commitment for the joint University College of the North and University of Manitoba's midwifery program, which was initiated to provide midwifery services to indigenous communities. With the advent of colonialism and its corresponding regulation and oppression of indigenous women's bodies, midwifery was banned, forcing indigenous women to leave their home communities to birth away from the support and care of their community, family and partner.

Can the minister explain to the students in the gallery exactly what their government's plan and commitment is toward the midwifery program in Manitoba and particularly northern indigenous women?

**Hon. Ian Wishart (Minister of Education and Training):** I thank the member for the question because there has been a little confusion on this issue. There has been no cuts to this program. We continue to work with University College of the North and University of Manitoba to try and develop a sustainable model.

There's certainly been some mismanagement issues in the past 10 years in the program in the North and we want to be sure that a sustainable format is put in place. We have spoken to the

students earlier today and assured them that we'll—there be a program in place for them this fall, and I will work hard to make sure that that happens.

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

**Ms. Fontaine:** Indigenous midwives are a primary health-care provider, caring for pregnant women, their newborns and their families throughout pregnancy and for the first weeks in postpartum.

Indigenous midwives are a key partner in ensuring indigenous women's rights over their bodies and over their reproductive health and their birthing plans while also promoting breast feeding, nutrition and parenting skills while at the same time, empowering women over their place and space.

Can the government explain exactly who is deciding on this funding? Is it the Minister of Health? Is it the Minister of Education or the five men that currently make up Treasury Board?

**Mr. Wishart:** I can assure the member opposite that the funding for this program is coming from the Department of Education.

As to the decision-making process, I think it's pretty clear that all Manitobans stand to gain from programs like this that provide a service not only in southern Manitoba but in northern Manitoba to the indigenous community, and we're—we as a government are very pleased to stand behind this program.

**Madam Speaker:** Prior to proceeding with questions I would just like to remind all honourable members in the gallery that there is no participation allowed in the process and that includes applause. Sorry.

The honourable member for St. Johns, on a final supplementary.

**Ms. Fontaine:** I want to make it explicitly clear to this government and to the House that women exercise all and any rights over our bodies, reproductive health and our birthing plans, which includes staying in our home communities to birth as entrenched under the Charter and the United Nations Declaration on the Rights of Indigenous Peoples.

And so for the purposes of our students that are in the gallery this—today, I'm asking the minister if he is committing. It's a simple question of just yes or no.

**Mr. Wishart:** I think the member needs to listen very carefully to the answers. The answer to that

question is yes, we have committed. In fact, our government has been very committed to the whole process of midwives. It was a PC government who first established midwife as a regulated profession in this province of Manitoba, and we are continuing to be committed not only to the profession but also to the training of students here in Manitoba to provide the service here in Manitoba.

### **Post-Secondary Programs Future Funding Concerns**

**Mr. Wab Kinew (Fort Rouge):** I'm pleased to hear the minister walking back his comments of the midwifery program, last week, being unacceptable and now committing to fully fund the program. I expect the—*[interjection]* Read the paper, Mr.—member from Ewasko.

However, that just creates more uncertainty for the other—

**Madam Speaker:** Order, order. I just want to remind the honourable member that when questions are being posed that they be posed through the Speaker and not pointing directly to a member.

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

\* (14:10)

**Madam Speaker:** Order. I would urge all honourable members to be cautious with their words here in the House and that the rulings of the Speaker not be challenged, as the member just did, and I would ask the member to withdraw those comments and then proceed with his question.

And I would just urge everybody here to just—let's take a deep breath, and these are important questions and answers, and let's do this respectfully with good decorum.

**Mr. Kinew:** With great humility I withdraw my previous comments.

So I'm committed to hear the—or I'm pleased to hear the Minister of Education's words today to support the midwifery program. However, I am concerned that this creates greater uncertainty for other post-secondary students when they see that there has been \$9 million in cuts to post-secondary institutions identified.

So I would ask the minister to provide some clarity by tabling the list of post-secondary programs

that he is going to cut that will add up to the \$9 million that the Premier (Mr. Pallister) and Finance Minister are citing.

**Hon. Ian Wishart (Minister of Education and Training):** Madam Speaker, it's a pleasure to get up and answer the member's question.

First off, I want to be really clear to everyone in the midwife program. Any dissatisfaction that we have had with the program was based entirely on the poor performance of the previous 10 years of this government, and we certainly want to be sure that we put in place a program that is absolutely sustainable in terms of the long term, not only for the students involved but also for the Manitobans that will benefit from that program.

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

**Mr. Kinew:** Madam Speaker, I would like to just put on the record that there have been a number of graduates from this program that the minister was referring to.

But, again, my question is: Assuming that that midwife program is now going to continue, there have been \$9 million in other cuts that the Finance Minister and the Premier have been speaking about. I would like the Minister for Education to tell us where—which programs are now on the chopping block.

Is it the \$1 million in capital support for the national centre on truth and reconciliation? Is it \$440,000 for the Manitoba transfer credit portal? Is it \$450,000 for Assiniboine Community College's internationally educated licensed professional nurse program?

And, if it's not those programs, then please tell us which ones are at risk.

**Mr. Wishart:** Madam Speaker, I'd encourage the member to look at our long term—this government's long-term commitment to education. Certainly, we are committed to an increase of 2 and a half per cent this year for K to 12 and 2 per cent for post-secondary college levels, 2 and a half per cent for university levels.

I consider that an expansion in funding. There's certainly no element of cutting anything in regards to that.

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

**Mr. Kinew:** Madam Speaker, again, my question is not about the 2 and a half per cent to universities or the 2 per cent to colleges, and refers to a \$9-million figure which was cited in a press release put out last Thursday after Estimates had concluded that day; \$9 million in programs for post-secondaries and schools that was to be cut under this new Finance Minister's budget.

So is it that the minister won't tell us, or is it that he can't tell us because he doesn't know and he is being asked to defend the Finance Minister and the Premier's (Mr. Pallister) arbitrary targets?

**Mr. Wishart:** Madam Speaker, well, certainly, when it comes to finances in the Department of Education, we have found a very interesting standard in place where it is contributive towards, in the past, a significant deficit in this province, in excess of \$1 billion that this government has left us.

And we have gone through the promises very carefully and we are committed to expanding funding for capital and for programs in this coming year and we will continue to do that to the benefits of Manitobans. And we will be focused on getting the best value for our dollar.

### **Manitoba's Economy Capital Investments**

**Ms. Flor Marcelino (Leader of the Official Opposition):** Madam Speaker, we have one of the best economies in Canada, one of the lowest unemployment rates because of the NDP economic plan that included historic investments that stimulate the economy. The Conference Board confirmed this morning that capital investments are creating jobs and good wages for Manitobans.

Why is this government putting needed projects and jobs at risk through their cuts to capital investments?

**Hon. Heather Stefanson (Deputy Premier):** Madam Speaker, I want to congratulate all the businesses who are the real people who—the businesses in Manitoba who are the real entities that create jobs in our province.

And they have done well, Madam Speaker, not because of an NDP government, but in spite of them. And we look forward—and they have a lot of hope for the future, because now we're open for business for all of the Manitoban business community.

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

**Ms. Marcelino:** Madam Speaker, the PC Party includes cuts necessary—cuts to necessary capital investments as part of their commitment to eliminate wasteful government spending. This government knows full well that reducing \$11 million in amortization and interest payments today means delaying and cancelling tens or even hundreds of millions of dollars in capital construction.

Will the member come clean on the impact of this cut to Manitoba economy, or is this the real reason why the Premier hides the numbers because he cynically planned to keep 1 per cent on the dollar on the budget and cut the infrastructure it was intended for?

**Mrs. Stefanson:** Well, and the member was right about one thing, in fact, that members opposite know a lot about government spending, because that's what they did. They spent beyond their means for 10 years. Every single budget, they never met a budget target and they overspent. They've spent well beyond their means. So, yes, they are experts in that field.

But we will be working with businesses in Manitoba. We will be working with all Manitobans to ensure that we receive better results than we ever saw under that government.

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

**Ms. Marcelino:** Madam Speaker, our government, past government, balanced the budget for a straight 10 years.

Madam Speaker, what a tangled web they weave. Day after day, the Premier and ministers refuse to answer straightforward questions in this House and even in Estimates and from the media about their true agenda.

Why won't they tell Manitobans what they're going to cut and when?

**Mrs. Stefanson:** If I misheard, Madam Speaker, what the member opposite said, but she seems to claim that her government has balanced the budget for the last 10 years. That is not, in fact, the case at all. And so—and perhaps I misunderstood and, certainly, she has an opportunity to get up and correct herself on the record.

But we certainly know the last 10 years that this government spent well beyond their means, in fact, almost double the rate of inflation. And that, we know, is not sustainable. Manitobans know that that's not sustainable and that's why they voted in a government that will be sure to get those expenditures in hand.

### **Capital Projects Government Intention**

**Mr. James Allum (Fort Garry-Riverview):** Madam Speaker, you know the numbers around this government's cuts have been a moving target ever since the budget was introduced. After much prodding, they finally produced a list of cuts, cuts that included cuts to seniors, cuts to education, cuts to prevention and cuts to infrastructure, all of which were characterized as wasteful spending.

In particular, the list includes \$11 million less for amortization on capital projects, but no indication of which of those capital projects will be cut.

Will the Finance Minister tell the House today: What capital projects are on his chopping block?

**Hon. Cameron Friesen (Minister of Finance):** Madam Speaker, I appreciate the opportunity by my colleague to be able to indicate, again, that in Budget 2016 our government is limiting the out-of-control expenditure growth by keeping expenditure growth under 3 per cent.

\* (14:20)

Now, compare where the NDP was causing expenditure growth in excess of 3, 4 per cent every single year, and we know what the effect of that is over time. Not only was it a \$2.87-billion overspend over 10 years, but, also, it meant strain and stress on the front-line services that Manitobans depend on.

We will get that expenditure growth down; we will invest in front-line services.

**Madam Speaker:** The honourable member for Fort Garry-Riverview, on a supplementary question.

**Mr. Allum:** The Finance Minister understands, I think, that you can't reduce amortization costs without cancelling or slowing capital projects. Those capital projects could include a new school, could be a new health-care facility, could be better flood protection in rural and northern Manitoba, but we don't know because the Finance Minister won't tell us.

Will he just come clean, just once, and tell us which of the capital projects are on his chopping block?

**Mr. Friesen:** This is just one way in which our government, through Budget 2016, is driving down that overspend. It is bending the curve on spending, bringing a balance in terms of revenue growth and expenditure growth.

It is work that our predecessors were unequal to—or uninterested in, but it is work that we will do for the benefit of all Manitobans who benefit as a result when we are able to realize areas of savings, as we have done by leading by example in terms of even reducing the number of Cabinet positions and ministries and technical officers, resulting in just a \$4-million savings alone. It's just one of many examples that I'm happy to talk about with the member opposite.

**Madam Speaker:** The honourable member for Fort Garry-Riverview, on a final supplementary.

**Mr. Allum:** You know, the government might have reduced the number of Cabinet positions, but they gave themselves a huge raise that they didn't deserve. For that, that's very shameful. But we're actually asking the Finance Minister about reductions to the capital budget and, in particular, we're wanting to know which capital projects is he not going to be supporting.

Madam Speaker, this is a simple question. We ask him every day to give us the plain facts.

Will he give us the plain facts today, tell us and tell the people of Manitoba which capital projects he thinks are wasteful?

**Mr. Friesen:** Madam Speaker, the member opposite doesn't want to talk about the context of all this, which is clearly a \$1-billion deficit, which is a challenge for all Manitobans. We understand that this NDP government left Manitobans saddled with a \$1-billion hole in the ground that we must now negotiate our way out of.

This is a challenge for all of us but one that we believe we have already made steps on. We have indicated in Budget 2016 concrete areas where we have achieved savings. There is much more to come. We understand this is a journey that we are all on. We are on it together. The difference between them and us? We plan to hit our targets where they failed to achieve theirs.

**Children in Care  
Child Tax Benefit**

**Ms. Judy Klassen (Kewatinook):** Madam Speaker, I want to address an issue that affects our children. While children are under provincial CFS care, their federal child tax benefits are forwarded on to the province with the intention that these funds are to be turned into trusts and to be used by local CFS agencies. The trusts then remain until the child reaches age 18. These trusts help the child get an initial start in life as an adult. This was not the case under the former government.

Will this practice of putting the child tax benefit funds into trusts for children continue with this new government?

**Hon. Scott Fielding (Minister of Families):** I appreciate the question from the member. Ensuring that children get the best programming in care is something this government is absolutely committed to doing. We will be consulting. We want to talk and we want to listen to people, people up North, the people that are impacted specifically with this, and we want to work to ensure that people who are vulnerable, children, are getting the best services as we can.

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

**Ms. Klassen:** While campaigning, our Liberal Party petitioned the previous government as to where these funds had been directed. We know that just over \$1 million was taken from money held in trusts for children and then was used for other purposes.

My question is: How much more money was taken, and what will the Minister of Families do to demonstrate these funds are turned into trusts for our most disadvantaged, proving this government's call to transparency?

**Mr. Fielding:** Thank you to the member for her question.

Again, we are absolutely committed to providing the best care for our children. We have way too many children in care, over 10 to 11 thousand. We think that's completely unacceptable. We need to provide and ensure that these programs are there. We also know that in the past government over the last 17 years, groups were not listened to as much as they can, and that's what we're going to be doing.

We're going to be listening to groups. We're going to be listening to people that are impacted the

most by this. We want to work with the federal government and other organizations as changes are made in the federal level.

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

**Ms. Klassen:** When we hear words like over 10,000 kids in care, I want us here in this Assembly to be very cognizant of this number. Visualize now: The number of current and former CFS children could fill the MTS Centre to capacity.

When you strip away all the statistics and issues, you'll realize there are children at the heart of it. These funds are to be for our children who have reached the age of majority to help with the transition into adulthood.

My question to the minister is this: Will the government commit to the restoration of this money that was taken out of those trust funds which are rightfully destined to those young people?

**Mr. Fielding:** This government is absolutely committed to speaking with people, to listening with people. We know, as the member had mentioned, and you're quite right, I mean, the number that we're talking about, whether it's 10 or 11 thousand, is absolutely an incredible number that needs to be reduced. We know that that number has increased by 55 per cent since 2008 alone.

We need to do everything we can to reunite the families. That's what this government is absolutely committed with. We need to work with indigenous people; we need to work with the federal government to ensure that they have the services that are there and people are reunited in a way that makes sense for Manitobans.

**Provincial Sales Tax Increase  
Impact on Low-Income Manitobans**

**Mr. Bob Lagassé (Dawson Trail):** Madam Speaker, the regressive PST hike hurt low-income Manitobans, but according to the interim Leader of the Opposition's quote: What I've heard from low-income earners, they're not affected by the PST increase of 1 per cent. End quote.

Madam Speaker, could the Finance Minister please inform the House how the regressive tax hike by the previous government hurt low-income Manitobans?

**Hon. Cameron Friesen (Minister of Finance):** Yes, there were statements made last week in

committee by the interim Leader of the Opposition that are regrettable and unfortunate. They're inaccurate. She was claiming that she had spoken to low-income earners and they were not affected at all by the PST increase when the NDP broke their word and raised that tax to all Manitobans.

And I wonder whether her colleagues feel the same as she does because I can assure her that on this issue Winnipeg Harvest does not feel the same. We know that the Manitoba labour federation does not feel the same. They said they found the idea to be regressive of raising the PST and that they understood that it's unequally affected those low-income earners.

Madam Speaker, we know that when it comes to tax hikes, they never saw one that they didn't like. They'll stand on the necks of Manitobans every time. We will—

**Madam Speaker:** The member's time has expired.

#### **Dauphin Correctional Facility Construction Confirmation**

**Mr. Andrew Swan (Minto):** The Dauphin Correctional Centre is nearly 100 years old. Work is now well under way for planning a new correctional facility located on the west side of Dauphin. During Estimates last week, the Minister of Justice said that the future of this important project is now uncertain as it's being reviewed by Accommodation Services. The Minister of Justice refused to put on the record her support for building a new facility in Dauphin and told me that I needed to ask the Finance Minister, so I will.

Will the Minister of Finance (Mr. Friesen) today confirm the construction of a new correctional facility in Dauphin will proceed as planned?

\* (14:30)

**Hon. Heather Stefanson (Minister of Justice and Attorney General):** What I said to the member is that we're conducting an overall review of capital projects in Manitoba. That is something that unfortunately has transpired as a result of the incredible mismanagement by an NDP government previously for 17 years.

They had 17 years to get this correctional institution in Dauphin done. They didn't get it done. Shame on them.

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

**Mr. Swan:** Well, I'm surprised to see the Minister of Justice now stand up in a question she refused to answer in Estimates the other day, and this member, of course, voted against the new Women's Correctional Centre and voted against expansions at Headingley, Brandon, Milner Ridge and The Pas.

The Dauphin Correctional Centre is located next to and below the courthouse in Dauphin. It's an old facility and it's only the hard work of correctional staff that keep inmates and staff safe. There's few opportunities for training or treatment, given the age of the facility. At the same time, despite the adult population stabilizing in recent years, the adult population remains above capacity across Manitoba, including 129 per cent to capacity in Brandon and 140 per cent to capacity in The Pas. These new beds are needed.

Will the Finance Minister today agree to move the construction of the new Dauphin jail forward?

**Mrs. Stefanson:** I first of all want to take this opportunity to thank all the staff that work very hard in our correctional facilities.

We know that members opposite were in government for 17 years. We know that this member who's asking the question is the former minister of Justice and Attorney General of the province. He had the reins under his hands—in his hands, Madam Speaker, and he had the ability at that time to move this forward and he never did. Why didn't he move it forward then?

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

**Mr. Swan:** I'm glad the member for Tuxedo will now admit that she voted against every single expansion in the correctional system since she arrived in this Legislature.

Madam Speaker, the only people in the Parkland who don't appear to support a new correctional facility in Dauphin are the member for Dauphin (Mr. Michaleski) and the member for Swan River (Mr. Wowchuk). The mayor and council and city administration are on side. The business community in Dauphin is on side. Parkland college, which is part of Assiniboine Community College, is on side, and the MGEU, which represents correctional workers, is on side.

The community support is undisputed, and the need for this facility is clear. Will the Minister of Finance today acknowledge the importance of this

project, the safety of inmates and correctional workers and better outcomes by confirming today that a new Dauphin correctional centre will be built?

**Mrs. Stefanson:** I know we've only been in our positions for a little over seven weeks, and I know that members opposite had 17 years to get this project done and didn't consider it a priority, which I would suspect is why members opposite were voted out, because some of these things that were supposed to be priorities never were under them.

So why wasn't it a priority under them, Madam Speaker? All of a sudden, they're standing here demanding that it be a priority when they had 17 years to get it done and they never got it done.

### **Highway 395 Need for Upgrade**

**Mr. Tom Lindsey (Flin Flon):** Madam Speaker, I would like to discuss with the Minister of Infrastructure Highway 395. Highway 395 runs between Snow Lake and the new Lalor mine that is run by HudBay Minerals. This is an old road which has serviced smaller mines, smaller production mines in the past, but the Lalor mine ramp-up is resulting in Highway 395 getting large volumes of heavy truck traffic and is reported to be in bad condition.

Will the minister of transportation commit to investing in the infrastructure required for our mining industry to work at its best?

**Hon. Blaine Pedersen (Minister of Infrastructure):** I thank the member for Flin Flon for bringing up this issue.

And one of the things that we have undertaken in the Department of Infrastructure is that, about six years ago, the former government cut the maintenance budget of all provincial highways. We're now seeing the net result of this. When they failed to maintain highways, they are in the condition that he describes now. If they had maintained these budgets on—maintenance budgets, the highways would be in much better condition. And this is a problem that we will have to work with ongoing.

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

**Mr. Lindsey:** Madam Speaker, I have a letter from Bill from Snow Lake that he had sent to the Minister of Infrastructure.

Local residents use Highway 395 for hunting and fishing access. Bill describes the deplorable

conditions of 395, where, at points, the road can only be manoeuvred single file, and fears the road is unsafe.

Considering the highway is the route that things like explosives trucks use to access the Lalor mine, Bill's concerns are real and need to be addressed.

Will the minister of transportation invest in Highway 395 to ensure that the road safety for our local residents and Lalor mine workers?

**Mr. Pedersen:** Madam Speaker, again, I thank the member for that question.

And it just begs the question: Why didn't they maintain this road for the last six years?

All of a sudden, now, much like the previous member asking about the Dauphin jail, all of a sudden, everything's a priority. But when they were in government for 17 years, they failed to look after the roads.

This government now has to pick up the mess. And we will do that.

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

**Mr. Lindsey:** Madam Speaker, during the election, the NDP made a strong commitment to northern Manitoba roads, including investments in Highway 39, 392 and 391.

Does this government plan to respect northern businesses and residents with providing the infrastructure they need? Or do they plan to do nothing and blame previous governments?

**Mr. Pedersen:** Madam Speaker, if I remember correctly, I think it was \$600 million worth of promises in the last election that the NDP had 17 years to fulfill.

Manitobans didn't believe them then. Manitobans don't believe them now.

We will do the job as a new government in Manitoba.

### **Community Places Program Status Update**

**Mr. Rob Altemeyer (Wolseley):** Madam Speaker, I'm wondering if the minister responsible could inform the House of the status of the Community Places Program.

**Hon. Cameron Friesen (Minister of Finance):** I thank the member for his very abbreviated question.

I'd be happy to provide a response to him on that as soon as I move my microphone.

Madam Speaker, our government was proud to bring a budget that makes meaningful investments in areas that are important to Manitobans. All of us know, across the province we have so many areas in which our communities are working hard. This goes to the kind of partnerships that my colleague from Tuxedo spoke about earlier, talking about the importance of investing in communities.

I would suggest to all members that that level of investment is threatened when a government runs a \$1-billion deficit. We will both clean up the financial state of affairs in the province and make meaningful investments in all of these areas for Manitobans.

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

**Mr. Altemeyer:** What's the status of the Community Places Program, Madam Speaker?

**Hon. Eileen Clarke (Minister of Indigenous and Municipal Relations):** Thank you for your question.

Community Places is a great program. And I know from previous years as a community and—a strong worker in my community the value of Community Places.

\* (14:40)

I also know that—what the impact that the many cuts over the past year from the amount of funding kept coming down and down and down. And our community suffered.

I'm also happy to say that Community Places—there have been many great applications this year and they have been awarded. And I'm sure communities will be hearing very shortly who the recipients are.

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

Petitions? Grievances?

## ORDERS OF THE DAY GOVERNMENT BUSINESS

**Hon. Kelvin Goertzen (Government House Leader):** Madam Speaker, we'll be resolving into Community of Supply, but I'd like to seek leave on a couple of matters.

Would you please canvass the House to see if there is leave to move the Estimates of the

Department of Finance into room 254 today and to set aside the Estimates of Executive Council with the change to be in effect for today only?

**Madam Speaker:** Is there leave to move the Estimates of the Department of Finance into room 254 today? *[Agreed]*

**Hon. Kelvin Goertzen (Government House Leader):** Madam Speaker, and would you also please canvass the House to see if there's leave to change the Estimates sequence such that, if the Estimates of the Department of Growth, Enterprise and Trade conclude before 5 o'clock today in the Chamber, those Estimates would then be followed by the Estimates for the Department of Families, with this change to be in effect for today only?

**Madam Speaker:** Is there leave to change the Estimates sequence such that if the Estimates of the Department of Growth, Enterprise and Trade conclude before 5 o'clock today in the Chamber, those Estimates would be followed by the Estimates for the Department of Families, with the change to be in effect for today only? Leave?

**Some Honourable Members:** Leave.

**An Honourable Member:** No.

**Madam Speaker:** Leave has been denied.

**Hon. Kelvin Goertzen (Government House Leader):** Well, 50 per cent is a pretty good average in baseball, Madam Speaker, so with that, I would ask that we resolve into the Committee of Supply.

**Madam Speaker:** The House will now resolve into Committee of Supply.

Mr. Deputy Speaker, please take the Chair.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### FINANCE

\* (14:50)

**Mr. Chairperson (Dennis Smook):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Finance.

Does the honourable minister have an opening statement?

**Hon. Cameron Friesen (Minister of Finance):** Mr. Chair, I'm pleased to be here in the Estimates Committee of Supply for Finance, and I would like to say that it's the honour of our government to bring



our first budget and to be able to do so in the time period in which we have proceeded. We've probably set some kind of record in Canada for being a government who's elected, installs Cabinet ministers and brings a budget within six weeks of receiving a mandate by Manitobans, and we're pleased that it's a budget that produces real results for all Manitobans.

This is a budget that demonstrates our commitment to getting Manitoba back on a strong fiscal foundation, and it is an important first step on a path to a better Manitoba with a stronger economy, better services and lower taxes. We are taking a process—or an approach that is based on Manitoban principles, principles of trust, principles of compassion, principles of common sense. It is a budget that gives Manitobans real information. It declares that we have every intention of balancing the budget, something we will do in our second term.

I would note that the challenge we face as Manitobans is significant after years of overspending on the part of our predecessors, a record that has resulted in a growing debt and increase in taxes. It's resulted in increased debt servicing costs, and that means that there are increasing impacts on front-line services.

But, whereas that important work of keeping the growth of expenditures in check was neglected, we will achieve that, and we're pleased, even in this first budget, to be able to produce a budget that keeps expenditure growth under 3 per cent. We know that our predecessors outspent their planned budget each and every year for the last 10 years. We know that, as a result, the net debt in the province of Manitoba doubled from \$10 billion to \$21 billion, and we know that their lack of progress on fiscal matters resulted in Manitoba's first credit downgrading in 30 years.

We are looking at a billion-dollar deficit, which is the largest in our province's history, and it's a challenge not just for this government but indeed a challenge for all Manitobans. We have said in our budget—and I will restate here—that the path ahead is not one of harsh austerity. Those kinds of measures will not work considering the challenges that our province is facing in the delivery of social services. Our education results are lacking in the area of literacy, science and mathematics. We know that we have over 10—over 12,000 children in the care of family services agencies. We know that we have the—some of the highest instances of child poverty.

We know that, in this province, we want to be transparent with Manitobans—that is a value that we believe in—on where we are at, transparent with them on where they are going, and, indeed, that is why we chose to bring a budget at this time, to give Manitobans important information early on in our mandate. We intend to keep our promises. We intend to invest in front-line services and we intend to keep our commitment to invest in infrastructure in at least a billion dollars per year of investment. That is investment for roads, for bridges, for schools, for hospitals, for universities, for municipalities.

But we know that we must bend the curve on spending in order to achieve these things, and that is why, in this budget, revenue is projected at 3.4 per cent but expenditure is down to 2.7 per cent. This is a new course for Manitoba. It is a course that includes not making a draw this year from the Fiscal Stabilization Account, whereas that account was used in past years, not in principle, but to rather shore up the fortunes of a government that was overspending. We have chosen not to take a draw. We will not obscure the numbers using that method, but we will make real gains, on behalf of all Manitobans, reducing the expenditures.

We have been pleased to include in this budget changes to the Seniors' School Tax Rebate that will focus on those seniors who require that assistance most. We will additionally administer the Seniors' School Tax Rebate through the CRA, which will save our province millions and millions of dollars over time and almost a million dollars each and every year. We will immediately remove 2,770 low-income Manitobans from the tax rolls beginning on January the 1st, 2017, when we will index the basic personal exemption. This too was a basic change that our predecessors could have brought, but chose not to year after year.

There are no new tax hikes in Budget 2016, but we have this permanent tax break built in with the—to keep up with the cost of living by ending bracket creep by indexing our tax brackets. At the same time, we are reducing the core deficit by 12 per cent this year. We—as I stated, we have brought a budget in a few short weeks because we wanted to return the Province to a normal cycle for delivering budgets in the spring. This is when we should be considering budgets; this is when we should be sitting in the departmental Estimates.

\* (15:00)

So we know that this is a first step. We believe it provides real evidence to Manitobans of where we're going. It's not just about gestures; it's about significant steps forward, and it's about indications of where we will yet go, all of which will be done in order to make resources flow to front-line services and in order to put Manitoba on a stronger fiscal path.

I would want to add that, at the same time, we are following through on key pledges that we have made. We are going to reduce ambulance rates in the province of Manitoba. We have among the highest ambulance rates in all of the country. We know that we need creative solutions, and we need them now in respect of providing personal-care homes in Manitoba. It is taking too long to build personal-care homes; we have an aging population. Manitoba Centre for Health Policy, among other experts and think tanks, are warning that we need to get this right or we will not have the capacity to meet the growing number of seniors who are aging in the province of Manitoba.

You know, when it comes to families, we are helping families that are low income in terms of our changes to the Rent Assist program that will raise those allowances to 75 per cent of median market rate. We are providing additional incentives to establish and build child care in the province. The wait times right now for child care are also over 10,000 in this province. Those numbers doubled under our predecessors, and we need real solutions and now. Our government is not taking an ideological approach; we're taking a practical approach. We believe in principles like value for money, and we will introduce those calculations in all areas of government investment. At the same time, when it comes to families, we are supporting reduced wait lists for the Children's disABILITY Services and increasing resources to help victims of crime.

As I mentioned, there are many investments that this budget brings, but the time is now to act. Clearly, we saw the warnings a year ago from international bond rating agencies. They had referenced what they called adjustment fatigue on the part of our predecessors who weren't moving to meet their targets on reducing the deficit to balance. These are challenges. A \$1-billion deficit that we are working against is a challenge, but as we have said, in the same way that Manitobans have always risen to the challenges that have confronted them, at this time, in Budget 2016, our government will also rise

to the challenge, move Manitoba on to a more solid financial footing, invest in front-line services and grow the economy in a sure and stable way.

**Mr. Chairperson:** We thank the minister for those comments.

Does the official opposition critic have any opening comments?

**Mr. James Allum (Fort Garry-Riverview):** Yes, Mr. Chair, I just—put a few points on the record to begin with and because we want to get right down to work. It's our intention to have a productive, probably extended conversation with the Finance Minister over the days ahead, and we want to explore with the Finance Minister many areas of the budget and many areas of the Estimates, not only as they relate to Finance, but the—how the budget relates to the government in general and its impact on the province and on the people of Manitoba.

Of course, I want to begin by simply congratulating him on his appointment as Minister of Finance. I know the member from Morden-Winkler to be an upstanding individual, and I have no doubt that we will have a good, productive discussion between our side and himself in terms of trying to get some real information and some real answers to our questions. Of course, I would indicate through you, Mr. Chair, to him, that this is the Estimates process and not question period, so we are looking for substantive answers to questions. But all that aside, I certainly want him to know that I congratulate him on his appointment, and I know that it's a happy moment for him. So I know that it's a happy moment for his constituents. I certainly know it's a happy moment for his family, and so I want to acknowledge that in our opening remarks.

I also want to say that I had the opportunity to be legislative assistant to the minister of Finance, upon being elected for the first time in 2011, and I got to know members of his department very well. Some faces have changed; some remain the same. But I want to acknowledge the exceptional staff that exists in the Department of Finance. I know the deputy minister is an outstanding deputy minister, and I know that many of the other senior members of the staff are outstanding public servants, and I—so I would want them to know that we, on this side of the Chamber and on this side of the table, not only have a great deal of gratitude for the work that they did with us over our 17 productive years in government, but also that they are fine people in and of

themselves, and I would want them to know that before we start.

And, with that, Mr. Chair, that will conclude my brief opening remarks.

\* (15:10)

**Mr. Chairperson:** We thank the critic from—for—from the official opposition for those remarks.

Under Manitoba practice, debate on the minister's salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 7.1.(a) contained in resolution 7.1.

At this time, we invite the minister's staff to join us at the table and we ask that the minister introduce the staff in attendance.

**Mr. Friesen:** I'm pleased to be joined at the table this afternoon with: Deputy Minister of Finance, Mr. Jim Hrichishen; also at the table are—is the secretary to Treasury Board, Lynn Zapshala-Kelln; we have Giselle Martel, the Assistant Deputy Minister of Fiscal Management and Capital Planning, Treasury Board Secretariat at the table; and at the end we have Chester Wojciechowski—am I anywhere close, and I apologize to him on the pronunciation of his name. I'm endeavouring to get that one right having mastered Zapshala-Kelln. I am now working on other surnames of senior staff and, of course, he is the executive financial officer of financial administration shared services corporate services division. These are the senior positions we have around the table.

**Mr. Chairperson:** Thank you.

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

**Mr. Allum:** A global discussion, please.

**Mr. Chairperson:** Is that agreed? *[Agreed]*

It is agreed that questioning for this department will proceed in a global manner with all resolutions to be passed once questioning has concluded.

The floor is now open for questions.

**Mr. Allum:** As I said in my opening comments, we have many, many areas we want to explore with the Finance Minister over the day's ahead.

But I think for today, at a minimum, we want just to talk about the alleged \$122 million in savings

that the Finance Minister proclaimed on budget day. It's metaphorical, of course, but he was, you know, practically on top of the shoulders of the Golden Boy telling Manitobans he'd saved \$122 million, and he'd done it through hard work and the dint of hard labour, and then we asked for details about that savings and, of course, he didn't have it. And then we—the media asked, in addition, for details around the \$122 million and we didn't get it. And then over the course of the past 10 days we got primarily three different stories, and it's there I'd like to start with the Finance Minister.

Mr. Chair, if he could just tell us why on day one he was not able to tell the people of Manitoba where these alleged \$122 million came from.

**Mr. Friesen:** I welcome the opportunity to talk about the efforts that our government has undertaken and indeed are under way in order, as I said in my opening statement, to reduce the out-of-control spending growth within government.

And I think that the member would acknowledge that, really, it's the duty of government to be able to constantly look at its expenditures, and they must ultimately match against revenue increases. Otherwise, what happens over time is that we see deterioration. And where we see that deterioration, of course, is in the delivery of services.

Now the member must understand and accept the context of this is that when he's looking for further information about the numbers we've provided, I'm happy to provide that further explanation.

He's aware that the government brought a number that they had stated as a deficit number for the coming year. And that number was not correct. It wasn't an accurate figure. So I think that the member is probably referring to the work that was undertaken to properly state that number on deficit projection.

Now we will understand that the government, in their March 8th update, had produced a number where they had indicated expenditures, and I believe that number was stated as 13 billion 450 dollars. However, that number did not reflect basically an initiative undertaken by the NDP government where they said they would find \$215 million in savings. But there was no form to that initiative; there was no strategy. There was no work undertaken, and there was no comprehensive exercise that was waiting in the wings by which the government would achieve this intended target.

Now, if we also consider then that in past years this same government had been unable to actually reduce their expenditures—in fact, they were over-spending every year—then our government did what we should have done, and that was we simply took the impact of that \$215 million and we stated it. We had to state that and to add it to what they had indicated as expenditures. Now that would bring the total revised expenditure line to \$13.665 billion. That would reflect a 3.7 per cent increase in spending over the forecast for '15-16.

So we went to where the government was unable to go, which was looking at that real number and then working backwards from that line. So that new number would have been, then, \$13.665 billion. It would have meant a much higher deficit, and from that total deficit number of \$1.012 billion, I believe that our government has been successful even initially in this budget of finding some areas of reductions.

And these are deficit reductions that we have achieved. And we've been proud of the work that we have achieved thus far. And of course it's all hard work. I mean it's the work that government undertakes. I will provide more detail.

\*(15:20)

But I wanted to start by indicating that right off the top we've led by example as a government and, that is, we reduced the size of government. Our predecessors had a Cabinet of 18 members. We have reduced the number of members in our Cabinet to 12 with the associated reductions in political or technical staff. That savings results in \$4 million. That's just one area of savings that I believe the member's referring to in his question.

**Mr. Allum:** Well, we're going to explore all of those areas in the next hour or two, Mr. Chair, but I didn't really get an answer from the Finance Minister and I'm—and given the complexity of the answer he just provided, it's no wonder that the government had a hard time over 10 days articulating where this alleged savings of \$122 million came from, in fact, so wrapped up in the—in details that strike me as being quite extraneous to an explanation that was kind of like answer avoidance 101.

So let me ask the Finance Minister, then, during the course of the past 10 days there were at least four different stories about where the \$122 million in alleged savings came from, and so let me ask him about the first one, which is the director of

communications for Cabinet communications sent a note quite explicitly to the media, which many of us became privy to, in which she indicated that the alleged \$122 million related to \$52 million in new revenues and \$70 million in lapsed spending.

Can he tell me why she gave that answer if that was not the correct answer?

**Mr. Friesen:** I do want to provide information that will further answer the member's question, and so I'm going to go back to his previous question and give him a little bit more detail on some of those areas of deficit reduction that we have already been able to achieve. I referenced the reduction of Cabinet resulting in \$4 million, consider that's already in our first mandate, a savings of almost \$20 million, and that's significant. Yes, it means more work with a more limited technical staff, but this is the work that we agreed to take on and we are honoured to do it.

But I wanted to speak, then, of another area of achieved savings, and that is this area of the Seniors' School Tax Rebate. And, as the member knows, our predecessors made a promise that I won't characterize here, but it was a promise to Manitobans that was a challenge because it was a promise made knowing they weren't anywhere near balancing the budget and it was a promise made in the context of understanding that their election fortunes were looking increasingly bad. And in that context, with no money in the bank, they promised to seniors to more than quadruple the rebate that they would be eligible for.

Now, we simply looked at that, and from a principled point of view and from a tax policy point of view we felt it to be unjustifiable and, indeed, so do many other groups and agencies who have chimed in on our changes to the SSTR in the time since we delivered our budget on May the 31st. So the changes essentially we would bring is to maintain that rebate to a maximum value of \$470 per eligible senior. I want to remind the member that with the changes we have made still 3,400–34,000 seniors are eligible for the rebate and that the average rebate return to a senior who is eligible is still \$300. But we know that now by applying an income test we have made sure that those seniors who need it will receive it and those, clearly, who could live without it will.

So the—this is a change that will immediately save government \$44 million, and it's a savings, of course, that we know is repeated over time and going forward. So I would suggest that the changes that the predecessors had identified and wanted to bring into

place were not ones that this province could sustain. They are not ones that really reflect the needs of seniors. The seniors have told us that they want better access to health care. They want to have access to ERs when they need them. They need access to personal-care home times. In each of these metrics Manitoba is not leading the nation; they are lagging the nation.

And so, as we have said, we're able to show some savings to government. Where do those savings go? These savings go to front-line services to help us deliver the services that seniors depend on.

**Mr. Allum:** As I said in my other two questions so far, we'll be exploring the list of alleged savings that the Finance Minister keeps referring to. To date, he's at 48 million out of 122, but we're going to go through each of those items individually and we're going to be expecting a lot more detailed information than he is providing.

But what we're starting here with is a basic political question and about transparency and accountability that he campaigned on. I asked him, just a minute ago, about the explanation provided by the director of communications from Cabinet Communications, and it's discouraging for members on this side of the table and, I think, for the new MLAs across the table that are part of his government to see the Finance Minister failing to answer questions—direct questions put to him—in an indirect fashion. So I would invite him to ask—answer the question more directly if he could.

So let me return just quickly to the director of communications and the explanation that she gave. Mr. Chair, what I'd like the Finance Minister to do is to answer the question, was she wrong in the answer that she gave, yes or no.

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

And I want to assure him that, as we have said so many times, our government is interested in transparency. We are interested in openness, and where, for too long in this province, that was not the order of the day, we will do the heavy lifting to restore that trust of Manitobans who have had their trust betrayed in that way. The member has asked for us to quantify the deficit reduction areas in—which he have talked about, and that is precisely the detail that I am providing for him in this context.

So the next area that I'd like to speak about, in terms of fleshing this out for him is the benefit that accrues to all Manitobans by having that same

Seniors' School Tax Rebate I just spoke about earlier centrally administered. So whereas previously the NDP government had set up this program and then set up a separate office at expense to Manitoba taxpayers, we have chosen a different path.

\* (15:30)

And, with a stand-alone office, if I can refer to it that way, this would have been an administrative office where applications were received by seniors, and then determinations would be made as to whether they were eligible to receive a rebate or not. And then, in this same office, labels would be generated and stamps would be affixed, and envelopes would be sealed, and people would be notified of the—of a rebate that they would or would not receive, and then the same thing would happen the next year.

We took a different view. We looked at the efficiencies that we were trying to build into the system, because this was also a government even in its early days that has talked about the importance of finding efficiencies, using innovation to drive change, looking for savings the way any business owner looks within their own operation to find savings, something that Manitobans do every day. It's something that Manitobans do in their households. So, in the same way, as soon as we could apply an income test, we knew that there were additional opportunities now available to this government.

We approached CRA. CRA, of course, has the infrastructure; they have the resources. This is the work precisely that they undertake right here in the city of Winnipeg—I believe it's in the city of Winnipeg, here, that they would have that in their Lagimodiere office. And so, as a result of those conversations and that agreement, now Manitoba will save—will pay a stipend, will pay a fee, have these services performed, and the savings will be in excess of \$900,000 each and every year. That means that, where there were ten temporary seasonal workers, they will no longer be in place in that stand-alone office.

And now we have, of course, in this way, made sure to focus that rebate on those low- and middle-income seniors who most require the support. So we're able to do two things: we're both able to make sure that we are proceeding on principle, making sure that that tax rebate program is truly there for those seniors who need it, but we're also

able to get to the savings that are so important to government.

I know it's early in our mandate, but we hope that it is more than just a gesture. We hope that Manitobans will understand that it indicates in some way how we will continue to try to get better value for money on behalf of ratepayers, on behalf of taxpayers so that our system remains strong and so that we make the investments that we need to in front-line services.

**Mr. Allum:** Well, I guess, Mr. Chair, since the Finance Minister won't answer the direct question put to him, I'll just simply say that I guess the director of communications' response to the media around the \$122 million was, in fact, wrong and incorrect. And if he won't say it, I will. Which only goes to show, I would suggest to him, quite strongly that, in fact, right from the get-go, from the day that—budget day, when he announced that there would be \$122 million and he was down in the—having a big briefing with the media, he claimed that it came through an extraordinary amount of hard work on his part to find the \$122 million that, in fact, he never really knew what the \$122 million was about.

Because next we have—the next explanation we received was from the Premier (Mr. Pallister). And I'm going to read a little bit from a press release that he can find—the Finance Minister can find online at CBC—in which the reporter says, and I quote: the Premier—start the quote now—said: since taking office, his transition team, seniors bureaucrats and the Finance Minister have been studying budget requests from every department. The Premier goes on to say, quote, there are literally hundreds of examples we have acted to reduce expenses, unquote.

Could the Finance Minister table that list of hundreds of examples that the Premier was referring to?

**Mr. Friesen:** I just wanted to add to my previous answer, as well, that I noted that, after we made the changes to the Seniors' School Tax Rebate and applied the income test, I believe, on the same day that the budget was delivered, the interim Opposition Leader went into the hallway and spoke to the media and said that, in principle, she agreed that preventing wealthier seniors from receiving a property tax rebate was a good idea. I think she indicated she took no quarrel with it and that she was not concerned.

And I note that this is not the same language by—being used by all members of the opposition, but I would underscore for them that it is the language that was used by their interim Opposition Leader. So I see at least some of the members of the opposition see the merit in the changes that we brought, changes that were based on recognizing that tax policy needs to be principled, needs to be—needs to take the long view and not the short view.

And I would welcome other discussions with this member on those items because I believe that we have opportunity in this province to look at our whole tax regime and to look at other jurisdictions and to learn from others and to adopt best practice. We have some great practices here in the province of Manitoba. I think what is needed is always a careful eye and to make sure that our conversations proceed from a place of reason and principle. And, so, I welcome those conversations as well.

Further to the discussion we were having on the previous question by the member, where he asked for additional detail about the areas in which we've been able to find deficit reduction gains, I wanted to reference as well the \$5 million that we've reflected in our budget, which is a reduction through the Building Manitoba Fund. And I thought that that would require additional detail, as well, so it was properly understood. And the member will know that, with The Municipal Taxation and Funding Act in the province of Manitoba, there is a legislative requirement that one seventh of the provincial sales tax be directed to the Building Manitoba Fund, which is the principal fund by which municipal government invests for infrastructure.

And so, in my early discussions with senior departmental officials, it was revealed that the projections on retail sales tax revenue, provincial sales tax revenue, were off. There had been some deterioration in those numbers. And you'll see those if you compare year to year. And so, because there's this legislative requirement, it means that one seventh of this revised PST revenue is slightly decreased from what the government would have targeted a year ago in terms of where they thought that level of investment would be at. And that means that, now, there's this decreased projection from the stated amount in the March 8th outlook that the previous government brought. And that's a savings to government of \$5 million.

But I would also suggest that the member should understand, because we're setting context here early

in our discussions, and I would want him to understand that this process is dynamic, and it is not static. It's not a process to reduce a deficit that stops at the point in which the budget is introduced.

\* (15:40)

Rather, I would suggest that in many respects, it starts at the point the budget is introduced, and that it is the normal process of government in the Treasury Board, as orders-in-council are brought, that these expenditures are considered. I believe that we have created the framework. We've sent messages to the department, and we'll continue to watch the expenditures as those requests are received.

**Mr. Allum:** Yes, Mr. Chair, I just want to reiterate for the Finance Minister that I've asked him now three direct questions, and instead we've got answers that are misdirection and hardly satisfying.

We're trying to get to the bottom of the fact that on budget day, the Finance Minister proclaimed from the rooftop of the Legislature that he had found \$122 million in savings. He was asked to provide a list of what those savings are; he was not able to do so. In the days following, he gave a—there—we got a series of different explanations. One day, it was the director of communications saying it was composed of two elements: \$52 million in revenue, \$70 million in lapsed spending. And then the next day, as I just said, reading from a piece in CBC, the Premier (Mr. Pallister) contradicted that particular explanation and said there were literally hundreds of examples—hundreds of examples—where they had acted to reduce expenses.

So I want to ask the Finance Minister now, if he doesn't mind: Will he table the list of literally hundreds of examples where he has reduced expenses?

**Mr. Friesen:** I want to assure the member that I'm happy to provide additional detail, as I indicated in terms of—he asked a question to ask us to quantify where deficit-reduction areas have been identified and where we've been able to reduce that deficit down, and this is the work that we have begun.

I emphasize, again, that the work is dynamic; it is not static. It does not stop at the point in which the budget is completed. In many respects, that indicates a jumping-off point, because I know the member understands the process by which Treasury Board receives requests for spending. And Treasury Board, after, of course, a minister in a department has seen the same information and has ratified it, it goes for

consideration at Treasury Board. And he understands as well that Treasury Board meets on an ongoing basis and that, all the time, these areas are studied, these requests are contemplated and government makes decisions about those requests.

Now, I want to give him the confidence so that he understands that when our government makes strong statements about the need to measure value for money, we make strong statements about the need to bend the curve of out-of-control spending downward. When we make strong statements about talking about matching revenue growth to expenditure growth—or you could say it the other way around: matching expenditure growth to revenue growth to make sure it does not exceed—that these are signals. They are indicating to everyone within government what the new tone is, and I would acknowledge it takes far more than tone to get results, but I would say to him that it is significant. We have been able to already in our budget find these various areas where we've been proud to find some areas of savings. We know that it'll take much more heavy lifting, but we are committed to all Manitobans to go on making these same decisions, asking the same questions, inviting all our partners within government to work with us. A system that is this large, like any smaller system, is one that must consistently be turned and looked at from other angles to indicate where opportunities arise.

And I would suggest that there are opportunities within government. One that we found, in particular, relates to schools and universities. Now, I would state for the record and at the outset that we're very proud as a government to have been able to maintain education funding for our K-to-12 schools at 2.55 per cent. We have invested in universities at a 2.5 per cent increase, colleges at 2.0 per cent increase, and we have maintained all of those funding amounts to schools at the—and I would additionally highlight that when it comes to advanced and adult learning that we have an increase there of 3.4 per cent, and that is comparing the printed—the budget to the 2015-16 adjusted both.

So we're pleased in that. At the same time, we were able to reduce requested increases in lieu of various grants and other items in order to also achieve a \$9 million of savings. That includes reduced increases to various grant lines and changes in the implementation timing of various programs. So now the member can add that to his list as well and indicate as well that this is another area and another appropriation in which we've been able to

identify and achieve some desired outcomes in terms of reducing expenditure.

**Mr. Allum:** I remind the Finance Minister, through you, of course, that I haven't asked about the details yet. We're going to get into those in due course.

What I'm trying to get from him is a straight answer to a very straight question about why the answers kept changing over the course of 10 days with respect to this alleged \$122 million in savings. The first answer—explanation that was given was from the director of communications: the Finance Minister has conceded by non-answering the question, I suppose, that that answer was wrong and that one can only assume that there was some attempt there to mislead the people of Manitoba as a result.

The next answer that was given was by the Premier (Mr. Pallister) of this province. He said there are literally hundreds of examples of reductions and expenditures that might help us to add up to the \$122 million. By not answering my question again, by not tabling that list of hundreds of examples, the Finance Minister gives us no other reason but to conclude that, in fact, that was also an attempt to mislead not only the Chamber, but the media and the people of Manitoba that also was not a true, correct, honest answer. And that's greatly disappointing for a government who said that they were going to be the most transparent and accountable, and yet have been anything other than transparent and accountable. Perhaps the Finance Minister doesn't know the difference between transparency and translucency, but there is a significant difference and I would suggest to you that to date, his answers have been translucent, not transparent.

\* (15:50)

Then, finally, we received yet another explanation for the alleged \$122 million. This included a press release that had, at its core, one, two, three, four, five, six different elements. Certainly not the two elements that the director of communications director talked about. Certainly not the hundreds of examples that the Premier referred to but a list of six items here. But it only added up to \$108 million, Mr. Chair.

So can the Finance Minister tell us now, why the discrepancy? Why, on budget day, did he get out and say there was \$122 million in savings that he personally took credit for finding? He gave us two misleading answers and then ultimately came

out with something else that doesn't even add up to \$122 million.

Can the Finance Minister please tell this committee—and he's not just telling the opposition, he's telling his own members of his own government here, who I'm sure would like an explanation about this as well—why the discrepancy? Why say, on budget day, \$122 million and have no answers, and then why, 10 days later, say \$108 million? And as a result, there's no similarity between those two numbers. Why, again, is he not being transparent between—with the people of Manitoba? Why? Why, Mr. Chair, the difference between \$122 million on budget day that he proclaimed so proudly and then a sheepish \$108 million 10 days later?

**Mr. Friesen:** I appreciate the question from the member.

You know, as I've stated for—already in these proceedings this afternoon, this government cares about transparency, and I would suggest that if the government didn't care about transparency, we would not have proceeded with such great haste shortly after election, an overwhelming mandate given to us by Manitobans electing more members to this Chamber than at any other point. I would suggest we would have had options to be less transparent. We wouldn't have had to bring a budget in the early days of our mandate. We could have chosen to bring one in the fall. But we chose to do so now because we felt like it was important for Manitobans to really understand where we were at as a province. And so that's why we did what we did. It's also why we have contained in this budget the real impacts of our predecessor's pattern of overspending.

And I find it surprising that the member keeps coming back to use the terms of transparency when, clearly, you know, when we look at the context, they were a government that, just a year and a little bit ago, brought a budget in this province, pointed to a deficit target that they said would be \$422 million, and indicated that they felt that they were on track to achieve that. And we ask questions in the House, we ask questions in committee, we ask questions at the Public Accounts Committee. But, truly a surprise to all Manitobans, when they went back in their March 8th update and revised that deficit number by hundreds of millions of dollars, and now we see that the true impact of their overspending exceeds \$1 billion.

I would suggest to the member that, if he was truly interested in transparency, that he should've



spoken to the former finance minister about the way he was presenting information and the numbers that he was presenting. So this is a—it's an enormous challenge for all Manitobans to be facing down a deficit of more than a billion dollars.

We're pleased to bring a real budget, a budget that presents comprehensive information, both on core government and summary, showing the impacts of the performance of other aspects of government—government business enterprise, and showing those numbers on both those lines.

And it's a real challenge for all of us, that's why the work cannot wait and that's why, in this budget, we have undertaken to roll up our sleeves, get right to work. I want to remind the member that, you know, our interim budget group was hard at work working with the department. I would echo his sentiments that this province is well-served by those—by our department in this area, and I would be remiss if I didn't take the opportunity early in these discussions to mention that fact.

I've been so pleased to get to know most people and to even get most of their names correct in pronunciation. But I can tell you that, each and every day, it is my pleasure to work with these people, as I know that my predecessor has said as well. And so we are—we're well resourced in this province and the need is now. So that's why we have brought a budget that keeps expenditure growth under three per cent while revenue growth is in excess of that, and that is a path that is a—it's a course correction that was needed, and a course correction that we are bringing.

**Mr. Allum:** We'll have plenty of time to explore the Finance Minister's phony, bloated deficit in the days to come. We're not going to do that right yet; there's more to talk about with respect to the \$122 million—or the alleged \$122 million, which turned out to be \$108 million.

So I would suggest to him that he was anything but transparent and, then, that he was misleading the people of Manitoba when he proclaimed from the top of the Legislature that he himself had found \$122 million in savings by the dint of his eagle eyes and hard work and, yet, he'd done no such thing, and that every answer that we've received to-date has been a fabrication and a fiction of his imagination, all desperately trying to contrive a \$122-million figure that didn't exist in the first place, doesn't exist now and that the best—the best they could do to provide explanation to the people of Manitoba was to

cobble together an incomplete list that only added up to \$108 million.

\* (16:00)

So you can understand, Mr. Chair, why on this side of the table—this side of the table of this committee would be perplexed by a Finance minister who pretends toward transparency and accountability and, then—yet, demonstrates none of those particular attributes. He has not been transparent and he has not been accountable. The fact of the matter is he has not been forthright with the people of Manitoba in trying to come to terms with this alleged \$122 million that turned out to be only \$108 million. And now we're going to explore that \$108 million if the—we could get the Finance Minister's ear. And we're going to go through their very slim press release that had no particular background or with any particular details in it, not unlike when he came forward in the theatre downstairs to talk about his phony, bloated deficit. And when asked about it, he had no details to talk about that either, Mr. Chair.

And so it's been one series of events after another in which the Finance Minister, instead of being straight with the people of Manitoba, instead of being forthright with the people of Manitoba, has twisted himself up into a political pretzel trying to explain something for which there actually is no answer because it's a fabrication and a fiction of his own imagination.

Now, one area where he might claim some—some authenticity around this is reducing the size of Cabinet. We can concede that they've gone from 19 to 12 Cabinet ministers. But can he tell us now, could he please break down the \$4 million for us? How did he get to \$4 million in savings in relation to the reduction in Cabinet?

**Mr. Friesen:** I'm happy to provide another answer for the member. I don't accept the premise of his question. He talked about—he used the term fabrication. I would indicate to him in strong terms that a billion-dollar deficit, as it's been laid out in the budget, is clear. It is substantial. It's in writing. You see the decline. You see the number under the 2015 budgeted amount at \$422 million. You see that 2015-16 forecast stated as \$1.011 billion. There's nothing phony; there's nothing fabricated in that number. And you see the areas that we have been able to achieve where we've reduced that number in our budget for 2016-17. Even on the summary line, arriving at \$911 million. On the core line, I think it's \$890 million, and none of that is fabricated.

I can assure you that for those seniors who will continue to collect a rebate, the province of Manitoba, there's nothing fabricated about that. I can assure him that by having CRA administer that rebate program, there's nothing fabricated about that. I can assure him that when it comes to the Building Manitoba Fund and the legislated requirements to invest in infrastructure at 1.7 per cent, simply by virtue of the fact that the revenue projections are off, and we could have a conversation as to why those revenue projections are off, that \$5 million accruing to government, there's nothing phony or fabricated about that.

I'm endeavouring to understand the nature of his question. He seems to suggest that no exercise could ever proceed to be able to find savings in government. I don't accept the premise. I know that his own government—I'm suggesting it might have been in the 2013 budget but I could be wrong—indicated a strategy. It was a—might have been 2012 and I—but it was a strategy where they endeavoured to reduce spending across core government by 1 per cent. The reductions that we have already been able to achieve would indicate about 1 per cent savings across government. So I would suggest to him it's work that his own party identified and committed to undertake. The difference is that our government will actually achieve those savings.

But let me take this opportunity, then, to point him to one means by which we intend to achieve that savings, and that is working with our partners. So as I reminded the member, the process of having government departments within their appropriations end up meeting their targets is not static work. It's not work that is fixed; it is ongoing; it is dynamic, and he understands, I know, a lot of how that process works behind the scenes. Manitobans may never see the nuts and bolts of the operation we do here to that extent. I confess that, you know, when you sit on the opposition side you do not see those nuts and bolts of the operation of government in the same way.

And so being on the government's side and understanding how every spending request is reviewed, the first thing I would want to point the member to is more along the line of the tone that we have provided in our expenditure-management memo. And that is—that's a memo that we produced and sent to all departments immediately upon election. We didn't wait. We wanted to send the message that now was the time for ministers and deputies and senior staff within departments to begin to be looking hard at every area of expenditure, and

asking themselves whether this was critical or whether it's something where they could manage savings.

I have been pleased at the response to that memo thus far and I am optimistic about where it will still take us in the future.

**Mr. Allum:** It's disappointing to me that I asked the Finance Minister a question around the reduction in the size of Cabinet, including associated political or technical staff, which he claims is at \$4 million—just asked him in this, the Estimates process, this is not question period, this is Estimates—asked him to break it down how he arrived at that \$4-million question—or, number. And yet, he—he's unable or, frankly, I'm beginning to suspect, unwilling, or perhaps a combination of both, to answer even the simplest question that we're offering up today, and it continues to be a disappointment.

So can I ask him, if he refuses to break down the \$4 million in savings for us on the reduction in the size of Cabinet, can he tell us right now how many deputy ministers have been hired across government to date?

**Mr. Friesen:** Yes, I'm happy to provide that detail to the member in terms of the achieved savings in the area of reducing the size of government. It's what I referred to before as leading by example and, as I indicated, savings of over \$4 million per year were captured in various departments. I will summarize them for the member here: in Executive Council, three FTE reductions; in Agriculture, one—I'm speaking of full-time equivalent employees; in Finance, eight; in the area of Families, five FTEs; in Growth, Enterprise and Trade, five FTEs; in Sustainable Development, two FTEs; in Indigenous and Municipal Relations, three FTEs; in Sport, Culture and Heritage, four; in the Department of Infrastructure, two; in Education and Training, five; in Health, Seniors and Active Living, four.

\* (16:10)

I would add for the member that these reductions reflect ministerial special assistants, executive assistants as well as some administrative support, policy communications and related positions. This includes both salary and benefits reductions of \$3.69 million and operating budget reductions of an additional \$335,000. I remind the member that this was done in respect of reducing the number of ministerial areas from 18 to 12 but also, along with these savings, we've created increased alignment

between areas of function and so, over time, as our predecessors continue to hive out function and contain it in different areas, we're interested in creating alignment.

We've heard from far too many stakeholders in groups, including municipalities, who talked about tremendous obstacles to be able to access government, being—having to go to multiple departments to find answers, to apply for programs. We would refer to some of this as simple red tape but, you know, government can be difficult to access, and puffing up a government would—it would make it even more difficult to access.

So I would suggest to the member that not only do we see financial savings on a go-forward basis that will continue to impact on successive budgets but we also see a principled approach that aligns function, that moves appropriations within areas where a minister has a good view, a deputy minister has a good range and has the latitude to be able to really oversee the department and to influence function and performance. So there's savings and there's achievement on a variety of fronts.

**Mr. Allum:** Well, the member—the Finance Minister strikes me as being always one question behind.

I didn't—that was two previous questions ago that he just answered. Maybe he could try to listen to what I'm asking so that he would be answering the question I'm answering at the appropriate time.

What we asked was—and maybe he would answer this question for us: How many in the government are, right now, drawing deputy minister salaries?

**Mr. Friesen:** I'm happy to provide that detail to the member, but I want him to understand that when he asks multi-faceted questions, in the interest of being accurate, it's why I'm making sure that we're not leaving questions unanswered. And I know that he will give me some latitude because I'm new in my role, as he is in his, but we're working very hard here to provide the information that he's requesting.

And, in all things, I know that my officials are proceeding at a lightning pace. I want to indicate to him that this is an order-in-council. This is No. 197 2016. So this is publicly available information.

But I'm going to indicate to him the appointment of deputy ministers, the first being Bramwell Strain, appointed as Deputy Minister of Education and Training. The second is Frederick "Rick" Mantey,

appointed as Deputy Minister of Intergovernmental Affairs and International Relations; that's new. Number 3 is Mr. James Wilson, appointed as the Deputy Minister of Growth, Enterprise and Trade; that's new as well.

And then, under a section of new titles: No. 4, Dori Gingera-Beauchemin continues as the Deputy Minister of Agriculture; No. 5, Joy Cramer continues as the Deputy Minister of Families; No. 6, Karen Herd continues as Deputy Minister of Health, Seniors and Active Living; No. 7, Robert Wavey continues as Deputy Minister of Indigenous Relations within the Department of Indigenous and Municipal Relations; No. 8, Fred Meier continues as Deputy Minister of Municipal Relations within the Department of Indigenous and Municipal Relations and as the associate clerk of Executive Council; No. 9, Lance Vigfusson continues as Deputy Minister of Infrastructure; No. 10, Mala Sachdeva continues as Deputy Minister of Sport, Culture and Heritage; No. 11, Grant Doak continues as Deputy Minister of Sustainable Development; No. 12, Jim Hrichishen continues as Deputy Minister of Finance and as Deputy Minister of Crown Services; and also one more, No. 13, Mr. Michael Richards in the capacity of deputy clerk of Executive Council; and, pardon me, I would also add Lynn Zapshala-Kelln as deputy minister—Secretary of Treasury Board; and Lynn Romeo, deputy minister of Civil Service Commission.

And I would just say to the member, we're doing this on the fly. Many of these, and I should be clear, most of these were stated in the order-in-council. There's a few that we have just added here. So in case he's looking to compare, he will just see those few last exceptions to the list. But if we have information to provide that would make this more accurate, we'll provide it as quickly as we can.

\* (16:20)

**Mr. Allum:** I'd appreciate that from the Finance Minister. I think I heard 15 names that he identified that were drawing either deputy minister or equivalent deputy minister's salaries, but I'm sure if there are more than the 15 that he identified, he will provide a more—a longer list, hopefully sooner rather than later. I will take him at his word on that.

I want to move to the reductions—apparently, alleged reductions in relation to schools and universities, which the press release estimated at \$9 million. Could the Finance Minister for us today

break that \$9 million down into its constituent parts for us so that it adds up to \$9 million?

That is, we would like a specific list of the items that make up the \$9 million in education savings he is alleged to have found.

**Mr. Friesen:** As a government, we were clear at the outset that the exercise that we are facing is one that recognizes the size of the challenge of a \$1-billion deficit, that seeks initially and over time to control expenditure growth, to grow the economy and invest in front-line services. I would suggest that theoretically the exercise would have been far easier had we inherited a record whereby we had strong investments that had resulted in the highest levels of achievement in education.

Indeed, over time—I'm a former teacher myself, 12 years in this—public school classroom in Manitoba, having taught in three different school divisions—in—over time, the results, as they are measured and compared with other jurisdictions of Manitoba students, has declined, as I noted in my opening statement, in areas of reading, science and mathematics at various levels where these skills are tested and baselined for comparison. So the exercise that we have ahead of us would be far easier if we knew that those things were in place, but they are not.

Therefore, our government has been pleased to be able to fund education at a 1.6 per cent increase over the previous year. For context, I would want to remind the minister that we are talking about an operating budget of education in Manitoba that is in excess of \$2.7 billion, represents a large part of our overall spending in government, and he has the charts and the Estimates in the budget to refer to if he wants to see that either in pie chart form or otherwise. It's very significant. I don't say that in order to indicate in some way that \$9 million is not significant, because all government spending is significant. But \$2.733768 billion is good for a start, and I believe that many groups across Manitoba have seen it as such.

And so while I do want to acknowledge the minister—

**An Honourable Member:** Former.

**Mr. Friesen:** Sorry, the member, the former minister. I want to say that that probably will not be the first time I make that mistake in these proceedings, takes time to relearn these titles, took time in the first day I came in to committee to get to

the correct side of the table I had so worn a groove into going to the other side of the table—thank you for that correction.

So I would just sum up by saying that it's not insignificant. We have been pleased to renew education's funding for schools, the K to 12 at 2.55 per cent over the previous year. We're pleased to bring funding increases to universities at 2.5 per cent increase. We're pleased to bring increases to colleges as 2.0 per cent and we are optimistic that, as in other areas of government function, that we will be able to find some areas where we will be able to have effect and to bring some discretionary savings. And I, again, I invite the member to understand that this is not a static process and that over time as departments come forward with their proposals to the Treasury Board, that those proposals will be viewed through that prism of finding savings, of matching expenditures to their targets. I think it would be very important to say we intend for our departments to hit their targets, and so this is all part of it.

Other than that, though, I can certainly say to the member, if you'd like a further explanation, I would invite him to ask those questions of the Minister of Education when those proceedings will be heard in the Estimates process.

**Mr. Allum:** Well, there's so much in that answer, if that's what you had described that—that to unpack, and that's a favourite term of my friend from Morden-Winkler, the Finance Minister; he likes that unpacked term, and what we're trying to do is unpack his Estimates here, and he seems to want to keep it all packaged up nice and tightly and not share any of the information for the rest of us.

It's delightful for me to hear him take credit for funding to K to 12 and to colleges and universities even though in his first four years in the House he voted against the education budget every single year. He had no intention in those days of actually living up to any commitments made on education. But once in government he now assumes our agenda for the public education system, takes credit for doing so, but needs to remember that in his not-so-distant past when he was not the minister but was the very good critic for Finance for the official opposition, he voted against that very same education budget every single year, and we wouldn't want him to forget that fact here as he's crowing about his own record on education.

And then he has referred to targets on several different occasions, but, Mr. Chair, as you know, he didn't put any targets out. This is a budget, a stand-alone, one-year budget that doesn't have targets for year 2, year 3 and year 4. In fact, again, this is going back to his failure to be transparent and clear and open with the people of Manitoba. He instead decides to fudge the numbers, talk about targets. But there are no targets for us to talk about.

\*(16:30)

We look forward to the day when we can have a conversation about targets. But either he didn't have the information or something else, maybe the courage, to go out with budget targets going forward like any other budget should have. He refused to do that.

But the question that I had asked him, Mr. Chair, was about the \$9 million in education, and what he just suggested to me was that I should wait to get it later. And I think it's been established in this province that that is not a sufficient answer, especially in this particular process.

I'm asking him now, as the Minister of Finance, to break down the \$9 million in savings, which actually we would refer to as cuts, to the education budget. What is included in that \$9-million figure? Would the Finance Minister please unpack that number for the rest of the committee?

**Mr. Friesen:** I thank the member for the opportunity to speak about what we do stand up for. The member implied that somehow we don't stand up for Manitobans because we didn't vote for his budget. I would remind this member that the new government of Manitoba has brought in a budget that actually creates tax relief for all Manitobans. It does so in a variety of ways. Not only does it maintain the Seniors' School Tax Rebate for those seniors who most need it, but for the first time in this province, we have a tax system that is indexed so that tax brackets will continue to reflect the effect of inflation. This is a change that his government could have brought, chose not to. In addition to the indexing of tax brackets, the member should also understand that we've indexed the basic personal exemption.

And while he may decry those efforts and say they are overly modest, I would remind him that over time, this kind of change is exactly the type of tax change that I believe falls into that category of principle. You see, it's far easier for a government to

decline to index tax brackets and then every couple of years, on the advice that's undoubtedly coming to them from their officials, they'll take the credit and they'll make a single, one-time adjustment to those brackets. And maybe they're trailing the rest of the nation in doing so, as in this province, and maybe their tax brackets are more stingy than in any other jurisdiction, as could be suggested in this jurisdiction, but that kind of approach is one that grabs credit.

We've chosen a different approach. It's an approach that puts Manitobans first. And while this member might say that it's not enough, that it doesn't go far enough, I remind him that this is work that was never undertaken by his government. We're proud of what we've been able to accomplish thus far. And as I indicated to the member earlier, it's work that is—we've undertaken. It's work that we did not wait to undertake. We could have waited until the fall. We could have told you we were doing it later; we're doing it now. But it will be work, as well, that produces a net benefit for Manitobans not just in this year but over time, in successive years.

And so right now we know, just by virtue of the fact that we have indexed the basic personal exemption, immediately, 2,770 income earners in this province will not pay that tax. They will be exempt. And I remind the member that these are those Manitobans with the most meagre income who can least afford to pay that tax.

His leader—the interim Leader of the Opposition made a statement last week in the Committee of Supply that she had spoken to low-income Manitobans and she had been assured that a higher tax rate was of no concern to them. And I don't know why she would make this statement, but I can certainly say that it is at odds with statements made by many of her colleagues. Now I don't know if they have endeavoured to get that messaging straight or whether they're happy to have those dangling chads hanging there and have some discrepancy in their main messaging, but I would caution that member that indeed the effect on income earners is not the same at various levels of taxation. And, when you raise the retail sales tax and widen that sales tax and cost Manitobans thousands of dollars more, that it is easier for higher-income earners to defray that effect and it is more difficult for low-income earners to defray that effect.

We've taken a principled approach, and I would look forward in my next answer to provide more

detail to the member on how we intend to go forward in respect of reducing the deficit and the partners that we will draw in to assist us with that very important work.

**Mr. Allum:** What I'd really like is the Finance Minister to actually answer one of the questions that's been put to him today.

I want to remind him and remind you this is not question period, this is not deflection period, this is not non-answer period. We've asked a very clear question about the Estimates and the Estimates process here. And I've asked him to break down, to unpack, to describe in detail the \$9 million he says he's found in his press release dated June 9th, 2016, reducing requested increases to schools and universities to the tune of \$9 million. And what he did is refuse to answer and went off on a long, painful tangent about something else unrelated.

So I'm going to ask him a few specific questions here kind of like snappers. You know, he might remember snappers from trivia games and others where they are quick answers; they're kind of like the lightning round where you ask a question and what you're looking for is a yes-or-no kind of an answer.

So, in this \$9 million, I'm asking the Finance Minister today, yes or no, does it include \$844,000 to support a new joint bachelor of midwifery program at UCN and the University of Manitoba? Does it include that number \$844,000?

**Mr. Friesen:** I thank the member for the question, and I'm happy to provide an answer to him about how it is that our government will undertake work in the interim period to drive government decision making in respect of reducing expenditures, helping departments to stay on course in terms of achieving their budgetary intentions.

I was continue to indicate to him though that, if he's looking for specific detail pertaining to the education and training Estimates, I would invite him to be present when those Estimates are considered and ask those questions directly of my colleague.

However, I do remind him that the context is this: that our government has renewed funding in education and training and increased it by 1.6 per cent for a total spend of \$2.7 billion. And so while \$9 million is not insignificant, I can certainly suggest to him that \$2.7 billion is very significant.

\* (16:40)

But I think that if I understand the member correctly, he's asking questions saying, well, how will you do this? How will you undertake, in the interim, to help departments drive down their spending, to basically match their spending targets to the—to their real performance within their budgetary areas? And it's a good question to ask because it's work, of course, as we looked—and when I sat on the benches of the opposition and looked into departmental Estimates, of course, we saw that year over year, core government was outspending its planned budgetary target. As a matter of fact, over a 10-year period of time, the gross overspend was almost \$3 billion. That is, the overage of spending compared to the budgetary target for core government was \$2.87 billion. So results matter. And we understand that. We also understand that there's a need to get this right. The government that does not get this right does not have the revenue available to make the investments in front-line services that we so desperately need.

Let me give the member one example. Even in the process of preparing this budget, we received an update that indicated that there had been a further increase in Manitoba to the debt servicing costs. And the member will see that when he looks at the budget. He'll see that difference from one year to the next. I know that as the former critic in Finance, I used to watch that number carefully. And we've seen now that there's been an additional amount there in the budget, and that amount is 10 million just for core government. It's far greater when stated in the summary line. That's an impact on the bottom line. It's an impact that we do not have an option to somehow not address. It's there. It's \$10 million of additional government money that cannot go to strengthening front-line services.

Now the member's asking this afternoon about a \$9-million area of expenditure. I am pointing to him—out—I am pointing out to him that here in this one area alone, a \$10-million additional cost to government. How could that cost have been avoided? That cost could have been avoided if the government would carefully have matched its planned spending to its results. It could have avoided a downgrade by Moody's Investors Service last year. It could have issued fewer bonds. It could have issued less government debt—or taken on less government debt. And all of those things would have had an impact. We find ourselves here. It's one of the reasons we're undertaking a fiscal performance review. We need to, as government, look hard within government for

savings. We know that there are partners that can help us with this work. That's why we have issued a request for proposals. That request end date is coming up soon, and we look forward to reviewing those applications that will be received in respect of this offering.

**Mr. Allum:** You know, I still have enormously high regard for the Finance Minister, but I have to tell you that he has disappointed me tremendously today by doing answer avoidance. And I think all MLAs are going to go back to their constituency, and I'm looking my friends on the government side, and they're going to be asked how he arrived at a \$9-million alleged savings, probably a cut, and they're not going to be able to explain it because the answers that's been provided today by the Finance Minister isn't going to cut it at the doorstep. It's not going to be something you're going to be able to say to your constituent, to someone who elected you, who likely cast a ballot in your direction, to give the kind of answer that the Finance Minister has given today on any number of questions, let alone this \$9 million. In fact, I would venture to say they're going to kick you off their doorstep if you try to go down the path that the Finance Minister is going today.

So I'm giving him fair warning here that we're engaged in a process called Estimates, and we're asking him to come clean with this committee and the people of Manitoba about how he had arrived at numbers that he has put on the public record. One of those numbers is \$9 million in education that he says he's found savings, more likely cuts. And the first question I asked him with regard to that is how he arrived at that \$9 million, and he went off on a tangent in some other direction that not only is not helpful to the people of Manitoba, is not going to be helpful to government members on the doorstep when they're trying to describe to their constituents how it is that the Finance Minister cut \$9 million from the education budget this year.

So I want to offer him a caution about not being forthright in his answers. So, if it doesn't include the 844,000 to support a new joint bachelor of midwifery program at UCN and University of Manitoba, and he will know that there were midwife students in the gallery today who were quite concerned about their future and the future of that particular programming. And we suspect, although the Finance Minister is refusing to answer and, in fact, put it on the record right now, he's not listening to any question that I've asked him so far and continues not to do it, so I will

ask him now. Does that \$9 million include a \$1 million in capital support for the National Centre for Truth and Reconciliation at the University of Manitoba?

You know, you won't find the terms truth and reconciliation in the Throne Speech. You won't find it in the budget. It is a glaring omission on the part of this Finance Minister. So I'm asking him right now: Does that \$9 million that he put out there on the public record include \$1 million in capital support for the National Centre for Truth and Reconciliation at the University of Manitoba?

This is a very, very important matter, Mr. Chair. University of Manitoba wants to know. But for the purposes of reconciliation, maybe the most important question of our time: Does it include that \$1 million?

**Mr. Friesen:** I would state again for the member that if he has questions that are specific to Education and Training, again, I would suggest to him that the best place for him to ask those questions would be at the Committee of Supply for Education and Training. So I would direct him there.

But I don't want to neglect to give him an answer. I think what I can do is help him down this path of understanding how the efforts we are undertaking to drive down the unsustainable growth in expenditures within departments, maybe I can give some form around that for him and help him to understand where we're going.

I referenced very briefly the fiscal performance review. I would invite an opportunity to speak further about that at another point. But, when the minister is asking about discretionary amounts under education, I would direct him to the memo that we sent on May the 11th—probably, well, only a few short days after the election and only a few short days after the swearing-in of ministers. From the very beginning, we felt it was important to indicate to all departments that they were to employ their best efforts to minimize nonessential spending in their departments. The member has probably seen this memo. It is inclusive of both spending controls and staffing controls.

And in the area of spending controls there is direction provided to departments to refrain from spending in some areas, including office relocations and space upgrades, unbudgeted new program expenditures. It refers to ICT projects, information and communications technology product-projects. But, in addition to some of these areas, it also

indicates that expenditures to be scrutinized closely include all travel, advertising and promotional activities, and hospitality grants as well as consulting and fee-for-service contracts.

Now, I'm unaware if our predecessors ever sent such a memo to departments. If they did, I might stand corrected. I don't know what the result of it was. I would suggest, in many ways, it's like so many things where you might deliver a message and then you have to go back to that message and you must underscore the importance of that.

\* (16:50)

I have been pleased initially in how this communication has been received. I've been pleased, initially, in some preliminary ways, in which the direction we're providing is bearing fruit. I'm not going to speculate for the member what the actual savings achieved as a result of this will be, but I want him to understand that this same memo was sent to the Department of Education and Training. Deputy minister would've been in receipt of this. The deputy minister would've shared this with their respective ADMs in—through the department, and now we are optimistic and we are confident that these controls are being put in place in these departments.

So perhaps that helps the member to understand how, even in the area of education and training, this direction we've provided, specific areas to manage, there's conditions there that all grant funding must be discussed with the minister prior to proceeding. These things will add up to real areas of expenditure reduction. I would suggest that a government that does not provide this direction will be a government that will see departments move into those areas.

It's up to government to create the framework for expenditure; this is what we are doing, both through the expenditure management memo, through the fiscal performance review that we will bring, and through the areas of identified reduction suspending that we have clearly done already and that we've had an opportunity in these proceedings to discuss thus far.

All of this taken together will help. And I don't think the member could suggest that somehow this won't help.

**Mr. Allum:** This is twice now a minister of the Crown, and in this case, the Finance Minister, has told a member of this committee that we are to go somewhere else to get answers to questions that he should know the answer to, especially because it was

him in particular, Mr. Chair, who took great credit, stood on the shoulders of the Golden Boy and pronounced to the people of Manitoba that he'd saved them \$122 million. The truth of the matter is that he could only find \$108 million, and we know much of that is tax—new taxes on seniors, but what we've been trying to get from him is the \$9-million breakdown on education, and he's conceded for the committee today that he rushed into a budget that he didn't know what he was doing.

He has made it quite clear that he was unprepared to table a budget, that he didn't have a handle on the files, that he didn't have a handle on the information, that he didn't have a handle on the public policies that his government was going to table. And so what we got was a budget that was, frankly, so marginal in its impact and so marginal in its details, that we've really been able—unable to find any kind of substance to it, although the minister talks quite loudly about his determination to meet targets.

Of course, there are targets because it was only a one-off budget, like nothing for years two, three and four. I would suggest that maybe he was concerned about years two, three and four because, as with other elements of the budget that I just described, he certainly doesn't know the answers. He was unprepared, and I hate to say it because I think he's a great person and he's obviously in over his head here.

He's not certain what the details are, and so he deflects, he refuses to answer, he goes on tangents about things that are completely and utterly unrelated to the questions being asked. To date I've asked him if the \$9 million in education cuts related to the \$844,000 to the midwifery program, did we get an answer? No, we did not, Mr. Chair. In fact, we got anything but an answer from the Finance Minister. I asked him about—quite directly, about \$1 million in capital for the National Centre for Truth and Reconciliation at the University of Manitoba. Did he answer that question? No, he did not.

He's not answering the question, and, in fact, he's telling a member of this committee, and he's telling all the members, plural, of this committee, on both sides and including the independent member who sits in, that we should go somewhere else. Kind of a get lost, I don't have time to answer that particular question; why don't you go somewhere else and get that answer?

And I don't find that that's exactly what a minister of the Crown, and especially the Finance



Minister who's supposed to be in touch with the details of the budget and, in particular, around pronouncements that he personally has made—he personally has made. It's only fair to the not only members of this committee, not only members of both sides of this table, but to the people of Manitoba that he be forthright in his answers. And I think he's going to have a sleepless night tonight. He's going to toss and turn because he's going to say to himself, you know, I either didn't know the answers or I didn't want to answer. Either way, I failed the people of Manitoba today in my responsibilities as Finance Minister.

So let me ask him, then: does the \$9 million include \$440,000 to support the Manitoba Transfer Credit Portal? And we know how important that is because on—when we were in government, our obligation, our duty, our intention—*[interjection]*—thank you—our intention was to create a seamless education system where there were no wrong doors, where there were no dead ends, and one could use this very portal in order to advance their education career.

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

A formal vote has been requested in another section of the Committee of Supply. I am therefore recessing this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

## JUSTICE

\* (14:50)

**Madam Chairperson (Colleen Mayer):** Will the Committee of Supply please come to order.

This section of the Committee of Supply will now resume considerations for the Estimates for the Department of Justice. As previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Ms. Judy Klassen (Kewatinook):** We need to start recognizing provincially some of the recommendations set forth by Truth and Reconciliation Commission. I think that the best way is for each Manitoban, obviously, but for our purposes here, every MLA or anyone involved in the Justice system to take an entry-level course in indigenous histories, because I know that our populations are overly represented in prison systems and, indeed, the justice system.

So what—how would you be able to help me in achieving this?

**Hon. Heather Stefanson (Minister of Justice and Attorney General):** I want to thank the member for her question and I want to welcome her to the Legislature.

I know that I'd—I've mentioned before to the member for Burrows—I know you're both new here. I think you're doing a great job in your roles and standing up for your communities, so welcome here, welcome to Estimates. And this is a great opportunity to have, you know, a straight dialogue back and forth about some of the priorities in your area. And so I want to thank you very much for the question, and, of course, Truth and Reconciliation Commission is very important to us.

Where we fall in is, really, in the Department of Justice is—there's a working group in terms of the studying the calls to action. With respect to the training, you'll want to ask some of those questions in the Civil Service Commission to the Minister responsible for the Civil Service Commission who is establishing the training process there.

**Ms. Klassen:** Errol Green recently died while under provincial care when he was denied his prescription drugs for seizures. He was a young father of four. I met the mother who was still carrying their unborn child, and I gave her a hug and I promised that I would do something for her.

Why is it always that indigenous people pay the highest price before processes or procedures change? Why isn't there something that prevents unnecessary deaths like this in the justice system?

**Mrs. Stefanson:** I want to thank the member for the question. And it is an important one.

And of course we—it would be inappropriate for me, I think, as the member knows, to speak to specifics in terms of a specific case. But the normal process is that the Chief Medical Examiner will have a look at what transpired and he will indicate whether or not an inquest is necessary. So, in some of these cases, we're just waiting to hear back from that perspective right now.

**Ms. Cindy Lamoureux (Burrows):** I'd like to use this time to discuss community policing with justice committees and if time permits, the topic of house arrest.

Starting with community policing, what does community policing mean to this minister?

**Mrs. Stefanson:** It means keeping—making sure that people are safe in our communities.

**Ms. Lamoureux:** When I think about community policing, I think about community involvement, community police offices, officers as well. Overall, I feel that these offices and these centres can help with the safety of community members. So I do agree with the minister.

How often is the government—or how is the government going to encourage and support community policing?

**Mrs. Stefanson:** I want to thank the member for the question. And it's an important one.

I mean, certainly, safety in our communities is paramount. And, you know, we care about ensuring that there are the appropriate measures in place to try and enhance the safety within communities.

Specifically, though, the Winnipeg—the police boards manage the community safety programs. And that's managed by the Winnipeg Police Service under the culture of safety for all initiative. So maybe if you want to look into that a little bit more in the specifics in terms—because they set the guidelines and so on from that level.

**Ms. Lamoureux:** I will get back to discussing the police boards and such and in a way that we can help on a provincial level.

But you said that there are a few various measurements. What else?

\* (15:00)

**Mrs. Stefanson:** Yes, I want to thank the member for that.

And, certainly, I think that there is an agreement out there that we can't sort of arrest our way out of preventing criminal activity. We need to have proactive approaches and collaborative approaches within communities to help from a preventative standpoint.

I know that I have met recently with the community wellness alliance, which is one alliance that works together to promote more for safer communities, particularly in the downtown area. There's Block by Block, as well, that the member may be aware of. There's others in various locations around Manitoba, as well, but those are two examples.

**Ms. Lamoureux:** I appreciate that answer, and it's very informative and encouraging to know that you are meeting with outside groups. If it is allowed, it would be nice to have round tables with, perhaps, members from all parties, allow them those conversations. I would enjoy sitting on those.

So back to the police boards: I believe that if the will was there from the government and they believed in community police offices, they could indirectly support them through budgetary measures such as allocating money for offices or assisting the city in providing extra police officers.

Will the government support community police offices through budgetary measures and, if so, how much?

**Mrs. Stefanson:** I want to thank the member for the question.

And I know that she asked a question around this in question period as well, and I did offer at the time, and my offer stands to her to come and meet and have discussions about how you feel we can make communities safer.

I will indicate to the member that right now in budget 2015-16, a little over \$19 million is allocated to support 40 officers, and this is—as well as 166 additional Winnipeg Police Service personnel and up to 75 cadets. The funds also support the operating cost for the Flight Operations Unit, Integrated Warrant Apprehension Unit and auxiliary cadet program. So those are some of the initiatives in place now.

And, of course, we've got some in other jurisdictions as well. If the member is interested in that, we can offer that too.

**Ms. Lamoureux:** Is that money flexible at all in the sense that it could go towards facilities rather than personnel?

**Mrs. Stefanson:** It actually is allocated directly to—it goes directly to the Winnipeg Police Service that's operated under the direction of the Winnipeg Police Board.

**Ms. Lamoureux:** I'd like to talk about a branch of community policing, something that I did bring up—*[interjection]*—that's okay—something that I did bring up during question period, youth justice committees. I've previously spoken about it and how it's a volunteer-driven community effort. These committees are very affordable and, ultimately, save costs in the overall justice system. The framework

has already been created, yet it requires oversight and pressure from this government to have cases referred to them.

My question to the minister is: Are you open to implementing more youth justice committees here in Manitoba?

**Mrs. Stefanson:** Yes. We are supportive of these types of initiatives and we're just in the consultation process right now.

**Ms. Lamoureux:** That was going to be my next question, is how are you planning on implementing them. You are in consultation; what have you learned so far?

**Mrs. Stefanson:** I want to thank the member for the question, and there has been some significant work done on this and many consultation meetings that have taken place over the course of the last little while.

I'm going to read out some names of individuals, organizations, non-profit groups, stakeholders in the community that we have met with to date: life's journey, The Manitoba Métis Federation, John Howard Society, Onashowewin, Mediation Services, Salvation Army, Canadian Mental Health Association, Detective Sergeant Armystyn from the arson unit, executive director of the Canadian Mental Health Association, Constable Kevin Birkett, who's the beat officer for downtown and the walkabout downtown Winnipeg.

We've met with members of the Momentum Centre, a support in the community for graduates of the Winding River program. We've met with the Downtown Winnipeg BIZ committee. The members present included Shawn Matthews, Patrol Sergeant Phil Penner, Constable Rejeanne Caron, and others. We've met with representatives of Men Helping Men—a men's support group at Red Road Lodge, Clayton Sandy and Jack Mercredi.

We've met with Matt Dolloff, the forensic community mental health specialist. We've met with chief judges—the Chief Judge's office to discuss the community court. We've met with Onashowewin at the Circle of Life Thunderbird House; had meetings with Sel Burrows, residents of the North End, very well known. We've had attendance at the Sexually Exploited Youth Community Coalition, meetings with Diane Redsky from the Ma Mawi Wi Chi Itata Centre, meeting with the Prostitution Offender Program advisory committee, and so on. That's what I have for now.

So there's been many meetings that have taken place, but that certainly is not an exhaustive list, and if there are other members that—or organizations or non-profit groups that the members opposite would recommend that we meet with, we're always open.

**Ms. Lamoureux:** I can appreciate how busy you've been if you've been meeting with all of those groups.

How many—what percentage of these would you say are actually directed towards the youth justice committee? I'm assuming a lot of them are for community policing as a whole, but youth justice committee specifically?

\* (15:10)

**Mrs. Stefanson:** Yes, I want to thank the member for the question; it is an important one.

We have had consultations with all of these groups. One of the areas, of course, is to decide—to get some consultation around community courts and how they will work. We wanted to reach out and see what the needs are of the various groups and organizations. So that will—I mean, for right now that includes youth and adults, but we're still discussing how that could be worked out on an ongoing basis, so those discussions will continue and—but it will be done in consultation with all of these groups, with youth as a part of that.

**Mr. Andrew Swan (Minto):** I just want to go back to something that I asked about last week. I asked the minister a series of questions about the Dauphin jail and the fact that it now appears to be under review, which is a matter of great concern for people in that community and also people who work in the correctional system.

The minister, last week, told me I should ask the Finance Minister about it. I did, in—a few minutes ago in question period, and the Finance Minister didn't answer and the Justice Minister did. Did the minister have some second thoughts over the weekend and is she now prepared to put on the record that she supports the construction of the new correctional facility in Dauphin?

**Mrs. Stefanson:** Yes, I want to thank the member for the question and, of course, the corrections facility in Dauphin is a very important one. And, again, I want to thank all of those corrections officers and all the staff that make that facility run. We know that the member opposite was part of a government that had 17 years to make this a priority. We know

that they chose not to. Now, all of a sudden they're in opposition and everything seems to be a priority.

So that's just—you know, we are working through this. We are—I've already announced and I've mentioned to the member last week, that we are undertaking a capital-project review of all projects within—of all capital projects in—that we are faced with, so that will be moving forward. But we do know that capital is—falls under Accommodation Services itself, so that was why I mentioned that about the member of Finance. But, certainly, you know, the answer, really, is that there is a capital-project review that will be—we don't—I don't think we have the scope of that review yet, but it has been announced that it will be moving forward, and once the scope is announced, we'll see where we go from there.

But, again, I just will remind the member that after 17 years, he had a chance to make it a priority; they didn't. Now, all of a sudden there seems to be a full-court press ahead to make this happen, and that's just not the reality that we are faced with given the incredible burdens that have been left to us by the previous NDP government.

**Mr. Swan:** I just want to finish off one thing on Probation Services, and then we'll move on to policing. I understand the minister has some information to be put on the record from last week.

I asked the minister a question about our correctional facilities and which workers this new government considers to be front-line. I'm going to ask the same question about probations and I'll put it this way: Does the minister believe that their definition of front-line workers in Probation Services is the same as what she put on the record about corrections last week? Namely, if it's an individual who, in the course of their job, has contact with offenders, that is somebody who is a front-line worker. And, if they don't have direct contact with offenders, they are not a front-line worker.

And if the minister can just comment on that.

**Mrs. Stefanson:** I want to thank the member for the question.

And, the way we see it is that, if there's a delivery of service to clients, or if they are in direct contact, they would be considered front-line services.

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

And I'll move on to a series of questions about policing, which is another major item of expenditure

within the Department of Justice. At the start of her presentation a few days ago the minister mentioned one change, a change in policing for one community, the Sioux Valley Dakota First Nation, which has decided to no longer be policed by Dakota Ojibway Police Service and, instead, be policed by the RCMP. And the minister said there would be three additional RCMP positions for that community.

Is that the only change in the RCMP provincial policing for the current fiscal year?

**Mrs. Stefanson:** Yes, that is correct.

**Mr. Swan:** And does the minister know, do these three RCMP officers simply replace three DOPS officers, or were there a greater number of officers that were patrolling that community?

**Mrs. Stefanson:** It's the same number.

**Mr. Swan:** And this is a good time, both to remind myself of how the very complex funding formula works, but also make sure the minister's aware: Is it still the case that the Province pays 52 per cent of the cost of First Nations policing yet 70 per cent of the cost of RCMP officers under the provincial agreement?

\* (15:20)

**Mrs. Stefanson:** Yes, actually, the—I think the member—I'm not sure if I heard him correctly. Yes, it should be the other way around: 52 per cent for the First Nations officers is the federal funding; 48 is provincial; and then for the RCMP 70 per cent is provincial.

**Mr. Swan:** I thank the minister.

Can the minister provide the total RCMP provincial policing complement for the current fiscal year, then, and just confirm that does not include contracting—contract policing for communities like Steinbach or Thompson, and that doesn't include every RCMP officer, because the RCMP also has officers that do national work—simply the amount for the provincial policing complement.

**Mrs. Stefanson:** Yes, the number of members is 734, and that includes the Dakota-Ojibwa ones that have—that we talked about earlier.

**Mr. Swan:** I thank the minister.

And can the member find out for me how many actual officers are filling those roles at present, because even though a complement may be set at a certain number, due to injury or illness or leaves,

officers may not be filling positions. If I could find that out as of today, appreciating it may take some time to get that information.

**Mrs. Stefanson:** I want to thank the member.

And sorry, I mentioned Dakota-Ojibwa; it's actually the Sioux Valley that we spoked—spoke about earlier. My apologies, so I'll just correct the record on that.

And we will endeavour—we don't have those numbers here right now, but we will endeavour to get you—get the member those numbers.

**Mr. Swan:** I thank the minister.

I think we can all appreciate that policing in the province of Manitoba is a challenge given geography, given the lack of all-weather road access to many communities. A couple of years ago we were given an additional challenge by the federal government when, without, in my view, any good reason, they terminated the Band Constable program which provided for band constables working in a number of First Nations communities. These people were the eyes and the ears; although they didn't have the full responsibilities and the full rights of RCMP officers, they were often able to promote community safety.

I know that this created a major challenge for First Nations and challenges for RCMP. I wonder if the minister can bring me up to speed on the First Nations Safety Officer Program, talk a little bit about how many communities have now—have bought into that program and how many First Nation safety officers are now currently working in First Nation communities.

**Mrs. Stefanson:** We're—currently there are 32 First Nations communities that are part of the First Nation community safety officer program, and there are 86 First Nation safety officers.

And, if the member wants the names of those communities, certainly we can provide him with that.

**Mr. Swan:** Yes, that would be helpful. I thank the minister for that.

Has the Province taken on responsibility, then, for training these safety officers?

**Mrs. Stefanson:** Yes, we have.

**Mr. Swan:** And how and where and when does that training take place?

**Mrs. Stefanson:** The training sessions were delivered by Assiniboine Community College between January 1st and March 31st of this year. Thompson had two; Brandon, one; and Dauphin, one. The Assiniboine Community College delivered training to approximately 100 prospective First Nations safety officers.

Ninety-three students from 32 First Nation—different First Nation communities successfully completed the prescribed training.

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

Now, when I look at the sub-appropriations on page 67, there is an increase of about a million and a half dollars for First Nations policing. Does the Province pay the full cost of those First Nation community safety officers?

**Mrs. Stefanson:** No, that's part of the cost-sharing with the federal government, which is 52 per cent federal, 48 per cent provincial.

**Mr. Swan:** Could I ask the minister: How many more community safety officers does the minister expect there will be in the current fiscal year than there were at the end of the last fiscal year?

**Mrs. Stefanson:** Just for clarification, is the member talking about First Nations community safety officers, or community safety officers in general?

**Mr. Swan:** First Nation community safety officers.

\* (15:30)

**Mrs. Stefanson:** Right now, because of the relationship with the federal and provincial funding, the agreement with the federal government they will—it's capped at a certain rate until 2018 at which point it will be renegotiated. So that's where that stands.

But in terms of the self-funded First Nation community officers, if there is a will within some of those communities to put some of the programs in, we'll deal with it on sort of a case-by-case basis to see if there's a—funds available to support them and their communities.

**Mr. Swan:** Right. I presume that that came out of the arrangements when the federal government terminated the Band Constable program. So am I correct, then, that the number of First Nation community safety officers that the federal government will contribute to, then, is 92?

**Mrs. Stefanson:** It's actually 86, because some of the communities have self-funded officers.

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

And if a community self-funds an officer, does the Province—is the Province still prepared to pay 48 per cent of that cost or is that for the individual First Nation to pay in its entirety?

**Mrs. Stefanson:** No, we actually provide the support to the communities in the way of training the officers. Yes, they're 100 per cent funded, like, self-funded from the community.

**Mr. Swan:** Just so I'm clear, that's any officers above the 86 that the federal government is contributing to or is that—or is there no provincial support for any of these First Nation community safety officers? I'm just not clear from the minister's answer.

**Mrs. Stefanson:** I just want to—and just—the member may have to clarify his question. But, hopefully, this will answer the question, that when the band constable program was no longer in effect we—those community police officers became part of the new program and it's the same complement. Does that answer the question?

**Mr. Swan:** Well, previously the Band Constable program was paid for entirely by the federal government.

Is the current First Nation Safety Officer Program, is that cost-shared by the federal government to the provincial government to a certain level? Is it the federal money that is replacing the band constable program that's used—the question is how much provincial money is going into these positions?

**Mrs. Stefanson:** Yes, it's—the cost-sharing is 52 per cent federal, 48 per cent provincial.

Provincially, our contribution is about \$1.3 million.

**Mr. Swan:** And, in terms of the First Nations policing agreement, we already know that Dakota Ojibway Police Service will now be funding for three less officers because of the one community that's made a change.

Is there any increase elsewhere in the number of First Nations police officers in Manitoba for this fiscal year?

**Mrs. Stefanson:** There is no decrease in the number of officers. They're just simply being moved from one to the other.

**Mr. Swan:** I thank the minister for that answer.

Are there any changes upcoming in this fiscal year as to how the provincial RCMP complement is organized?

**Mrs. Stefanson:** There are no plans for any changes at this time.

**Mr. Swan:** I understand, with some sadness, the top RCMP executive in Manitoba, Kevin Brosseau, is headed to Ottawa.

Has his successor, the head of "D" Division in Manitoba, been named yet?

**Mrs. Stefanson:** Yes, it—he is Scott—it's Scott Kolody, and I had the pleasure of meeting him the other day. He is, actually, going to be part of the Special Olympics Manitoba polar bear plunge up in Churchill. And I don't know if the member opposite knows, but I sit on the honorary board of Special Olympics Manitoba. I'm hoping to get up there for that event.

And Scott has extended that invitation to me to go, and challenged me to go. But we'll have to just see how that goes. And I extend that to all members here, if you want to come up to Churchill and experience the polar bear plunge on behalf of a great cause for Special Olympics Manitoba.

**Mr. Swan:** I thank the member—the minister for that.

The last time around, with Commander Brosseau, Manitoba Justice played a role in dealing with the various candidates and giving its opinion. I take it that happened again in this instance?

\*(15:40)

**Mrs. Stefanson:** I want to thank the member for the question.

The short answer is yes. The—under the RC—yes, under agreements the—we must be consulted and so—but we are—[interjection] Yes, under the Provincial Police Service Agreement, we must be consulted and so—but we do know that Scott is well qualified for the position. He's well respected by his colleagues and many people within the community, and he has been second in command for many years now and I think is just an excellent choice and I want to welcome him to the position.

**Mr. Swan:** Well, I can certainly second that. He is very well placed and has a great knowledge of Manitoba and I'm sure—I'm sure he'll do a great job as the Assistant Commissioner. I can also comment that Manitobans have been well served by Assistant Commissioner Brosseau. And I think he's got a great future in the RCMP and I hope that he will take away with him good memories of Manitoba.

There's now a process under way for a new Winnipeg Police Service police chief which, of course, is in the hands of the Winnipeg Police Board, although, obviously, it's a different kind of relationship. Given the investments that the government of Manitoba makes in policing in Winnipeg, does the minister plan for Manitoba Justice to seek any input or any role in the hiring of the new chief?

**Mrs. Stefanson:** I thank the member for the question.

Of course, the Winnipeg Police Board has a system in place and they have a consultation process that they go through, and we will be a part of that consultation as will many stakeholders in the community.

**Mr. Swan:** So, just to confirm, it is the plan for Manitoba Justice to seek out an opportunity to talk to the Police Board about its views of the attributes that a good candidate for a new Winnipeg police chief would have and to play an active role in that?

**Mrs. Stefanson:** I would be careful. That's not really the way I put it. I don't think we should be intervening in the process that takes place. I think that we will be—I will expect that we will be part of the consultation process that moves forward.

**Mr. Swan:** I thank the minister.

As the minister put on the record in a question from the member for Burrows (Ms. Lamoureux), that Winnipeg does receive funding for a large number of police officers from the province of Manitoba, and, in fact, virtually all of the growth in the police service over the past 15 years has been because of additional investments by the Province.

I appreciate that those officers are funded outside of the Justice Department and funded by municipal indigenous affairs, but, surely, the Justice Minister will have some views.

There has been some rumbling already about the level of officers in the Winnipeg Police Service, and I ask this minister what she would do if the

Winnipeg Police Service was forced to reduce its complement.

**Mrs. Stefanson:** It is a very good question because there is significant funding that does go to the Winnipeg Police Service. And, if there is any indication from the Winnipeg Police Service that they're looking to downsize the number of officers, we will definitely be engaged in discussions with them to find out exactly where they're planning those cutbacks and making sure that we have our say with respect to that.

**Mr. Swan:** I thank the minister for that answer. And I wish her success if that should happen.

One of the programs that was launched in the past couple of years that's been greatly successful is the auxiliary cadet program here in the city of Winnipeg. The Province of Manitoba pays half the cost of these cadets, up to a certain number of cadets.

Does the minister have any plans to change that arrangement in this fiscal year?

**Mrs. Stefanson:** I want to thank the member for that.

I think the cadet program is actually working quite well. It's one of those programs that was—I have no problem suggesting that it was a good idea by another level—another government.

But—and so we have no plans to change that at this stage. I think that those cadets work very hard day in and day out and they do a tremendous service to help make sure that our communities are safe. And so I want to thank them for all that they do and just say how important that is.

**Mr. Swan:** I'm sure the minister is familiar with the way the successful cadet program in Winnipeg has been adapted for use by other communities.

Can the minister provide the status of the community officer program in the city of Thompson?

\* (15:50)

**Mrs. Stefanson:** I just wanted to clarify my answer from a previous question as well.

Just with respect to the Winnipeg Police Service and the officers, I just want to indicate for the member that there has been no indication from anyone that they're looking to reduce the Winnipeg Police Service. So I don't—and the number of officers. So I don't—and there's no discussion with the Province about that whatsoever. So I just want to

clarify that so that people don't get upset about that because that is not the case. So I just wanted to clarify that.

With respect to Thompson, as the member may— is probably aware, it started as a pilot project, and so we're looking at evaluating all the way along just to see how this is working within the community. That review will continue, and we'll see at the end of this there's data that's being collected and so on, and we'll continue that review and see, as a pilot project, whether or not it's been successful in the community.

**Mr. Swan:** And when will that review be completed, and does the minister expect any changes to happen within the current fiscal year?

**Mrs. Stefanson:** Yes, there's no changes anticipated for this year. But the pilot project, the time span is to be up in 2017, so the review will take place right up until that date and we'll evaluate at that time.

**Mr. Swan:** Is it the Province's contribution to that project that's listed as a \$390,000 expense under municipal policing programs on page 67 of the Estimates?

**Mrs. Stefanson:** I want to thank the member for the question.

Actually, he asked about line—the municipal policing programs and the 390,000, that's actually for Brandon.

**Mr. Swan:** I thank the minister for that clarification.

When we say for the city of Brandon, is that a contribution towards policing or a contribution towards Brandon's plan to set up a similar community safety officer program?

**Mrs. Stefanson:** That 390,000 is for Brandon policing.

**Mr. Swan:** I am aware the City of Brandon was very interested when the—when Thompson came forward with their Community Safety Officer Program, to have a similar program up and running in Brandon. I take it from the minister's comments that hasn't happened.

Is the minister aware that Brandon is still interested in trying to operate a similar program?

**Mrs. Stefanson:** I think that's—it's a very good question.

And we're aware that, you know, some communities and certainly Brandon has been

interested in that. And we're going to wait and see how—that's why the pilot project was set up, I believe, in the first place, and wait to see what the results are there to ensure that, you know, maybe there are some changes that need to take place and so on.

So, before we start putting these policing services in other communities, we need to first finish off the pilot project which is currently in Thompson.

**Mr. Swan:** Okay.

This next question will quickly get to road safety, so I don't want the minister to be surprised.

Is the Minister of Justice now responsible for road safety in the province of Manitoba?

**Mrs. Stefanson:** Sorry, road safety in terms of what?

**Mr. Swan:** Promoting safe driving, reducing collisions, reducing impaired driving, reducing distracted driving and all the different areas when it comes to safe driving.

**Mrs. Stefanson:** I believe that's part of Crowns and MPI but I'll just—I'll double-check that.

**Madam Chairperson:** Member for Minto. Honourable Minister.

**Mrs. Stefanson:** That is correct, what I previously stated.

**Mr. Swan:** In, of course, in previous years, the Justice Minister and the MPI minister were one in the same, which made the conversations hopefully simpler.

Right now in Manitoba, of course, Manitoba Public Insurance has come up and paid actually substantial amount of policing costs, for example, the Check Stop program that operates around the Christmas season and for long weekends.

MPI has also come forward with money for particular projects to try to reduce the use of hand-held devices, to make sure that Manitobans are using seatbelts, to try and promote safe practices.

Does this minister anticipate any change in the way that Manitoba Public Insurance provides those services?

**Mrs. Stefanson:** I think that would be in a question that would more appropriately be asked of the minister responsible for Crowns in the Manitoba Public Insurance area.



**Mr. Swan:** Well, let me ask the question another way.

If MPI was to stop doing that work, there is nothing in these Estimates that would pay the costs of RCMP officers doing that work in the Justice Estimates?

\* (16:00)

**Mrs. Stefanson:** I think that's the way it had been done in the past as well, when MPI was still—had the same—it was the same minister responsible for MPI and as Justice. And those appropriations fell under the MPI department and not in the Department of Justice. So there has been no change there.

**Mr. Swan:** My point is this. If there was to be a change and the Minister responsible for Crown Services tells us that MPI is going to reduce or do away with their investments in policing, that would either be an expense that would then fall on the Department of Justice, or those check stops and additional services would not happen. Is—will the minister agree with that? *[interjection]*

**Madam Chairperson:** Honourable Minister.

**Mrs. Stefanson:** Sorry, Madam Chairperson.

You know, I thank the member for the question. I think it's a hypothetical question unless he had evidence that this has changed somehow with MPI and that MPI is no longer going to move forward with this programming, and there is no evidence of that at this stage.

**Mr. Swan:** I'm glad to hear the minister say that. I know in the past, for reasons that I really haven't understood, there have been members of her party that have been very critical in the Legislature in MPI committee, very critical of MPI spending money on officers making roads safer.

So, although I don't know what the Minister of Crown Services (Mr. Schuler) is thinking, I just want to put on the record that if MPI does not continue to do that, to do what they've already done, it is either going to result in higher costs for Justice or it's going to result in less additional police coverage on Manitoba highways, and I think that would be a mistake.

But I'll move on to some other projects being funded by the provincial government. A couple of years ago the Manitoba integrated warrant enforcement unit was set up to assist with dealing with Manitobans who do not want to follow court orders, not to follow requirements to show up for trial or for

various court appearances. And in the past it's been funded with six additional officers, three RCMP and three Winnipeg Police Service.

Is there any change or any intention to change the way that that unit operates within this fiscal year?

**Mrs. Stefanson:** No, there is no plan to change the way that is run.

*Mr. Jeff Wharton, Acting Chairperson, in the Chair*

**Mr. Swan:** I thank the minister for that answer.

In the area of Aboriginal and community law enforcement, one of the—one of my favourite laws, if I can call it that, has been the public—has been The Safer Communities and Neighbourhoods Act, which is enforced by the Public Safety Investigations unit.

Could the minister tell me how many positions are now located in that unit and how many operations the Public Safety Investigations unit was involved in in the last fiscal year?

**Mrs. Stefanson:** I thank the member for the question. We'll endeavour to get that information to the member.

Sorry—we don't—just to clarify, we don't have the number of investigations, but in terms of the staffing complement, which I believe the member asked, Public Safety Investigations has one manager and nine investigators who are all former Winnipeg Police Service or RCMP officers. They're highly skilled in dealing with complex investigations involving drugs, prostitution, criminal organizations and other areas.

**Mr. Swan:** I think they're great. Are there any vacancies at present in that complement?

**The Acting Chairperson (Jeff Wharton):** Honourable Minister.

**Mrs. Stefanson:** Thank you, Mr. Chair.

**The Acting Chairperson (Jeff Wharton):** You're welcome.

**Mrs. Stefanson:** Just realized there's a change there.

**The Acting Chairperson (Jeff Wharton):** Deeper voice.

**Mrs. Stefanson:** No, there are no vacancies.

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

It is an act which continues to be very useful, especially in communities like mine in the West End of Winnipeg where one house can actually create a

lot of havoc and chaos on a street and have impacts on a lot of people.

I understand the length of investigations conducted by the unit vary. At present, how long of a wait is there in Winnipeg when a new complaint comes in to when we can expect the investigation to begin, keeping in mind that we don't know how long the investigation itself will take?

**Mrs. Stefanson:** The cases are assigned immediately and then they're triaged according to risk, and then the outcomes, obviously, depend on the complexity within the individual cases.

**Mr. Swan:** Is the minister satisfied with the pace at which those cases are then referred?

**Mrs. Stefanson:** To date there have been no concerns that have been brought to our attention, so I think we're fine. We're always, you know, looking at ways to improve things, but as it stands right now, you know, no concerns have been brought to our attention, so things seem to be going on relatively well.

**Mr. Swan:** I thank the minister for that. And I should have been more specific when I asked the number of operations. I'd just like to include in that request the number of times that this unit has enforced The Fortified Buildings Act in the past fiscal year.

**Mrs. Stefanson:** Yes, we will endeavour to get that information to the member.

**Mr. Swan:** One of the tasks that is in this area is the licensing of private investigators and security guards and their employers. Does the minister anticipate any changes in the way that that process takes place in this fiscal year?

**Mrs. Stefanson:** No changes are being contemplated at this point in time.

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

The Law Enforcement Review Agency deals with complaints against police officers. In looking at the subappropriation for LERA, I note some strange anomaly which seemed to exist last year as well. I note that the total salary costs for this unit are \$544,000, yet there's an allowance—I'm sorry, page 71 of the green Estimates book. So total—seven positions with salary and related costs of \$544,000, yet there's an allowance for staff turnover of \$276,000, which would indicate that half the

employees are expected to leave in the current year and not be replaced.

Can the minister just explain why the number is as high as it is relative to the actual salaries and employment benefits expected?

\* (16:10)

**Mrs. Stefanson:** Yes, I want to thank the minister for that question. I think it's a good one.

It looks like it's been budgeted as such for the last number of years, and so we're continuing to do so. And that's the basis for that number.

**Mr. Swan:** Does the minister expect a reduction in the number of cases that come before the Law Enforcement Review Agency because of the independent investigation unit, or is it expected that LERA will continue to be as busy as before?

**Mrs. Stefanson:** Yes, I guess they have different mandates, so one wouldn't necessarily affect the other.

**Mr. Swan:** All right. I thank the minister, and I guess we'll find out in the upcoming year.

The Manitoba Police Commission, of course, was set up to do a number of things. Is the minister satisfied that the police commission has now done its work in terms of setting standards and regulations for police officers across Manitoba? In other words, is that work still ongoing or has it been completed?

**Mrs. Stefanson:** Yes, I think that this is something that—it continues to be ongoing. We'll continue to work in this area. I know some work has been done, but, certainly, it's an important area, and, in terms of the setting standards and so on, we will continue to—continue some of the work that has been done.

**Mr. Swan:** The police boards have now been operating for a couple of years. What assistance does the department—I presume through the commission—give to the police boards, in the course of the year, in carrying out their duties?

**Mrs. Stefanson:** Yes, the Manitoba department—or the Justice Department as well as the police commission meet regularly with the police boards; I believe it's quarterly. And they also—the Manitoba Police Commission also provides training to the police boards.

**Mr. Swan:** I thank the minister. It is a requirement that each community that chooses to have its own police service has to have its own police board.

There was some criticism when this came in, but the previous government thought that was necessary to make sure that the appropriate governance is there.

Does the minister plan any change to the requirement for each community with its own service to have its own police board?

**Mrs. Stefanson:** Yes, I want to thank the member for this, and I do believe—I recall some discussion back and forth, in the Chamber, with respect to this in the past. And so, certainly, I'm aware of some of the challenges and concerns there. It's not something that—sort of, being seven weeks on the job—that's really top on the list of priority at this stage, and it's not on the radar. But I'm aware of it and we will continue to look into it.

**Mr. Swan:** All right, I thank the minister.

The Independent Investigation Unit is now up and running, and it is funded—same as last year—with 14 employees. Is the unit now running with a full complement of employees or are there vacancies?

**Mrs. Stefanson:** Yes.

**Mr. Swan:** Yes, it's at full complement now?

**Mrs. Stefanson:** Yes. It is at—yes, sorry, Mr. Chair. Yes, it is at full complement of 14 as the member had stated.

**Mr. Swan:** As the unit was staffed up, it was staffed primarily with police officers that took leave from their current employment with the municipal police service or the RCMP. Does this minister expect any change in direction or does the minister expect that that will continue to be the case for this unit?

**Mrs. Stefanson:** Only one of the members is on leave from the previous position. Others had retired from their previous positions and were hired—and are full-time provincial civil servants.

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

The act also included provisions for private citizens to monitor investigations. How many Manitobans, how many private citizens are now doing that work, monitoring investigations as they go?

**Mrs. Stefanson:** I thank the member for the question, and currently eight investigations are being monitored by civilian monitors.

**Mr. Swan:** And how many civilian monitors are there? Are they appointed ad hoc every time there's an investigation or is there a pool of people that are called upon by the unit?

\* (16:20)

**Mrs. Stefanson:** There is a pool of individuals that are recruited and trained by the police commission and they're called on in cases of death or serious injury.

**Mr. Swan:** And how many of those eight investigators identify as indigenous people?

**Mrs. Stefanson:** Can I just clarify, because there are eight investigations. Are you asking about, like, the pool of people—how many, or—

**The Acting Chairperson (Jeff Wharton):** Member from Minto.

**Mr. Swan:** I'm talking about the pool of civilian monitors who oversee the investigations done by the unit.

**Mrs. Stefanson:** We'll get the answer to that for the member.

**Mr. Swan:** And does the minister plan any change to the way that those civilian monitors are recruited and trained by the Manitoba Police Commission in this year?

**Mrs. Stefanson:** I think we're always looking at ways to review and make things better, but at this stage in time there's been no indication that things are going wrong or anything, so at this stage things would just continue as they have been.

**Mr. Swan:** I thank the minister.

Moving on to the area of crime prevention, which has been added to—some would say returned to the department. I know that all of us were shocked by the sudden death of Floyd Wiebe in the past year and Floyd Wiebe was the driving force behind gang awareness for parents which was funded by the Province of Manitoba.

Are there any plans to continue funding the organization now in light of Floyd's passing?

**Mrs. Stefanson:** There has been a change from—since Floyd's passing, and I just want to say, just on that, it was a tremendous loss to the community, absolutely, and I know that many of my colleagues and I have been to the fundraising events and encouraged others to attend the fundraising events in the past, too, to try and ensure that, you know, we raise awareness of the organization and that third parties are aware and contribute as well.

There have been some changes, though, in terms of the gang awareness. There's been a transition to

Gang Action Interagency Network, or also known as GAIN. And—sorry—and Floyd Wiebe was part of the transition and served as the co-ordinator and was an integral part in making that transition and those changes happen.

**Mr. Swan:** Can the minister confirm, then, how much funding does GAIN get from crime prevention?

**Mrs. Stefanson:** Seventy-five thousand.

**Mr. Swan:** Now, does Justice still provide funding to Safe Schools for Manitoba, or is that now finished?

**Mrs. Stefanson:** No, that is out of the Department of Education now.

**Mr. Swan:** I thank the minister.

Crime prevention operates the Lighthouses program. Can the minister confirm how many Lighthouses are now operating in the province of Manitoba?

**Mrs. Stefanson:** There's currently 71 operating.

**Mr. Swan:** And I understand that each of those 71 Lighthouses is entitled to funding from Lighthouses. Is it still \$1,000 a month or is there a different cap?

**Mrs. Stefanson:** Sort of six and one half dozen of the other. Yes, \$1,000 a month or \$12 thousand a year per Lighthouse.

**Mr. Swan:** Does the minister expect any increase in the number of Lighthouses operating in Manitoba in this fiscal year?

**Mrs. Stefanson:** No, we don't.

**Mr. Swan:** Does the minister anticipate any changes in the way that Lighthouses are funded in this fiscal year?

**Mrs. Stefanson:** No.

**Mr. Swan:** And I presume this is one of the areas that will be up for determination in the value-for-money audit that this government says they are going to proceed with.

**Mrs. Stefanson:** Yes, I think we're always looking for ways to better improve services for Manitobans and particularly those most vulnerable in our society. And I think it's incumbent upon us to find programs that are working, that are delivering the best results possible for those vulnerable people. And so as part of the value-for-money audit we'll be looking for

programming to ensure the best delivery of those services for Manitobans.

**Mr. Swan:** So, if I look at page 77, which is the page which lists the appropriation for crime prevention, there is no increase in any funding to external agencies from anywhere in crime prevention for this current fiscal year from last year.

**Mrs. Stefanson:** Yes, it's the same as last year.

**Mr. Swan:** We know that in Ndinawe is now operating what, I guess, some would call an extended-hours Lighthouse or expanded Lighthouse. Is the funding for Ndinawe paid out of crime prevention or is it a different government department?

**Mrs. Stefanson:** Currently, there is \$12,000 annually that is earmarked for Ndinawe, and I'm not sure where—I know that there's perhaps other funds that come from elsewhere in government; I can't answer that, but I know that there's \$12,000 from the Department of Justice.

**Mr. Swan:** All right, so I accept what the minister's saying, the only money coming out of Justice is the standard amount that would be paid for a Lighthouse. Is it the same, then, for the new safe space in the West End which is now staffing up and running? It, again, would be like an extended Lighthouse. Is it only \$12,000 that's coming from Justice, or is there other money coming from Crime Prevention to assist that program?

\* (16:30)

**Mrs. Stefanson:** It's not—it doesn't fall under that category with the \$12,000 a year, and it's funded from another government department.

**Mr. Swan:** Well, that's fair.

I realize this probably doesn't quite fit in Crime Prevention, but it is crime prevention. Can the minister give us an update on the current status of the Winnipeg Auto Theft Suppression Strategy? What Justice resources are still being provided to that strategy and how many individuals are still working with that strategy?

**Mrs. Stefanson:** And, again, with reorganization here, we're just trying to get this straight. But there are no Justice resources in this. I believe it falls all—entirely under MPI.

**Mr. Swan:** I thank the minister for that, and, again, I will certainly put the question to the Minister for Crown Services. But, again, I give the warning that,

if MPI decided to cease funding those positions, it would either fall on Justice to pay for those positions or else the work simply wouldn't get done.

The minister in her comments earlier today made it clear she's familiar with the Block by Block project, which is now operating in the William Whyte area. Block by Block, or Thunderwing, as it's called, brings together the community, brings together community agencies, law enforcements, health, justice and social services to try to get ahead of problems as they occur.

Are there any plans within this fiscal year to expand this successful model to other areas of the city or elsewhere in the province?

**Mrs. Stefanson:** I think Block by Block, Thunderwing, is going to continue this fiscal year. And so it is part of this budget. I think it's important to mention as well that we're looking at ways and programs that are working, especially preventative programs that are working in the community. That's part of—that's going to be part of our review of those programs that are working. You know, hopefully, we'll be able to, you know, allocate resources more for those programs that are working and providing the results, the best. It's a—it goes back to that value-for-money audit that we will be pursuing.

**Mr. Swan:** So is there an evaluation of the Block by Block program going on now, or is that going to be taken up by the value-for-money audit that's going to go ahead?

**Mrs. Stefanson:** We continue to conduct our own evaluation internally. I think this—we've had this discussion with many other programs that we've had discussions about within the Estimates process. We'll always be looking at ways to improve existing programs within the system as well, and so that constant review process is continuous.

**Mr. Swan:** But is this program going to be one of the many programs that will be considered by the value-for-money audit?

**Mrs. Stefanson:** I don't believe that they have established the scope of the value-for-money audit as of yet. So I can't—I don't have the answer to that at this stage. But I'm sure, once that scope, the scope of that audit, is out there, we can look at that then. But, again, we continue to monitor how programs are doing, and we do our own internal review as well.

**Mr. Swan:** Well, and with the Block by Block project, I mean, one of the great things with that

project was the level of expertise of people like Rick Linden at the university who was involved. I presume there has been a fair amount of evaluation done.

Is the minister able to provide any statistics or any interim results from Block by Block dealing with, for example, the number of children taken into care in the area, the number of emergency room admissions, the number of police attendances? I presume the department has gathered that information, hopefully, to demonstrate that this is the right approach. Is there anything the minister's able to share to help us perhaps advocate for preserving this program and expanding it?

**Mrs. Stefanson:** I don't think we have the specifics in terms of the data that the member is asking for, but there are other sort of measurements that are being used to determine the success of the—the ongoing success of the program. But the specifics to what he's asking for in terms of the number of children taken into care, et cetera, we don't have those.

**Mr. Swan:** The minister speaks of measurements. What measurements are, then, being compiled and used by Justice in determining the success of this program?

\* (16:40)

**Mrs. Stefanson:** I think some it, there's a number of measurements that are being used, and I'm happy to provide the member with that or I could read them out today with the actual areas.

**Mr. Swan:** If the member could provide me with that before tomorrow's Estimates, that would be just fine.

**Mrs. Stefanson:** Why don't I just do it now in the interests of saving the department's staff more work, which I'm cognizant of. So—and I thank them for all the work that they do.

So some of the areas are the number of referrals: the family overview file—or family file overviews; families and agencies reached to date; the family outcomes; the support teams, the number of new agencies engaged in a family support team in a reporting period; the project successes; project challenges. *[interjection]* Yes, and the key thing is, really, measuring family impacts on this, and those are a number of the key areas that are looked at.

**Mr. Swan:** Well, the minister's put some of these areas on the record. I'm presuming, though, there are

statistics that have been compiled by the department with respect to all of these, and it would be helpful if I could receive that information before tomorrow's Estimates.

**Mrs. Stefanson:** I think, you know, for the purposes of this, I mean, I think what we'll do is if we talk about, say, for example, the family outcomes: so the number of children returned to parents' care; the reunification process that began; the increased visits with children; improved relationships with CFS; obtain safe, adequate housing or housing made safe at—and inadequate; the number entered into the workforce; the number that began job training and education program; the number of children that began attending school regularly; the number connected to resources not previously connected to.

These are some of the family outcome areas that I think are good measurements as to see how the program is improving or where it needs some improvement as well.

**Mr. Swan:** I agree with the minister those are all potentially valuable outcomes; they demonstrate how this program, if operating and if supported, can make a difference.

Can the minister provide me with the details on how many of each of those positive outcomes has happened in, I suppose, the last fiscal year?

**Mrs. Stefanson:** Sorry, I should have done that before as well.

I mean, the children—so, for example, children returned to parents' care, the number of families to date is two; the reunification process that began, the number of families to date is four—this is the fiscal year as to the end of March, I believe—or—oh, this is as of the last—the report that we received—*[interjection]*—yes, yes, okay—so the increased visits with children, the number of families has been eight; the improved relationship with CFS, the number of families to date has been 15; the 'obtained' safe, adequate housing or housing made safe and adequate, the number of families to date is 16; entered into the workforce, the number of families affected is two; began job training and education program, number of families is one; children that began attending school regularly, the number of families that were affected is eight; and connected to resource not previously connected to, the number of families to date is 22.

**Mr. Swan:** I take it this is an interim report that's been provided by Block by Block.

Could the minister provide me with a copy of that report, subject, of course, to any particular details of any family or any individual being removed?

**Mrs. Stefanson:** Sure, I will endeavour to get that to the member. Or we can sit here and I can read it out for the rest of the day.

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

So I take it, with those comments, that until this audit occurs, there won't be any expansions of Block by Block, whether by serving a larger area in Winnipeg or by serving other communities in Manitoba during this fiscal year?

**Mrs. Stefanson:** There will be no changes for this year.

**Mr. Swan:** Some time ago it was announced that there would be a community prosecutor working out and serving the William Whyte area covered by Block by Block.

Is there now a community prosecutor working in that position?

**Mrs. Stefanson:** Yes, there is a community officer currently covering the same area of the Block by Block area or the William Whyte area.

**Mr. Swan:** And, when the minister says officer, I presume she means a Crown prosecutor.

**An Honourable Member:** Sorry, yes.

**Mr. Swan:** And does that prosecutor have an office somewhere in the William Whyte area, or do they just work out of downtown and take cases coming in from the area?

\* (16:50)

**Mrs. Stefanson:** Currently, yes. And my apologies. I meant community prosecutor.

There is one community prosecutor earmarked for this area who is not currently within the area itself, but certainly she takes all of the cases from the area and is responsible for those. There are ongoing discussions as to whether or not it would be pertinent to have her within the community itself, and so those are discussions that are taking place now.

**Mr. Swan:** I thank the minister for that, and while I have the senior Crown attorney at the table, I'll take the opportunity to ask about the community prosecutor arraigning largely for the downtown area. Does that position continue to be filled?

**Mrs. Stefanson:** Yes.

**Mr. Swan:** And does the minister anticipate any other expansions or a broadening of the role of community prosecutors in this fiscal year?

**Mrs. Stefanson:** We don't currently have anything planned in the way of expansion for this fiscal year.

**Mr. Swan:** This will lead us off in a different direction, but I'll leave it under our crime prevention. The minister's now responsible for the Helen Betty Osborne foundation act. The foundation has done a tremendous job of raising money to try and assist indigenous students to get to or continue with their university or college educations. I'm wondering if the minister's had a chance to communicate with the board yet or, at the very least, be briefed on some of the chances and some of the challenges for the foundation.

**Mrs. Stefanson:** You know, I appreciate the question from the member, and just to—we've had a number of consultation meetings across the board. I have not, as of yet, in my new role had the opportunity to meet with them, but it certainly is something that I will be undertaking.

**Mr. Swan:** From time to time in the past, there's been some assistance given by Justice to the foundation to plan their events, to assist the board. Is there anybody now designated within the Department of Justice that's providing assistance to the foundation?

**Mrs. Stefanson:** There's not one specific person that's earmarked for this position, but within the Courts Division, there is ongoing support for these services.

**Mr. Swan:** I thank the minister, and maybe we'll come back to it when we have all the right players around.

Not that long ago, there were major changes to the federal prostitution laws contained in the Criminal Code. It was an issue that brought together a number of surprising folks to work together on making those changes to try and reduce the demand for the purchase of sex, to try and make communities stronger, including the West End.

Is there anything in the Justice Estimates to include money to advertise these changes to Manitobans with the goal of reducing demand?

**Mrs. Stefanson:** I'm not aware of any at this stage, no.

**Mr. Swan:** I realize this, again, may be out of scope from the crime prevention area, so I'm fine if the minister takes it as notice, but when the federal law changed, the federal government stepped up to announce \$20 million in support to assist the victims of sexual exploitation. That was to be paid out over five years.

The question is whether any of that money comes to the provincial government, and, if so, how much, and if not, does Manitoba Justice know where that money is going in the current fiscal year?

**The Acting Chairperson (Jeff Wharton):** Order, please. A formal vote is being requested in another section of the Committee of Supply, and I'm, therefore, recessing this section of Committee of Supply in order for members to proceed to the Chamber for a formal vote.

If the bells continue past 5, this section will be considered to have risen for the day.

#### **GROWTH, ENTERPRISE AND TRADE**

\* (14:50)

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

This section of the Committee of Supply has now resumed consideration of the Estimates for the Department of Growth, Enterprise and Trade.

At this time we invite ministerial and opposition staff to enter the Chamber. We ask the members to introduce the staff in attendance.

**Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade):** I have three ADMs with me today: Craig Halwachs, Finance; Dave Dyson, Labour; and Tim Friesen, Mineral Resources.

**Mr. Chairperson:** The honourable member for Point Douglas.

Can you introduce your staffer.

**Mr. Kevin Chief (Point Douglas):** Yes, we got Steven Spence.

**Mr. Chairperson:** As previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Mr. Chief:** Welcome the minister and all his crew back here after a great weekend.

I want to spend a bit of time on minimum wage this afternoon. I know the minister has said multiple times throughout Estimates that he spends a lot of time talking to businesses, that he's been in heavy consultation. He's travelling Manitoba, I think including being up to Churchill, so I know he's talked to a lot of people, and without question, many Manitobans have become reliant on knowing there's going to be a minimum wage increase. We've been able to do it for 17 years. It's been supported by both the business community as well as hardworking Manitobans, including where it has the biggest impact, of course, is with our low-income people.

So I ask the minister if he's talked to—if he has done these robust consultations with labour and other groups. Has he brought up minimum wage to any of the businesses, labour groups, non-profit organizations or low-income Manitobans?

**Mr. Cullen:** I appreciate the question from the member opposite.

You know, we're pretty excited on this, as a new government, to have a new portfolio in terms of the growth, enterprise and trade, where we're bringing the business community and labour together under one umbrella, and I think it's going to be a great recipe for good things to happen in Manitoba. Obviously, we've had the business community and labour at the table together and had some very good discussions, some very frank discussions about a number of issues, and we certainly had a real co-operative and consultative approach over the last three years under our new leader and our new Premier (Mr. Pallister) now, and we've been engaging a lot of Manitobans all throughout Manitoba.

And just to the member's question, in over the last several weeks since I've been the minister, in all those discussions I've had with both the business community and labour, the concept of increasing the minimum wage hasn't come to the table. So I would suggest that it's maybe not as big of issue as what the member thinks. I think as far as the status right now, Manitoba is the fourth highest across the country, so I think that puts us in a pretty good light.

What we have done as a government in terms of this budget is try to leave more money in the hands of hardworking Manitobans' pockets, and we've done this by increasing the threshold where you start paying income tax. So we think that's a very positive aspect in terms of allowing workers to keep more money at their kitchen tables, and that's what we're

really focusing on, is make sure that we can allow hard-working Manitobans to keep more of their hard-earned money.

And that's the kind of the principle that we've taken in this budget and I think it's a good one because that particular concept speaks very well to the lower income wage earners, those that are closer to the poverty line. I think that's a first impact and we think, you know, those are the kinds of people that should see some direct relationship in terms of keeping more money in their pockets. And that's our view that we've taken and we think it's the right approach.

**Mr. Chief:** So I do want to say for the record for the minister that when it comes to increasing the minimum wage, it does affect, of course, women. It does affect single parents. It does affect a lot of seniors. So, when we're looking at who the minimum wage impacts the most, it's particularly those groups of people.

So I ask the minister: Has he spent any time talking to these groups to let them know—or to ask them what they think about not increasing the minimum wage?

**Mr. Cullen:** As I pointed out to the member, you know, this—that issue really hasn't come up in all the discussions I've had over the last several weeks. You know, we're certainly not opposed to asking the question and I would assume the Labour Management Review Committee would probably be interested in making some comments on that. That's certainly something we could—we can certainly look at again in the future. Now, that's been the past practice here in Manitoba I know.

What we are focused on, as I say, is allowing Manitobans to keep more of their hard-earned money, and the other thing that I'm focused on, and our department is focused on, is to get as many Manitobans to work as possible. Obviously, we're interested in high-paying jobs, good quality jobs. We would like to set the province at a competitive basis so that, you know, the business community is—will be developing jobs, creating jobs, creating wealth in Manitoba, and I think that's the broad picture in terms of where we want to be here in Manitoba.

So it's up to us to create that framework that will allow investment in jobs here in Manitoba and I think this particular budget, the Throne Speech, has really set that tone that we're open for business. It's a new government and we're open for business and we



want to have that discussion with business and labour about creating real jobs here in Manitoba.

**Mr. Chief:** So there has been research; there's been studies that have been done. I'm going to be referencing some soon. The latest Statistics Canada report came out and, again, it shows consistently that Manitoba continues to have the lowest unemployment rate and that's been consistent over a number of years. That was consistent with our government, so we see more people continuing to work here in Manitoba than anywhere else in the nation.

\*(15:00)

We know, not from me, but from independent, private sector validators, when they look at Manitoba's economy, it continues to have one of the strongest economies and predicted to continue to be one of the strongest economies going forward.

We also know wage growth continues to grow. Certainly, our record showed that people were taking more money home year after year after year. In fact, I believe last year it was \$40 per week more, hard-working Manitobans were taking more. So, consistently, whether you're looking at research, whether you're looking at private sector validators or whether you're taking the time to look at what Statistics Canada is saying, for 17 years consistently we've raised the minimum wage and we've consistently had one of the strongest economies with one of the lowest unemployment rates. I ask the minister, has he taken the time and found any research that would be the opposite to what I'm saying?

**Mr. Cullen:** I'm sure there's lots of studies out there that have lots of different results. Certainly, we're prepared to have a look at the various studies, but I'm sure depending on who's writing the study and what approach they've taken. You will find variations in terms of the outcome. But, certainly, we're not opposed to looking at whatever studies might be relative to minimum wage.

The other category that we lead the nation in is actually in out-migration, and that's an issue that I think we have to address as a government. We—we're losing more people per capita than any other province in the country, and I think that's a very bad statistic to have. That's something that our government is going to change, and it's about trying to keep our youth engaged in Manitoba and, hopefully, engaged in the workforce in Manitoba.

So, as we move forward with our agenda, we want to have a competitive Manitoba where people are willing to invest here in Manitoba, and we hope that investment will lead to job creation and thereby allowing more Manitobans to stay at home and raise a family and work. So we—that's the approach that we have taken. I'm afraid the numbers that the member is quoting may be somewhat misleading in view of we've—we're losing a lot of our potential workforce to other provinces.

And the other side of the component is that the people that are not caught in those calculations, and I'm talking in large part about the First Nations community who, as we know, face some pretty dismal employment records. And we want to make sure that First Nations people have an opportunity to join in the workforce and we think that's important. And that is part of the impetus behind our Yes! North strategy. We're hoping that concept will be able to engage northern Manitobans and northern Manitoba communities in a dialogue about how we grow northern Manitoba and grow its economic capability, and I think that's going to be quite key for us moving forward.

So I hear what the member is saying in terms of the unemployment rate, but my view is there's a lot of work to be done yet because we do have a large percentage of our population not employed and not reflected in those numbers. So I hope that helps understanding from the member opposite. There is a lot of work to do, and I'm 'hoping' that his party and all opposition members will come to the table and be engaged in the conversation as we try to develop Manitoba.

**Mr. Chief:** So when I'm bringing up the success of Manitoba's economy, when I'm talking about the highest—I mean, one of the lowest unemployment rates in the nation and the wage that more Manitobans are bringing home, I'm taking a year-by-year analysis. So I know that the member has said a couple things. He says different reports say different things. Maybe that's true, but what you try to look at is overall trends, and the trend has always been consistent. So we can say without question that we have one of the lowest unemployment rates in the nation. We've also consistently raised the minimum wage every year. We have more people working than ever before.

Now, I do want to ask the minister to—could he table the report that tells him increasing the

minimum wage equals an outmigration, a number of people leaving?

**Mr. Cullen:** I appreciate the member raising this issue. Clearly, LMRC have undertaken this task a number of times over the last few years. I'm sure the member could get his hands on those reports; those are public documents and he can have a look in there and see what the perspective was from that particular committee.

I don't think the member can argue the fact that we're leading the country in outmigration, and that's obviously an issue for us that we have to deal with. And I don't think the member can tie the outmigration directly to minimum wage. I think there's a whole bunch of other factors come into play there. You know, in terms of Manitoba being the highest taxed province outside of Quebec, that reason alone is enough to drive people out of the province and look for greener pastures. And, particularly, if you look at the tax structure next door in Saskatchewan, there's a huge economic difference in terms of tax levels in Saskatchewan versus Manitoba, and it's not favourable for residents of Manitoba.

So it's our view that we have to look at all of the issues that will drive job creation, will drive people to stay in Manitoba or want to come to Manitoba. And, obviously, the taxation level is one of those things. We know, from a business perspective, business will invest in a jurisdiction where it's favourable to invest, and we want to create that framework so that business will come here to invest in Manitoba and invest in Manitoba jobs. We think that's critical to the future of the province, and that's the role of this department, is not just by creating jobs and wealth but also to look at the big picture in how we attract that investment here in Manitoba and how we attract people to stay.

So there's no one simple solution such as minimum wage that offers that type of a structure, and that's why we have to be cognizant of all the moving parts within the context of the economy. And that's something that, you know, we're certainly looking at and working towards.

I will say I heard from quite a few business owners about, in particular, this time of the year when students are looking for seasonal employment, summer employment, that they're nervous about having an increase in the minimum wage, because they only have a certain pool of resources to pay salaries. So, when you increase minimum wage, it takes away from their ability to attract additional

staff. So we have—we get into that balancing act there. What is the best for individuals and what's best for individual communities, and what's best for the individual business? So there's a lot of moving parts when we talk about minimum wage.

\* (15:10)

**Mr. Chief:** So a couple of things to clarify for the record: connecting minimum wage to out-migration, I just want to be clear for the record, I never did that. Actually, the minister put that on the record, not me, which is why I asked the question. He talked about out-migration.

So I also want to say for the record that in—the last time the members opposite party was in government, they froze minimum wage seven times and we saw an out-migration of 30 to 40,000 people. So we actually seen a great majority of Manitobans leave, maybe at the highest in—at one point because they froze minimum wage seven times.

Now, I do believe the minister when he says that he's very—working very hard to create jobs and he wants people working and those kinds of things. And what we're seeing, though, is that when you increase minimum wage consistently, a year-by-year clip shows that we actually get more people working than ever before.

So we have one of the lowest unemployment rates in the nation, consistently, year after year, the usual one or two. People earn more money than they ever have before. They take an average of \$40 home more per week than they—than—so we see—you see—we see it on wages. We consistently have one of the strongest economies. Now, I'm not saying that. I'm—those are independent validators that continue to say that. In fact, there is a report that came out by the Parkland Institute that says any proposal to increase the minimum wage by any amount in every province or territory seems to be met with dire warnings of mass job losses and impending economic doom. The problem for critics of the minimum wage is it's neither history—neither its history or—nor academic research backs up these notions.

So what we consistently see is that when you increase minimum wage, you actually get more people working, not less. Both history tells us that and the academic research tells us that, Stats Canada's telling us that. Now, the member references, as well, Saskatchewan, but consistently Saskatchewan increases their minimum wage.

So the things that he's saying on the record are inconsistent with research and the history of why we should increase the minimum wage. Could I get the minister to comment on that?

**Mr. Cullen:** As I said before, I'm sure there's all kinds of reports on minimum wage, and there's all kinds of formulas that can be used around minimum wage as well, and there can be tiered minimum wage, and there's all kinds of things on the table in terms of looking at minimum wage. If the member's got a specific report that he would like me to have a look at, I'm certainly open to suggestions. And if he would send me that report, you know, if that is the case, you've got some proof that increasing minimum wage is all that great, I look forward to seeing that report.

I will remind the member that Alberta had the lowest minimum wage for years and years, and up until the downturn in the oil sector in the last year and a half or two years, Alberta had a very robust economy there. So I don't think just by raising the minimum wage, where all of a sudden we're going to have a real economic uptake in Manitoba. But I—again, I certainly would look to read that report if the member would share it with me.

**Mr. Chief:** One of the things that we know is that when we increased the minimum wage, we have said for the record who it impacts the most. It's women. It's single parents and seniors, particularly. So one of the things that we know is that when you increase the minimum wage, the lowest income earners end up spending more, so they actually stimulate the economy. So you can actually see how increase to the minimum wage can be an economic stimulus because then they spend more on goods and services and which creates more demand.

So I ask the minister, does he agree with that or not?

**Mr. Cullen:** We have taken the approach that we want to see Manitobans hang on to as much of their hard-earned money as possible, and I'll use again the comparison between Manitoba and Saskatchewan.

The same worker in Saskatchewan doesn't start paying income tax until they make in excess of \$14,000. You know, in Manitoba, it's less than \$9,000 where you start paying tax. So there's a huge difference there, and, again, that huge difference is in a lot of the lowest income earners. So if we—we've taken the notion that keeping money in people's hands is good for us and good for the economy. We

would sooner be—have that money at their kitchen table than at our Cabinet table to spend.

So that's the role we've taken. We've taken a modest step in this particular budget in terms of raising the threshold. It's taking, I think, approximately 2,200 people right off paying tax altogether and, again, the member should be aware those will be the lowest income earners that we have in the province. So I think it's fair to say that's a really effective way to keep more money in their pockets at the end of the day.

So we're certainly excited about moving that threshold higher. It's our goal to get there at least to the Canadian average over the course of the next three years, and we think it's the right thing to do: allowing—keeping low-income earners with more money in their pocket at the end of the day, so the taxman isn't in their pocket all the time. And that, I think, is a positive approach.

We're excited, you know, about seeing some of the numbers, the job creation numbers. We think that's positive. We certainly think there's more work to do, but we do hear a lot of optimism in the business community. And we certainly have a lot of optimism in the civil service, and I know, as we acknowledge civil service week, this week, I just do want to point out the good work that the civil servants are doing. Certainly, in our department, it's a bit of a challenge right now because we're undergoing a pretty comprehensive change. But I'm hearing some very positive feedback from the civil servants and the people working in our department. And I can say they are excited about having economic development under one window. I think that will prove to be very, very profitable for the province of Manitoba, and we're excited about developing that framework and economic development.

You know, previously the economic development pieces were spread throughout government, so there was no framework there. There was no accountability there, and everybody was out doing their own thing, if you will. And we believe by getting it under one umbrella, creating a positive framework, we can get more value for the money that we're putting into economic development here in Manitoba, and that the people within civil service will have some positive direction and I think that's very important. If people understand where we are going as a government, I think that will be very

positive, and I've heard those positive comments coming back.

So you combine with the positive attitude of the civil service in terms of economic development, and you hear about the optimism that's out in the business community, I think the future is going to be very positive for Manitoba. And we look forward to continuing to develop positive and competitive framework here in Manitoba. That will attract investment in Manitoba, and I think there's really positive days ahead.

\* (15:20)

**Mr. Chief:** Can I ask the—I know the minister has referenced the tax 'indexing' or increasing the threshold. Can the minister table a report, or can he confirm, in writing, in some way, that increasing the threshold leads to low-income Manitobans doing better than increasing the minimum wage?

I'm interested to know. He keeps referencing that increasing the threshold is better for low-income Manitobans than actually increasing minimum wage. So can he table a report or give me something in writing where he can confirm that?

**Mr. Cullen:** I appreciate the question, and the taxation question is a really valid point here. And as I pointed out earlier, we are one of the highest taxed provinces outside of Quebec and we're not sure Manitobans deserve that. We think Manitobans deserve to keep more of their money at their kitchen table.

And we certainly would love to share with the members opposite, you know, our ranking in terms of our tax categories. I'm sure the members will find that very enlightening, that we are some of the highest taxed provinces in Canada. And it's hard to avoid that.

And, you know, our mission is to try to allow Manitobans to keep more of their money in their pockets. We believe they know better how to invest their money than we do. And it's our job as government to create that framework that people will want to invest in Manitoba, and if we give them the tools to do that, we think that's what the role of government should be.

So, if we can create a positive framework for people to live and work here and hopefully spend their money here, we think that that will reside on positive economic opportunities for everyone in Manitoba. So we think the more money they can

keep, the better off we're all going to be at the end of the day.

And I certainly look forward to sharing those tax levels with the members opposite because I think they will find them very surprising when you compare our rates and our categories and our thresholds with other provinces. And it's this—when you realize the differences of—we face in Manitoba from other jurisdictions and how uncompetitive we are in those tax terms, that's the reason we're taking, albeit relatively small steps, but we're taking steps, I believe, in the right direction to allow Manitobans to keep more of their hard-earned money.

**Mr. Chief:** What I'm—I think the minister's—I'm almost getting confused by what the minister's putting on the record. He—when he talks about low-income Manitobans, I asked about low-income Manitobans, and we've seen consistently the impact that has—a minimum wage increase has on the low-income Manitobans. The minister says, for the record, he talks about tax indexing as it connects to minimum wage.

I don't know—I ask the minister: Why he can't do both?

**Mr. Cullen:** Well, that's a novel approach. And I can share with you that this government is moving in a lot of different directions. I know the previous government have been fixated on certain issues and haven't been maybe willing to look at the big picture here in terms of economic performance. We think there's a lot more to growing the economy than hanging it on minimum wage. And I think the members have to have a realization that there's a lot more moving pieces within the economy than just minimum wage.

I don't know if the members opposite over 17 years had any kind of a plan out there in terms of how they were going to put people to work, how they were going to grow the economy, and how they were going to allow Manitobans to keep more of their hard-earned money. We are looking at all of those options and we think good things can happen when you look at all those options, so all those cards are on the table.

And now I'm not ruling out a minimum wage increase. Obviously, there will be discussions as we—our government moves forward, and we're certainly open to having those discussions. We've been involved in consultations with Manitobans over the last three years. We certainly have over the last six or

seven weeks, since we've been in office, and we will continue those discussions, and we will continue those dialogues with both the business community and the labour community.

And we look forward to having those discussions and we'll see where things go in the future. But the point I'm making to the members opposite, there's a lot of moving parts within the economy, and I don't think you can hang your hat on just one particular issue in terms of trying to grow the economy and create wealth in Manitoba.

**Mr. Chief:** Yes, so I want to say for the record again, you know, clearly, you have to do multiple things to have one of the strongest economies in the country. Of course, that's part of our record when we were in government.

You know, one of the things that we've seen is we were able to reduce tax for small businesses, in fact, we're the only province that—in the nation, that there's no small business tax. Since '99, that was \$446 million in taxes that businesses—small businesses paid. Entrepreneurs saved \$3.8 billion in taxes since 1999.

So there has always been a balance between our businesses and the minimum wage, and particularly labour and Manitoba workers who have worked hard in the amount—in the 17 years we have consistently seen Manitoba having one of the lowest unemployment rates. We've seen Manitoba having one of the strongest economies with that, so we've been able to do it.

But I am interested in a comment that the minister did make. He connected—the—I asked a question about minimum wage. He connected the question to minimum wage to First Nations people, and then he connected those First Nations people to Yes! North or north yes.

So I ask the minister: Can he tell me the First Nations people—First Nations group as part of the Yes! North—their Yes! North initiative that were against a minimum wage increase?

**Mr. Cullen:** Well, there's a few comments I'm going to make on that.

Obviously, it doesn't matter whether it's a First Nations person or—I think it's—the comment I was making about First Nations was there's opportunity for job creation and, hopefully, economic wealth on the—with First Nations. And I think that's something that we have to look at, because the unemployment

numbers do not reflect a lot of the northern and First Nations communities, and I think there's opportunity there for them and I think it's—the opportunity is in economic development and job creation.

And that's part of the reason we've put forward the Yes! North concept. We think it's going to be an opportunity to engage northern Manitobans and First Nations communities. I think if we can get involved in job creation and economic growth, a lot of the other social pieces to the puzzle will fall into place. You know, I think we've tried in the past to wrestle with some of those social issues, and not have the discussion about economic growth.

\*(15:30)

We're kind of taking the other approach here, where, you know, we think if we can create some economic wealth, that will foster development of the social programs. And a lot of the social programs may not be as necessary if we have people working.

So it's a little different approach than I think the government has taken in the past. We look forward to putting forward that initiative in the near future. We think it's worked well in other areas of the economy. We'd like to take that concept and try it in northern Manitoba. I think there's tremendous opportunity. Certainly, we're hearing it from northern communities. They're interested in job creation, interested in economic development, and we need a mechanism to have that discussion, and I think the Yes! North initiative is that mechanism to have that discussion.

And once we get that discussion, then we have a full department here focused on economic development. And I can see nothing but positive things happening when we have the optimism out there in the community, in northern Manitoba. We have the optimism within the civil service to move the agenda forward. I think we can take that optimism and run with it, and I think positive things can happen. And I just think there's a tremendous opportunity there.

The other thing I think is important when we talk about this is in the context of attracting investment. And I can use the mining sector as a classic example of where we've really missed opportunity. In my view, the government has failed to develop a framework that would make investing in Manitoba the right thing to do. And I think we as a government have to make sure that we are creating the right framework to attract investment in the mining sector. And that's just one sector that I'm aware of. I've spent

a lot of time in that over the last few years. And clearly, I think we've dropped the boat. And as the members opposite will know, money will go where it's wanted. And we have not sent the signal that we want investment here in Manitoba.

And case in point: if we look at the exploration dollars that are being invested in Manitoba, we are pretty well dead last in the country. We're at an all-time record low in terms of our percentage of the federal amount coming to Manitoba. So clearly, we haven't set the tone that Manitoba is open for business. And, you know, it's not just a tax issue around the mining sector. There's other issues there as well. And I talk about the land use and the uncertainty around land use in Manitoba as a paramount concern. And clearly, the duty to consult—or the lack of a framework of duty to consult leaves a lot of uncertainty with the investors. It leaves a lot of uncertainty with First Nations community as well.

So, when you have that uncertainty in the marketplace, you do not get the investment that's required. So, to me, what's happening in the mining sector over the last few years is the same principle as what's happening in the global economy here in Manitoba. So there is a lot of work to do to move our province in the right direction.

**Mr. Chief:** I want to—I do want to acknowledge that the minister did say for the record, and I am glad that he said for the record, that he's not ruling out a minimum wage increase. I think what he will find is the things that he says consistently about where his government—particularly his department—where they want to go around jobs and, you know, stimulating the economy and those things, I think what he'll find is that increasing the minimum wage will help him do that.

And that's the point we're trying to make is that we've increased it 17 years, we've—we're seeing year by year the impacts of that. Study after study shows the impacts of increasing the minimum wage and the effects it has on people. History tells us what happens when you increase the minimum wage. It's all there for the minister to see. I also know there's thousands and thousands of Manitobans that would really appreciate a minimum wage increase.

In fact, I want to share a few stats with the minister. Thirty-nine per cent of people that are on—that get minimum wage, they're 35 years or older. Fifty-eight per cent of them work full time. Sixty per cent of our minimum wage workers are women. Sixty-eight per cent of them do not live at home with

their parents. And 51 per cent of them actually work for large corporations.

So I know the minister said, for the record, that their government's plan is to get people off of social services. Now, I do want to say, for the minister, if he looks, there's study after study that will show the best way to keep people off of social services programs is to actually increase the minimum wage. If you increase the minimum wage, those people, the people I just mentioned, become less dependant on social service programs.

And so these are the—this is what's been consistent. I ask the minister to comment on that.

**Mr. Cullen:** I appreciate the member's comments and I do look forward to having a review of the documentation that he is going to send me on this issue, and I will commit to him to have a look at it.

And at the end of the day, it's about getting people to work, and I think the important thing, as well, is to allow them to keep as much money in their pockets as possible. And that's certainly the approach that we've taken. We—as I stated—we're really excited about growing the economy and getting as many people to work as possible. And we're also excited about creating a positive atmosphere, here, for business development in Manitoba. And I think if we have the right positive attitude and framework here established, the minimum—the wage rate will automatically follow that. I think we saw that in Alberta. Alberta said, you know, there's really no need for us to increase minimum wage because most of our people are over and above minimum wage, and viewed that as quite positive. So there is a lot of moving parts and I don't want to hang my hat just on the minimum wage issue in terms of trying to make things better for Manitobans, you know.

And, this budget, we've taken 2,200-and-some people right off of paying income tax altogether. We think it's a very positive way to allow Manitobans to keep more of their money.

**Mr. Chief:** So I want to change it up here a little bit. I know my colleagues might have a few more questions on minimum wage, but I do want to ask this minister some questions about social impact bonds.

Clearly, it's an initiative that will have a big impact on his department, and there has been—there really has been a lot of concern, and I do want to say for the record, for the minister, that I've heard

concerns both from people who work in the non-profit—for non-profit organizations, I've heard from people who get support from non-profit organizations, I've heard from the business community. The business community, as the minister knows, we were one of the most charitable, one of the most generous provinces in the entire nation year after year. Many because business people continue to give back, and they give back into some of our most vulnerable families. So I've heard consistently, across the board, challenges and a lack of understanding on social impact bonds.

So I just want to spend a bit of time—can the minister let us know just a general idea of, when his government talks about social impact bonds, what do they mean by that?

\* (15:40)

**Mr. Cullen:** I appreciate the member's question in this regard.

I don't pretend to be an expert on social impact bonds. In fact, that's probably a better question for another department, and I will endeavour to point out to the member which minister he's best to ask those particular questions to.

I will say, in general terms, we're interested in helping people in—let me just use the term in need. Whatever we can do to help people in need we think is a positive process. Obviously, we have identified there's a lot in society that need a hand up, maybe a hand out along the way, but certainly a hand up as well. And the concept behind social impact bonds is to engage the broader community in terms of helping with those needs so that the government of the day has a partner at the table in improving those conditions for those at the bottom end of our economy, if you will.

So it seems to be a concept that's worked in other jurisdictions. We've never, to my knowledge, done anything of significance here in Manitoba, so we put the concept out for discussion for Manitobans. We'll see what kind of an engagement there is from Manitobans. I—as the member would know, Manitobans are the most giving of their time and they are the most giving of their financial resources of any jurisdiction in Canada. We think the social impact bond framework will allow Manitobans the opportunity to invest both financially and in terms of their time to help their fellow Manitobans who need the help. So that, in a nutshell, is the concept behind social impact bonds.

**Mr. Chief:** So I do look forward to getting from the minister which department would be directly, I guess, leading the social impact bond strategy, if you can call it that. I'm not sure what to call it in terms of what they're doing with social impact bonds.

So can I get—I think the minister knows that the organizations that he funds, labour organizations that he works with, that those people are doing great works on the front lines, and one of the things that we know can happen with social impact bonds is that it turns into the privatization of programs that support our most vulnerable. So what happens is the government, then, has an ability to remove itself from being accountable to supporting the most vulnerable families and it ends up giving that responsibility to someone else. And often and what you consistently see is less resources and less services that make the biggest impact on the families who need it the most.

So can the member state for the record here today that the organizations and the people that he's working with will consistently see the same level of support that they've seen in years past when it comes to supporting some of the most vulnerable families?

**Mr. Cullen:** I thank the member for the question, and the question continues on that line of campaign of fear. I mean, just because we're trying to make some positive changes in the province of Manitoba under various departments, various situations, the opposition raises their hands and it's a campaign of fear and fear mongering, and change is harmful and everyone's going to lose their jobs and it's going to—the world's going to come crashing down. I mean, nothing can be further from the truth.

If the member actually understands the concept behind social impact bonds it actually is designed to help more Manitobans. They're—it's actually providing a mechanism for other Manitobans besides just government to assist Manitobans and, to me, it's a novel concept.

We have a lot of people in the public, now, who want to help Manitobans, those in need. We think this will just provide the mechanism so that Manitobans can come to the table to support those people in need, whether they be—whether it be financial or it may even be just from a time and labour perspective. But this will develop that framework, and we think that's important.

And the concept that we're going to lose jobs at the end of the day isn't—I think it's just—it's not—it's

misguided, quite frankly. The concept is to help those most need it in our society. And if we can attract people with money, people with wealth, or people that have time to assist in that endeavour, that's a partnership, and that is a positive partnership moving forward. Now, these people can work with existing civil servants to deliver programs. I don't see this as a complete privatization, if you will, to use that term, of some of those social programs.

We also think the social impact bonds could provide a mechanism to have a look at what is creating those needs in society. What are the underlying issues that are creating, in a lot of cases, the poverty issue? What are those underlying issues that are creating poverty? And how is we, as society—how can we deal with that?

So, if we bring the people with resources and knowledge on that respect to the table, work in partnership with government, work in partnership with civil service to try to make these situations better, I think it's a very positive thing. I know the opposition's interested in fear mongering and in trying to scare the unions on this, but that's not what should happen.

If you're really interested about making things better for Manitobans, you should embrace the—this type of an initiative where it's designed to help Manitobans most vulnerable.

**Mr. Chief:** Yes, so just a few things for the record.

First off, I'm asking these questions on behalf of people who come forward. So here's, for the record, Mr. Chair, what happened: the minister's colleague and his leader came out and they announced something about social impact bonds. They stated, for the record, that they got them from New South Wales—this idea from New South Wales. Now, New South Wales is two hemispheres away from Manitoba. So social impact bonds, these guys come out—the minister and his leader and colleague came out and said: so we're going to do social impact bonds.

I do want to say, for the record, that created a lot of questions. We've consistently tried—and people have consistently tried—to find out what these social impact bonds are, this approach. No one seems to be able to answer it, and that's why I'm looking forward to getting from the minister, who is the lead on this, because we can't seem to find out.

The other thing I want to say for the record is that these questions that have come up, there's been

no one in unions who've asked me to ask this question. I'm sure labour would have questions on this, but I was actually approached by the business community to ask what they mean by social impact bonds. As we know, the business community are incredibly generous. Not only do they a great job of hiring people, but they also do a good job of giving back to some of the most vulnerable families.

Now, I also want to state, for the record, so the minister knows: if he wants to get to the underlying issues around poverty, well, we have experts right here in our own province, people who are dealing with this every day, including civil servants. And I—if you were to ask someone from the civil service about their idea of social impact bonds we, again, wouldn't be able to get an answer.

So there's no fear mongering here. We're not asking these questions to scare people. People have come forward, it was a—I think it was a campaign pledge. It's been very confusing to people about social impact bonds. In fact, it's so confusing that the minister himself can't even tell us which department is the lead for social impact bonds. So there's no fear mongering here if people are just concerned because they don't seem to have an idea of what they're talking about, and that's why we're asking the question.

\* (15:50)

So I just want to, again, ask the minister: Will their idea of social impact bonds have any effect on the services that are currently being provided by many of our non-profit organizations? Will it have—and now this is the second question—but I would tie this into some of the things that we've heard from social enterprises: Will their idea of social impact bonds have any effect on the services that they're currently providing now?

**Mr. Cullen:** A very good line of questioning on the social impact bonds.

Social impact bonds will be spearheaded by the Families Department, obviously, because we are talking about Manitobans most vulnerable, and that's what we're trying to help out. So the concept is actually to improve services for Manitoba's most vulnerable, and I think if we can work in partnership with the non-profits or civil service that are delivering those services—I think if we work together in partnership, we can actually enhance the services that are being delivered to Manitobans most vulnerable, and that's really what it's about.



Clearly, Manitoba has a lot of social issues, and there's a lot of social issues that we have to deal with. And this is one approach to trying to find solutions in how we're dealing with Manitobans most vulnerable; they find themselves in very precarious situations. This initiative really hasn't, to my knowledge, been undertaken in Canada, so that's why we have to look to other jurisdictions and see where the successes are and we want to learn from those successes.

*Mr. Scott Johnston, Acting Chairperson, in the Chair*

And the concept is really to foster the private sector partnerships to enhance those programs that we're delivering to Manitoba's most vulnerable. You know, we can continue on the same path that we have for the last 15 or 20 years, but we have to, at some point in time, focus on results. And, by looking at results, sometimes you have to get innovative in the way that you deal with that.

We believe this has the potential to be very innovative and bring some new money to the table to deal with those very important social issues that many Manitobans are facing, and I don't think anybody should be upset with the private sector coming to the table, bringing money to the table to assist in dealing with Manitobans most vulnerable. I think it's actually—it could be a very tremendous opportunity for us here in Manitoba to deal with those real serious social issues that we have, and, obviously, there's been some dialogue, some discussion started, but I think we're—that's the stage we're at and it's really just a dialogue and a discussion stage.

But, certainly, from some of the information I've been reading, I think there's real opportunity here for us in Manitoba because we do have a huge issue with social—some social programs and challenges facing some of Manitoba's most needy. So this is, hopefully, one mechanism that will try to find—seek some solutions to that very important problem.

**Mr. Tom Lindsey (Flin Flon):** Just to stick with the social impact bonds for a second, can the minister provide us with the studies of where the social impact bonds were used successfully so that we can have a look at those same studies?

**Mr. Cullen:** Appreciate the question from the members opposite.

Certainly, the Minister for Families would be more knowledgeable on this particular issue, and the minister might have better access to them of those particular studies and—in relation to various

countries. I know there has been some studies undertaken in terms of what the social impact bond might look like in a Canadian perspective. So I know those, sort of, initial studies have been undertaken. We can—I can share with the member that particular study, the one that I've had a look at. And that might help, you know, explain the intent of the social impact bond and what it might look like in context here in Manitoba.

**Mr. Lindsey:** I appreciate the minister's response and, certainly, I look forward to seeing that study so that we can start to, maybe, have an understanding of what the government is talking about with their concept of social impact bonds, if the government is clear on what their concept is yet. I've done some reading and I don't claim to be an expert in social impact bonds, so I look forward to that study.

Just back to the minimum wage for a minute, something the minister said concerned me: that we're looking at investment and having companies invest in the province of Manitoba. Is the minister implying that the only companies that would be willing to invest in this province would be companies that are paying minimum wage?

**Mr. Cullen:** I appreciate the member's comments.

I don't believe I—I certainly was not intending to make that statement. You know, my personal view is I would like to have us higher in the pay scale than lower in the pay scale. That's where I'd like to be. And that's, ultimately, I think, any government would like to be there. Obviously, the more people are making a salary, probably, the more potential there is, you know, they're going to spend more money in the province, creating that economic wealth for us. So I would sooner see, you know, less people working for minimum wage and move up the scale.

\* (16:00)

My view is—I'm open to do business with almost anybody that wants to come to Manitoba, and I'm not necessarily, actually, as keen on a company that would come here and just pay minimum wage. I think there's more opportunity and better opportunities for companies to come here to pay, hopefully, a better wage.

And, again, I'll look back to the mining sector. Mining sector is a very important sector for us in Manitoba, and for the most part, those are very high-paying jobs, and I think that's very positive for Manitoba. And I'd like to spend more time in trying

to attract those sorts of jobs to Manitoba than I would the minimum wage jobs. You know, I guess a job is a job is a job, but, I think from the opportunity in Manitoba, you know, the higher income jobs are certainly much more appealing. And that's just one sector that I know we have a lot of work to do, in terms of the mining sector, to attract investment here, both in the exploration and, hopefully, ultimately in setting up a mining operation.

The other industry that is certainly under the light right now is the aerospace industry. And, again, if you look at the salaries being paid in the aerospace industry, they're certainly one of the highest in that sector in Manitoba. So those types of opportunities, I will say, look very favourable to a government, and I would think they would really enhance the economic activity in Manitoba, if we can attract some more of those fairly high-paying jobs.

So that's why we're having such a discussion with the federal government in terms of their policy moving forward with Air Canada. Under the legislation there that it could have a real detriment to those—what I view are pretty well-paying jobs in Manitoba. So if we're going to lose a few hundred jobs out of—and those higher paying jobs out of Manitoba, that will have a significant impact on our economy and at the end of the day, on our budget. So I think we, when we looking at attracting jobs, you know, the preference is to make sure we're trying to attract those higher paying jobs, because that's the best bang for our buck here in Manitoba.

So I'm sorry if I misled the member. It's certainly not my intent. I'm interested in growing the economy and creating jobs, but I'm more interested in attracting, you know, higher paying jobs which I think is a benefit for all Manitobans.

**Mr. Lindsey:** Certainly I appreciate the minister's comments, so I'm obviously interested in an economy with more high-paying jobs and not as many low-paying jobs, that's why I was involved with what I was involved with for a number of years to make sure that working people had decent incomes.

So I guess the minister, then, would agree with me that raising the minimum wage is not an impediment to investment.

**Mr. Cullen:** Appreciate the question. Certainly, when it comes to attracting business investment in the province, I would suggest a lot of the business community are looking at a lot of aspects of doing

business in a province, and I would suggest minimum wage is maybe one of those issues that they would look at. I don't view it as being probably the—a big issue that they would look at. I would suggest that a—if a business is looking to come to Manitoba, they would look at the certainty of doing business in Manitoba. They want to make sure that there's a competitive tax framework here. They want to make sure that the rules are clear so that they understand what they're getting into when they invest their money here. I think they will look at things like doing business here and in context of red tape and regulation what that looks like. And obviously, they're going to look at, you know, the labour pool that's here as well and the—whether that labour pool is suitable for their particular operation. And I think that comes back to the training side, which we talked about last week, which is so key that we have to make sure that we have our labour pool in sync with the demand that business will have. So there's obviously that ongoing communication and dialogue between the education side of things and the—you know, the business and economic development side of things.

So there's a lot of moving parts when—if a company's looking to invest in Manitoba. And I think we have to make sure that we are cognizant of all of those moving parts and that we as a government try to make sure that we've got a comprehensive and a positive framework in with—which to do business. And it's the old adage: Investment will go where investment is wanted. And we have to set the tone, and we have to set the tone at the top, that we're open for investment and we look forward to working in partnership with business and labour to move the economy forward.

So there's a whole myriad of moving parts there that have to be addressed, and the minimum wage certainly is one component, but I believe there's so many other things out there that are probably more important for business.

**Mr. Lindsey:** I thank the minister for his response. And I realize that there's many things that are important for business. But minimum wage is something that's very important for working people that are earning minimum wage. And that I still haven't—I guess the minister did give some kind of fuzzy commitment that they'd look at increases to the minimum wage. I'd certainly like to hear a little stronger commitment, looking at what Alberta is presently in the process of doing with their minimum wage where I think it's by 2018 it'll be up to \$15 an

hour. And certainly, the increase that they've put in place so far didn't lead to massive job losses. Businesses other than oil sector businesses continue in Alberta. BC, a number of years ago made a dramatic jump in their minimum wage, and the Fraser Institute predicted massive job losses, and that certainly never happened.

So I, again, would ask the minister for a little firmer commitment that minimum wage will be addressed in the near term, not the long term, so that workers earning minimum wage can pay the rent and buy food and do all the things that are important to everybody.

\* (16:10)

**Mr. Cullen:** The member raises a valid concern for those low-income earners, and I appreciate that. It's my understanding about 5 per cent of the employers–employees are, actually, at the minimum-wage level. So we've got have 95 per cent of our employees that are above minimum wage and the 5 per cent that are on minimum wage. You know, clearly, we'd like to grow the economy and move those people off minimum wage. You know, that's ultimately where we want to get to. So I'm trying to focus on lowering that 5 per cent downward, if we can. That's, ultimately, where we want to go.

Clearly, there's a balance, there in terms of what the minimum wage is and—to the point that employers are not going to hire any more. So we have to manage that balance I think.

We—as I said, we're focused on making sure that that 5 per cent that are at minimum wage are keeping as much money as possible in their pocket. That's why we're moving our minimum threshold where people start to pay taxes, getting it up to at least the Canadian average. We think that will certainly help the low income earners out by allowing them to keep more money in their pockets.

I will commit to the member that I will be reviewing a lot of the information in terms of the minimum wage. We'll certainly have a look at the information that's there and, you know, we will continue to consult and listen to Manitobans and see what direction they want us to go. And I know there's mechanisms in place that have dealt with this issue in the past, and I leave the door opening to that potentially happening in the future.

**The Acting Chairperson (Scott Johnston):** Is the member of Flin Flon finished?

**Hon. Jon Gerrard (River Heights):** One of the areas of the economy in Manitoba where we have fallen—or, are behind, have been for some time, as I have talked about on numerous occasions, but it's good to see that the Premier (Mr. Pallister) has also identified this as an area of concern, and that is that we have one of the lowest per capita expenditures on research and development among provinces. And this is clearly an important area for the development of new products and services for us to be an innovative economy.

I asked the Premier in the Executive Council Estimates what his plan was to address this and to improve the proportion of expenditures per capita on research and development in Manitoba, and although he is very interested in the idea, he didn't provide a plan. So I'm giving you an opportunity, now, to provide some more details of the plan that you have to improve the expenditures on research and development and innovation in Manitoba.

**Mr. Cullen:** I appreciate the question. It's a good question from the member.

We've got a lot of things on the go in terms of economic development and innovation. And I think it's very important, too, that we as Manitoba be at the table. And I'm actually going to be asking for the member's assistance in leading the charge from Manitoba to the federal government, because I know the federal government has made offers for money for innovation and research. We want to make sure that Manitoba gets our fair share of that.

*Mr. Chairperson in the Chair*

And, for example, I know the member's aware of the Emily project, and I think that's a very—potentially a very valuable project for Manitoba. I know a lot of people in the business community are excited about that concept. I understand there is some federal money on the table. We've had preliminary discussions with the federal government about attracting that money, but we need to have more discussions with the federal government in terms of attracting that money for research here in Manitoba.

So that's one area that we will be discussing, and we certainly need everyone's support in that endeavour in terms of attracting that type of money for research and development here in Manitoba.

We had a really good meeting a couple of weeks ago with the post-secondary schools from across the province as well as some of the people involved in

research, development and innovation. And it was a very good discussion, especially for me in my new role, and there's—obviously, there's tremendous opportunity out there because there was a tremendous amount of fresh ideas in the community.

And I think we're on the cusp of some really good things happening in Manitoba. The—obviously, the post-secondary people are engaged in innovation and ideas, and we have to make sure we're working together with post-secondary and people in the business with the ideas. And the issue came up about capital, and venture capital, and financial capital. And that seems to be quite an issue in Manitoba.

So we have the ideas, and the challenge is getting those ideas actually to the market. So there's a long process there to get innovative ideas to the market, and our challenge is, we don't really have the venture capital that we need, or a structure that we need here in Manitoba. And we've identified that as an issue. We're going to put together a task force to try to come up with solutions in terms of attracting venture capital, and then other capital that's required further down the road.

So you kind of need that start-up venture capital, but you also need a commitment further down the road for capital markets for various products. So there's—so the real lack of that in Manitoba, and we have to address that. And we will be engaging the community in that discussion.

We've also established a—or we're going to be establishing the Premier's enterprise team. So we're asking for names to submit to the Premier's (Mr. Pallister) office. Basically, this will be an advisory body of leaders from across the province with a focus on new jobs, economic growth within the province. And, obviously, the innovative and research and development, I think, will play a key role in that.

So we want to make sure there's people from that particular sector at the table in those discussions with the Premier. So that, I think, is a very, very key moving forward.

So those are some of the things we're looking at. We know we've got a lot of different tax credits within Manitoba. There's a whole myriad of those different types of tax credits there. We're going to have a review of those tax credits to see what's working, what's not working, and make sure that we—we're focused on tax credits that will provide, you know, the innovation, the research and development,

those—that area of the province economic development, make sure that we have products in place that are attractive, that actually work, so we know that's key. Certainly, the Small Business Venture Capital Tax Credit, we're going to have a look at that as well to see how that aligns with what the business community is looking for.

So there's—I thank the member for the question. There's a lot of moving parts in there. We've got a lot of things that we're trying to accomplish over the next period of time.

**Mr. Gerrard:** Let me make a couple of comments. One, with regard to the federal government. A lot of the federal investments in research, and that would include things like the Canadian Institutes for Health Research, NSERC, CERC and so on, and many projects are dependent on the type of expertise and the ability of expertise that can compete on a national scale.

\* (16:20)

And so it's not often money, which is on a per capita basis, but it searches out for a high level of excellence, which is competitive with other centres. And so that the ability to invest in research and innovation is important here in the province; in that context, you know, it's disappointing that there was no increase in the budget this year for Research Manitoba. And so that, you know, clearly, we look at the government and where its priorities were; this was not one of the priorities. Its priorities were elsewhere in terms of areas which the government perceived as important. But, if, in fact, you're going to attract federal money, you have to do significant up-front investment provincially, and that becomes very important in order to be competitive.

Second, quite a number of the funds which are available federally are based on matching programs. And in the past, under the NDP, there were quite a number of times when the Province wasn't ready to put forward the funds that would match, and so we lost out on major opportunities which could've been available here. And so being ready to partner and to match is very important in terms of attracting federal dollars.

So that I would suggest to the minister also, that when you're talking about capital, you know, why the—Toronto is the—essentially global capital for mining, it's because people began to recognize back in the 1800s that there was tremendous knowledge and understanding of mining and how to invest, and

so generating that knowledge and making it as Toronto became then the centre for knowledge about what was good in mining and what was valuable to invest in became tremendously important and so that it's not just a matter of having, you know, money floating around in some pool; it's a matter of making sure that you are recognized as the centre of excellence in terms of knowledge not only in understanding this area of innovation, but also it—understanding how to invest and so that there are some clear areas which the government could look at.

There have been attempts in the past to look at incubators in Manitoba. One of the failed attempts under the last government was the BCC or Biomedical Commercialization Canada. It was an association with the federal laboratory. And, you know, unfortunately, there are cases before the courts because, in the initial stages, at least, there were services promised, which, claims are alleged, that were never delivered. And so a very unfortunate circumstance arose where opportunities for innovation could never progress because they ended up not in developments, but in, you know, problems over services that were to be provided and how they were to be provided.

So, when you're looking at incubators and things like that, one of the things that I would suggest that the minister do is to have a look at what's worked and what's not worked and learn from what's happened, learn from, you know, why there were problems, do an audit of the—what happened at Biomedical Communications Canada, BCC, because there was quite a bit of provincial as well as federal money, which went there, and it would be good to know, you know, more about the problems so that those are avoided. And, certainly, you know, understanding that would help us to move forward in a stronger and better position.

So my time is up. I told the critic for Growth that I would stop and end this by 25 after, and I am. And so I will turn it back to the member for Point Douglas (Mr. Chief).

**Mr. Cullen:** I appreciate member's comments, and, yes, we don't want to be—keep making the same mistakes over and over. So, hopefully, we will learn from the things that have gone wrong.

We obviously, in our department and our government, we'll have things to learn. As you can imagine, this particular department is new, and it's encompassing a few different old departments. We

don't expect we're going to get things right the first time, but we will try to focus on things that do work and try not to make mistakes that were made in the past.

I am quite excited, though, about the innovation, the research and development that the opportunities that it could bring. You know, the member talked about attracting people, and I think you're bang on there in terms of attracting the right people to the province. Having the right people here in the province will set the tone for us in Manitoba. And I'm hoping that we as a government have set the tone that we are open for business and we're open for business leaders to come here and have a discussion. I think there's tremendous potential in that regard.

We do have a lot of interesting research and innovation that is going on in the province. We would—certainly hoping to grow that. We're open to suggestions on how we'd grow that. Clearly, our government is focused on being a competitive jurisdiction in which to do business. We do have some financial challenges ahead of us that we have to overcome. And I wish we had more money for innovation and research Manitoba. I'm hoping we get to a point where we can leverage some more dollars for those types of initiatives and, hopefully, as we move forward, we can do those and fund some positive programs. There is some good people in that industry, and some certainly good people on the education side that realize the value of it. So making sure we connect the dots.

In terms of the financial side of it, too, like, we do have an amazing financial group here, in Manitoba, in terms of the financial. Like, there's—we have large banks. We've got some insurance companies that have quite a bit of wealth. And I think we have to harness that particular wealth that is out there. It's something that we really haven't tapped in the past, but I think they should be part of the discussion as we move forward. And just getting all these people at the table to have that discussion is quite exciting to me, and we look forward to having those discussions and appreciate the member's concern, and we will be having discussions with the federal government as well and making sure that we're not losing any opportunities. So, if there is matching funding or something that is required, we don't want to be missing opportunities. So that's where I'm coming from.

So I appreciate the member's comments and look forward to working with him in the future.

**Mr. Chief:** I just want to—I know the minister referenced some of the tax credits, the commercialization for business, the Small Business Venture Capital Tax Credit. I've just got a few questions. He talked about putting them under a review. Just a couple pieces: Can I ask him who is doing the review, and when do they hope to have that completed by?

**Mr. Cullen:** Appreciate the question as well.

Our new government is undertaking quite a few reviews on a number of different levels. In regard to the tax incentive programs, of which there is I think something like close to 40 on the books, obviously some are more effective than others. We will be undertaking that fairly quickly.

Obviously, we've got a little bit of time before the next budget, but, certainly, we'd like to have all those reviewed prior to next year's budget. So we will determine which ones are effective, which ones are not. Some will be maybe changed all together. Some may not even exist after the review. But I think it's certainly worth looking at, making sure that we're providing value for money at the end of the day. And that's what taxpayers have told us. That's what voters have told us: You, as a government, should be making sure that we are investing taxpayers' money wisely.

\* (16:30)

So that's part of our overall value-for-money review. We think this is a key component. You know, if we're using the—these tax measures to stimulate growth in Manitoba, we'd better make sure we're stimulating growth in Manitoba. We don't just want to be throwing money out the window. So we want to make sure that, at the end of the day, we have results for Manitobans—Manitoba taxpayers. So that's, clearly, what this review is about. And, again, the tax implications are just one component.

We are focused on growing the economy. We think that's important and we want to make sure we're providing the framework and the initiatives that actually do provide results in terms of growing the economy.

We've also committed to a red tape reduction review. We think that's going to be very important for Manitobans. So we are going to undertake that review, making sure that it's easy for businesses to do business in Manitoba. We think that's very important. So that's where we're at.

**Mr. Chief:** Yes, I asked the member: will he be including, when he says about a review—I'm kind of interested in who is doing the review. So will he be including the good folks at Innovate Manitoba, Futurpreneur, there's some really good folks over at the Startup Winnipeg, you know, Eureka. There's a very strong start-up community—in fact we're seeing, as a nation, of one of the best start-up communities in the country.

So I ask: Is part of the review, are they going to be including the people who helped develop and build those tax credits?

**Mr. Cullen:** The review of the tax credits will be, primarily, under the direction of the Minister of Finance. Obviously, there's going to be a few different departments, such as mine, involved in that. Obviously, there'll be—I think we can call in some stakeholders. Various people will have 'prespectives' in terms of which programs are effective and which are not, and I think it's important that we have input from as many people as possible in terms of these programs going forward.

So I am really looking forward to having this discussion, and I think the minister would probably welcome as broad of a range of comments as possible to make sure that we're not missing any opportunities along the way.

**Mr. Chief:** Yes, and that's why I bring up—I'm trying to bring up a few specific people when it comes to—like, as an example, the interactive digital media tax credit. This is a—these are start-ups that work with Disney, they work with the Oprah Winfrey, they—Nickelodeon—you name a major company. They're working with people from all over the world and, when you look at the digital media tax credits, one of the reasons why we are doing so well, particularly in our start-up. Under our government, of course, we were able to expand that at the request of many of the people who are doing this.

So I ask the minister, again: does he know of any particular groups—it could be Innovate Manitoba, it could be Futurpreneur—who are they including when they do this review? Is it just the department, or is there going to be someone from the start-up community that are really affected by a decision when it comes to these tax credits? Again, I do want to say for the minister, a lot of these programs were designed for—by the actual small businesses. Our entrepreneurs—our aspiring entrepreneurs helped build this. You know, these are companies that have a global impact. They connect with people all over

the country and they continue to have the biggest impact right here in their hometown in Winnipeg. I do want to say for the minister that, you know, at one time, you know, the Adelaide Street was seen as a place where businesses were closing and storefronts were going dark. Now it's one of the most exciting places to go. In fact, the mayor—one of his first things he did—the new mayor, Mayor Bowman, renamed it the Innovation Alley from the hard work, and I know that these tax credits and these programs make a big impact on them.

So will he be including—and I'll name a few: Futurpreneur, Innovate Manitoba, Startup Winnipeg—will any of them be part of being able to provide information back to the—to this minister or to the Finance Minister?

**Mr. Cullen:** Appreciate the question and comments from the member.

Obviously, the focus on this review will be to provide outcomes and results at the end of the day, and I would assume the minister would be interested in hearing from the organizations that you've talked about. I think that stands to reason. Obviously, they will be interested—we'll be interested in their analysis of the existing programs and what they would recommend as far as better programs to make some enhancements going forward. We do have a little bit of time to do this, as you can appreciate, a lot of moving parts in a new government, and that's some that we will undertake fairly quickly, though.

I can advise the member that, in fact, we did make some changes in this budget to the Interactive Digital Media Tax Credit; we signalled some changes there, which I think will be positive for the industry, and it's good to see some positive things happening in that particular industry. We firmly believe there's room for improvement there, and I think by signalling that potential change, in that particular credit, it has the potential to benefit Manitobans greatly in the short term. So we're, certainly, looking forward to positive things happen in regard to that particular tax credit.

But there, obviously, is a lot of other tax credits that have to be addressed, and we will have to determine the effectiveness of those various tax credits on the bottom line here in Manitoba. So we're—we'll be interested; I will have the conversation with the Minister of Finance to make sure that we're engaging as many people and as many organizations as possible when we go through what, I think, is very important to review.

**Mr. Chief:** I do want to advise at—our questions are complete, and I look forward to seeing the minister in concurrence, but, at this point, our questions are done.

**Mr. Chairperson:** Is there—any other further questions?

**Ms. Judy Klassen (Kewatinook):** Hi. I had a question regarding page 89 where it talks about the Treaty Land Entitlement. There's such a narrow scope meant—in this aspect, and I'm just wondering—there's other provinces that have worked diligently to resolve their treaty land entitlements in less than five years, I believe. Just wondering what the process is in—going to be for Manitobans. When are we going to be able to count on our land so that we can economically develop?

\* (16:40)

**Mr. Cullen:** I appreciate the question from the member.

I guess our department has committed to provide technical and management support for meeting our provincial obligation under the Treaty Land Entitlement, so obviously we're in support of moving the agenda forward on that. Our resident expert isn't with us today, but we do have someone in our department who's very knowledgeable about this and the process, and we're quite excited to have him on board to help us navigate this process into the future.

In broad terms, we would like to—I would like to see the issues resolved, you know, as soon as possible. You know, when we talk about resource development here, I think it's pretty clear that we have to have certainty around land use—land issues, and for people to invest in our province we have to provide certainty to them. And I think the sooner we can get the land issues resolved, it certainly sets the tone for that certainty and certainty is very important, and I think it's certainly not just from the business community but I think it's also important from the First Nations community as well that they have the certainty going forward.

So, with those sort of outstanding issues to be yet resolved, it doesn't lend to that certainty, which is so critical to having people invest here in the province of Manitoba. So, by getting those issues resolved sooner it will set the tone. It will indicate to people inside Manitoba and outside Manitoba that we have the wherewithal to get these issues resolved with and we're prepared to move forward, and I think it's a key component of moving economic

development forward to have these issues resolved. So we are committed as a province to do that and we're committed from our department to ensure that is there and make sure the resources are allocated to accomplish that.

So I will—I do appreciate your comment and your questions on this.

**Ms. Klassen:** On page 109, I note there's the Office of the Fire Commissioner to safeguard persons and property. A while back ago I lost my own home in a forest fire and at a cost—there was 10—over 10 other people that lost their houses in that forest fire at a cost of well over \$75,000 to get these properties rebuilt. So I'm just wondering what—going back to my colleagues here mention about the fire boats—it is an actual thing and it would've really helped a lot in preventing these homes from going up in smoke and it would've prevented a lot of damage that ensued from these forest fires. So, if you do the costs of this fire boat compared to losing and replacing 10—more than 10 homes on a First Nation community, I'm just wondering what more resources can be allocated for these communities that don't have proper equipment to combat a forest fire.

**Mr. Cullen:** I appreciate the question.

Yes, the office of—first of all, the Office of the Fire Commissioner is under my department, and I hear some very positive things with the department of fire commissioner—the Office of the Fire Commissioner. Obviously, they've had some challenges there over the last few years, but I think, under the direction of Mr. Schafer, they've got things in order there—some very, very positive sign there.

Obviously, there's additional staff there, in terms of an inspection process under the Office of the Fire Commissioner over the last couple of years, so there is quite a few people working out of the Office of the Fire Commissioner. And looking forward to some good things happening there. There's lots of very positive training going on and lots of inspections that occur.

I had a chance a couple weeks ago to spend some time with the Manitoba Association of Fire Chiefs, who do great work across the province. So it was a very, very positive meeting there.

The actual, kind of—the operational side of fighting fires in Manitoba when it comes to provincial land and whatnot is really done by—through Sustainable Development, through that ministry. I know we had a couple of fires this spring

in the Whiteshell, which created quite a bit of concern, but I think there's only one small trapper's cabin that was lost, actually. So we were able to save a lot of cottages. And they used the sprinkler system. Obviously, you get access to water and then you can use the sprinkler system. It seemed to be fairly effective.

And, clearly, when we're fighting fires, it becomes a timing issue as well in terms of getting material—fire-fighting equipment into a site to fight the fire. It becomes a challenge from, you know, maybe not having road access or a timing issue as well. So those are the kind of challenges that the department and the crews have to fight with.

I'll certainly take the member's comments under advisement and see what—if I could have a discussion with the Minister of Sustainable Development and the Office of the Fire Commissioner as well in terms of what resources might be required in the future. So I appreciate the member's comments.

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

We'll start with resolutions.

Resolution 10—oh, sorry. Honourable Minister.

**Mr. Cullen:** Just before we wind up, I just want to say thank you to my assistant deputy ministers for their time over the last few days. One of our ADMs is going to be retiring shortly, so I want to thank Craig Halwachs for all his work—38 years with the province. So I wish him the best in his future retirement career. So all the best.

**Mr. Chairperson:** We'll proceed with the resolutions.

Resolution 10.2: RESOLVED that there will be granted to Her Majesty a sum not exceeding \$29,174,000 for Growth, Enterprise, and Trade, Business Services, for the fiscal year ending March 31st, 2017.

**Resolution agreed to.**

\*(16:50)

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,691,000 for Growth, Enterprise and Trade, Labour Programs, for fiscal year ending March 31st, 2017.

**Resolution agreed to.**

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding



\$15,121,000 for the Growth, Enterprise and Trade, Trade and Tourism, for the fiscal year ending March 31st, 2017.

**Resolution agreed to.**

Resolution 10.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,388,000 for Growth, Enterprise and Trade, Community and Economic Growth, for the fiscal year ending March 31st, 2017.

**Resolution agreed to.**

Resolution 10.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,691,000 for Growth, Enterprise and Trade, Resource Development, for the fiscal year ending March 31st, 2017.

**Resolution agreed to.**

And Resolution 10.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,343,000 for Growth, Enterprise and Trade, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2017.

**Resolution agreed to.**

The last item to be considered for the Estimates for the department is item 10.1.(a), the minister's salary, contained in resolution 10.1.

At this point, we shall request that all ministerial and opposition staff leave the Chamber for—to consider this last item.

The floor is open for questions.

**Mr. Chief:** I'd like to—[interjection] Mr. Chair, what we've found is that when you raise the minimum wage by 50 cents, it's a 4 and a half per cent increase. Pretty small comparison to the 39 per cent raise that the Premier (Mr. Pallister) gave himself. And we also know the last time the Premier sat around the Cabinet table, he froze minimum wage seven times. A few weeks ago, the Premier and his Cabinet gave themselves a significant salary increase but refused to commit to raising the minimum wage for those who need it the most.

The very least, Mr. Chair, the Premier and his Cabinet should hold the line on their salaries, take—and take a reduction until they keep their promise of presenting a budget without deficit.

So, in the spirit of ensuring that the voices of those who need it the most are heard, I urge the Premier and his Cabinet to reconsider the wage they

gave themselves while working to cut funds from the services families rely on and supports to families who need it the most.

I move that line item 10.1—[interjection] I move, seconded by the member from Elmwood, that line item 10.1.(a) be reduced to—I move that the line item 10.1.(a), a minister's salary, be reduced to \$37,000.

**Mr. Chairperson:** I move that the—[interjection] It has been moved that the line item 10.1.(a), the honourable member for Point Douglas (Mr. Chief), Minister's Salary, be reduced to \$37,000.

The motion is in order. Is there any debate for the motion?

Is the committee ready for the question?

**Some Honourable Members:** Question.

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

**Some Honourable Members:** No.

**Some Honourable Members:** Yes.

**Voice Vote**

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

**Some Honourable Members:** Aye.

**Mr. Chairperson:** All those in—opposed, say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Nays have it.

\* (17:00)

**Recorded Vote**

**An Honourable Member:** Recorded vote.

**Mr. Chairperson:** A recorded vote—a vote has been—a recorded vote has been requested.

Call in the members.

*All sections in Chamber for recorded vote.*

In the section of the Committee of Supply meeting in the Chamber, considering the Estimates of the Department of Growth, Enterprise and—oh, Trade?

The honourable member for Point Douglas moved the following motion: that line items 10.1.(a), a minister's salary, be reduced to \$37,000.

This motion was defeated on the voice vote, and, subsequently, two members requested a formal vote on this matter.

The question before the committee, then, is the motion for honourable member of Point Douglas.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 17, Nays 33.*

**Mr. Chairperson:** The motion is accordingly defeated.

\* \* \*

**Mr. Chairperson:** The hour being after 5 p.m., the committee rise. Call in the Speaker.

**IN SESSION**

**Madam Speaker:** The hour being after 5 p.m., the House is now adjourned and stands adjourned until 10 a.m. tomorrow.



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