

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

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The Honourable Myrna Driedger
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy, Hon.	River East	PC
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FONTAINE, Nahanni	St. Johns	NDP
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GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin, Hon.	Steinbach	PC
GRAYDON, Clifford	Emerson	Ind.
GUILLEMARD, Sarah	Fort Richmond	PC
HELWER, Reg	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
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LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Flor	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
MARTIN, Shannon	Morris	PC
MAYER, Colleen, Hon.	St. Vital	PC
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SARAN, Mohinder	The Maples	Ind.
SCHULER, Ron, Hon.	St. Paul	PC
SMITH, Andrew	Southdale	PC
SMITH, Bernadette	Point Douglas	NDP
SMOOK, Dennis	La Verendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
SWAN, Andrew	Minto	NDP
TEITSMA, James	Radisson	PC
WHARTON, Jeff, Hon.	Gimli	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
YAKIMOSKI, Blair	Transcona	PC

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 30, 2018

The House met at 1:30 p.m.

Madam Speaker: Good afternoon, everybody. Please be seated.

ROUTINE PROCEEDINGS

Madam Speaker: Introduction of bills? Committee reports?

TABLING OF REPORTS

Hon. Cliff Cullen (Minister of Justice and Attorney General): I'm pleased to table the Legal Aid Manitoba Annual Report for the fiscal year 2017-18.

MEMBERS' STATEMENTS

Doug and Diane Mowbray

Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade): Manitoba is known for its volunteers. Doug and Diane Mowbray from Roland, Manitoba, may be—may seem like just more of that true Manitoba volunteer spirit, but their reason is special. Their son, Patrick, was killed by a drunk driver on May 17th, 2003.

Since that time, Doug and Diane have dedicated their time to his memory, to mothers against drunk drivers, MADD Winnipeg, and more recently to the time for summer barbecue and car show in Carman every spring.

Approximately \$22,500 was raised for MADD Winnipeg, with an equal amount going to the Patrick Mowbray Memorial Fund bursary, which in turn has presented over \$7,000 to graduating students at Miami collegiate. The summer barbecue in Carman has also raised over \$21,000 for Carman Palliative Care.

Thank you to Doug and Diane, who have been tireless advocates in local schools with bringing the message of the dangers and the consequences of driving impaired.

The message always remains the same: in Patrick's memory, please don't drink, please don't use cannabis and then get behind the wheel and drive.

The Mowbrays are with us today in the gallery today. Thank you for your dedication to Manitobans in Patrick's memory.

Thank you, Madam Speaker.

Take Your MLA to Work Day

Mr. Shannon Martin (Morris): Madam Speaker, there are times—probably not enough—when we legislators truly come together to support an idea that has nothing to do with party lines, but instead to do with decency and inclusion.

I speak of Friday, October 26th, when over 30 valued employees with disabilities took over 30 members of the Legislative Assembly to over 30 inclusive workplaces as part of Take Your MLA to Work Day.

Whether it was the Minister of Infrastructure (Mr. Schuler), the Leader of the Official Opposition (Mr. Kinew), the leader of the second official opposition or the independent member for Assiniboia (Mr. Fletcher), there was broad participation throughout rural and urban Manitoba.

From its beginnings, the goal was to engage MLAs in Manitoba to witness the significant contribution made by Manitobans with disabilities in inclusive workplaces throughout our province, how many inclusive employment opportunities can thrive with purposeful support and how many businesses and organizations in Manitoba are embracing inclusive hiring practices, and to share these points of reference to encourage other businesses and organizations to be more purposeful with their hiring practices.

I, along with the MLA for Dawson Trail had the privilege of joining Breanna, who toured us around Niverville's heritage manor where she's employed as a dietary aide, full time, for the last year. As part of Breanna's duties she is responsible for helping to prepare 240 meals each and every day.

Take Your MLA to Work Day initiative is a component of Disability Employment Awareness Month, started four years ago when 17 MLAs participated. So congratulations to all MLAs and workplaces for doubling that number and using our social media to highlight the importance of inclusion and the potential of each and every individual.

Joining us today are two individuals that have largely spearheaded the initiative: Ernie Thiessen, the current Manitoba Supported Employment

Network chair, and Oly Backstrom, president and CEO of SCE LifeWorks. Please join me in thanking them for their efforts to make Manitoba the inclusive province we all know it is.

Thank you.

River Heights Sharing Circle Forum

Hon. Jon Gerrard (River Heights): Madam Speaker, nine days ago, at a River Heights sharing circle forum we focused on keeping people healthy, warm and safe this winter and in the future—in essence, what's needed for Manitoba's preventive health plan.

Michael Champagne led. He said, stop calling people homeless; instead talk of our friends and relatives on the street. If not for chance, it could be us. Help starts with understanding, dignity and respect.

Marion Willis drilled down into the practical realities of helping people leave the street. Her efforts with St. Boniface Street Links and at Morberg House address meth addiction, mental health and previously being in CFS care. She delivers continuous and seamless support in Morberg House, followed by up to a year or two transitional housing with supports, and it works.

James Favel, of the Bear Clan, whose patrols have done so much to improve safety in the North End, described the immediate needs of our friends and relatives on the street for warming shelters, for food and for enough money to have some stability.

Evelyn Forget took us to the world with a minimum basic income, based in the Dauphin experience in the 1970s. Such a program can help many individuals' ability to live, complete their education and find employment.

Rick Lees of the Main Street Project affirmed: No one needs to be homeless. It can be fixed tomorrow. We can have a healthier, warmer and safer city and province. We just need the political will to help our friends and relatives on the street.

I thank Michael Champaign, Marion Willis, James Favel, Evelyn Forget and Rick Lees for their contributions, and thank you to all who brought donations of socks, mitts, toques and other warm clothes.

Merci, miigwech.

Filipino Garment Workers Program

Ms. Flor Marcelino (Logan): Today I would like to commemorate the 50th anniversary of the arrival of 1,200 Filipinos to Manitoba, sponsored under a program by the federal government on behalf of the Manitoba Textiles Association. It was a program meant to bring skilled workers into the booming garment industry.

Over the years, those that came over under the program have become like family; they formed the Philippine Garment Workers group and began hosting a yearly reunion in Winnipeg.

The social workers who were hired to help smooth the transition into a foreign country for the newcomers played a very important role in helping build that community.

Perla Javate, Espie Oliveros, who came over with a group of 92 ladies from the Netherlands, were two of those social workers. They acted as guides and friends, helping to secure permanent visas, advocated for worker's rights and helped mentor the young girls who made up a majority of the recruits.

The Philippine Garment Workers are now celebrating the 50th anniversary of their arrival, and the success of the program can largely be attributed to the unsung work of the social workers.

I would like to request my colleagues to honour Perla Javate, who is here with us today. Thank you, Perla, for the wonderful work you've done for our community. Thank you very much.

Madam Speaker: The honourable member for Logan?

Ms. Marcelino: Madam Speaker, could I request that the names of the ladies who's with—who are here with us today be added to the Hansard?

Madam Speaker: Is there leave to include those names in Hansard? *[Agreed]*

Perla Javate, Espie Oliveros Ramos, social workers; Eugenia Cabuhat, Carlina Dela Cruz, Lydia Fernandez, Jovy Tangonan, Joanne Viviezca

Windsor Park United Church

Mr. James Teitsma (Radisson): Mostly mud with a few hundred houses; 60 years ago that's what the community of Windsor Park looked like. But, thankfully, some of the families who lived there saw past the mud. They saw a growing and vibrant community. They saw opportunities to give

expression to their trust in God and to love and serve others and to share their faith in Jesus. In short, they saw the need for a church, and so in the fall of 1958 the Windsor Park United Church was officially constituted.

In the early years the church grew rapidly, with standing room only at many services. A new, larger building was constructed in 1962, and this building still stands in the heart of Windsor Park at the corner of Autumnwood and Cottonwood Road. And so began a legacy of faith, a legacy of outreach, a legacy of service.

Windsor Park United Church has been a centre of the community from the very beginning, and it continues to do so today. There is a community-based arts group, there's Sparks & Brownies, there's Tot Time that provides child care to enable the parents to build community and, perhaps, my personal favourite is their annual Cookie Walk, which is just a few weeks away.

* (13:40)

On Saturday, November 24th you're all invited to come to the church between 10 a.m. and noon—come early if you want good selection, fill yourself a bucket of cookies for just \$8.

Windsor Park United Church also believes that they need to be generous, since God loves a cheerful giver. And that's why they help provide school supplies to Frontenac School and Archwood School in Windsor Park, and also to Strathcona School in Point Douglas. Every month, they serve meals at West Broadway Community Ministry, and they also support the Bear Clan Patrol.

I've every reason to believe that they will continue to serve. They will continue to be an important part of the Windsor Park community, and they will continue to welcome everyone and bring love and compassion to the wider world.

It's my prayer that they will be able to remember the past, celebrate the present and imagine a brighter future for themselves and their community.

So join me in congratulating today all the members of Windsor Park United Church who have joined us in the gallery today.

Madam Speaker: Ministerial statements—oh, the honourable member for Radisson?

Mr. Teitsma: Madam Speaker, I ask leave to have the names of the guests who have joined us from Windsor Park United Church entered into Hansard.

Madam Speaker: Is there leave to include those names in Hansard? *[Agreed]*

Guests from Windsor Park United Church: Bill Belsham, Carol Belsham, Peter Czehryn, Ruth Klein, Brian Nazarko, Gordon Nazarko, Laura Steidl, Anne Thoroughgood, Doug Waldron, Patrick Woodbeck

Madam Speaker: Ministerial statements?

Introduction of Guests

Madam Speaker: Prior to oral questions, we have some guests in the public gallery that I would like to introduce to you.

We have seated in the public gallery from Manitoba Parents for Ukrainian Education 45 grade 5 students from Oak Bank Elementary, East Selkirk Middle School and Smith Jackson School. These schools are located in the constituency of the honourable Minister of Infrastructure (Mr. Schuler), the honourable minister of—, the honourable members for Selkirk (Mr. Lagimodiere) and Dauphin (Mr. Michaleski).

On behalf of all honourable members, we welcome you to the Manitoba Legislature.

ORAL QUESTIONS

Dauphin Personal Care Home Nurse Staffing Levels

Mr. Wab Kinew (Leader of the Official Opposition): We know that because of the Premier's cuts to health care that there are fewer nurses working in Winnipeg this year than there were in 2017. That means fewer nurses at the bedside and fewer nurses helping patients get the care that they need.

On this side of the House we believe that Manitobans should have more nurses and not less. We know that health care is very important to our families in Winnipeg, but now we're hearing about shortages of nurses outside of Winnipeg as well.

At the Dauphin Personal Care Home they're missing seven nurses, 13 health-care aides. They are down 10 beds at that personal-care home as a result. That's fewer elders, fewer seniors in our community getting care as a result. Now, that's a massive hit for a facility that only has 90 beds in total.

Will the Premier face the facts? Will he acknowledge Manitoba needs more nurses and not less?

Hon. Brian Pallister (Premier): Well, again, Madam Speaker, the member needs to be corrected on the actual facts. There are 48 more nurses working in the system right now than there were six months ago. There are more nurses working full time, as well, than there were six months ago.

We're investing \$700 million more this year in health care than the NDP ever did and we've currently got 100 positions advertised.

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

Mr. Kinew: We know this Premier's record on cutting nursing positions here in the city of Winnipeg: they reduced it by almost 100 positions relative to last year, and even when you factor in what the Premier has just put on the record here, we are still down on a net basis for the number of nurses working here in the city.

But the question is about a nursing shortage outside the city of Winnipeg.

Madam Speaker, at the Dauphin Personal Care Home they have missed out on 20 front-line health-care staff and, as a result, they are down 10 beds. Again, this is a facility that is only rated to care for people in 90 beds, so losing 10 of those beds as a result of having 20 fewer front-line health-care staff is certainly a big hit, and that means a real impact for the people of Dauphin, people whose grandparents are going to suffer as a result of this cut to health care. It's a sad reflection of this Premier's plan to cut health care in our province.

Will the Premier realize his actions have consequences? Will he commit to hiring more nurses, starting with the Dauphin Personal Care Home?

Mr. Pallister: And congratulations to the community for the new MRI. We're very pleased to see health-care improvements happening in Dauphin and in the region it serves.

In terms of my record, I'd compare it against the member's any time, Madam Speaker. Nurses know that this government will stand by them and work with them to achieve improvements in the health-care system.

We also should mention, in terms of doctor recruitment, that this government achieved the second best record of the last—over a decade, in terms of retaining doctors in our system.

So we're working to retain doctors. The member opposite wants to raise taxes so doctors go somewhere else to find jobs.

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

Mr. Kinew: Well, I do often joke that I owe Dauphin one doctor because I convinced my wife to move here to Winnipeg, but that notwithstanding, the situation that we're talking about here today is a poor reflection on this Premier's record on health care.

The Dauphin MRI that he's talking about has been delayed endlessly by this government and, in fact, they can't install it and have it operational because the trained staff to operate the Dauphin MRI left because of the delays of this government.

When we return to the issue of the Dauphin Personal Care Home, we know that they've had to shut off 10 of those beds—10 fewer spaces to care for seniors in the community of Dauphin because of the cuts to health care that this Premier has brought down—ordered—at his Cabinet table. We know that there's 20 fewer front-line health-care staff working in the Dauphin Personal Care Home and 10 fewer beds as a result.

Will the Premier reverse his misguided plan to cut health care right across Manitoba, in Winnipeg, in Dauphin and right across the province and, instead, commit to hiring more nurses today?

Mr. Pallister: Well, there're a couple of points, Madam Speaker. Nurses, of course, like all health-care professionals, want to work in a system that works for patients. The patients were the people who suffered under the NDP for many, many years, and nurses suffered along with them.

So, Madam Speaker, what we're doing is we're building a system that works better for patients: better patient outcomes, shorter wait times, lower ambulance fees. The things that the people of Manitoba want and deserve to get, they're getting with this government.

Dauphin Regional Health Centre Timeline for Operating MRI Suite

Mr. Andrew Swan (Minto): Well, if the Premier (Mr. Pallister) wants to see nurses suffering he

should get out and visit an emergency room or a personal-care home in this province.

The disrespect the Pallister government has shown to the people of Dauphin is not new and it's not isolated. They delayed Dauphin's MRI even though the community came together, raised money and built the facility for it.

After dithering since the election, the minister finally promised the patients would start getting MRIs in October. We found out through freedom of information that's not—that wasn't going to happen until November. Now the health authority is saying December, and staff tell us that's unlikely at the least.

Why did this government delay the Dauphin MRI for more than two years?

Hon. Cameron Friesen (Minister of Health, Seniors and Active Living): I welcome the opportunity to correct the record after that member speaks.

Now, let's understand that just yesterday that member was saying that it was a calamity that the agreement with the federal government on emergency funding for addictions had not been signed, and then he went back in the hall and he found out that even the federal minister was saying everything is tracking just along and that the plans are under way.

So I want to assure that member that what he finds alarming one day, he finds satisfying the next day.

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

Mr. Swan: Well, I guess we'll have to wait 'til the third question 'til the minister gets a note—

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

Mr. Swan: —and can actually answer the question.

The minister disrespected the people of Dauphin, Parkland and the North by holding up this MRI. Since 2016 nearly 8,000 Parkland and Westman residents could have had MRIs done if the Premier (Mr. Pallister) and his government hadn't delayed this project.

Staff were trained up and ready to deliver this service years ago, but this government's interference meant the trained staff departed and they haven't been replaced. Now Dauphin has the equipment in

place, but we're told they don't have the appropriate staff to start performing MRIs in that community.

Will the minister apologize to people who have to drive over the mountain to Brandon or all the way in to Winnipeg due to the government's delays to this very important project?

Mr. Friesen: Well, Madam Speaker, let's understand that when the member for Minto speaks, you kind of need a code breaker to get through to the other side to understand what he is really saying.

What he means to say is his government never followed through on a commitment to provide the western region of Manitoba with an MRI, and what he means to say is where his government failed, our government is providing the MRI for the people of Dauphin and the western region of Manitoba.

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

* (13:50)

Mr. Swan: Well, there are a few code words—
[interjection]

Madam Speaker: Order.

Mr. Swan: —that we know, which would be—
[interjection]

Madam Speaker: Order.

Mr. Swan: —dithering, deferrals and delay, which is this government's approach to health care in Manitoba.

The people in Dauphin were ready for the machine, which we knew was available more than two years ago, and the Pallister government's delays showed disrespect to the people of Dauphin, the Parkland and the North because the staff needed to actually run the operation are nowhere to be seen. In fact, we've learned there's an even greater shortage than before.

So let me just ask one question: Why is there no designated medical director in Dauphin necessary to deliver MRIs?

Mr. Friesen: Madam Speaker, I know I'm not supposed to ask the question, but I'm really wondering whether he has actually spoken to anyone from Dauphin. Because I did—because I did—and when I spoke to them yesterday what they said is they're very excited because just four days ago they blocked a street off and unloaded an MRI and loaded it into the room. But the member thinks

it's a microwave oven that you plug in and use immediately. I assure him that calibration and testing need to take place before we can begin to reheat.

So please, Madam Speaker, tell him to stay patient a little longer. The community is welcoming this investment and this government is bringing this investment.

Madam Speaker: The honourable Leader of the Official Opposition, on a—[*interjection*] Order.

Accessibility for Manitobans Act Implementation of Compliance Standards

Mr. Wab Kinew (Leader of the Official Opposition): Madam Speaker, on November 1st an important piece of The Accessibility for Manitobans Act comes into effect: businesses will have to develop a compliance standard to ensure that their workplaces are accessible for all Manitobans.

Now, the goal of the AMA is clear, it's to ensure that there's accessibility for everyone to live their life to their full potential. To take one example, the government promised to bring an accessible employment standard into force, as a rule, but the end of September 2018. I table the letter from the deputy minister for the benefit of the Premier, right now.

Then his minister promised to have this regulation in the place by the end of October. It is, of course, now the end of October, Madam Speaker. No regulation has yet come into force or effect. These—[*interjection*]

Madam Speaker: Order.

Mr. Kinew:—regulations make all the difference for making Manitoba a more accessible province.

Why has the Premier dragged his feet and not instituted an accessible employment standard?

Madam Speaker: The honourable Minister of Growth, Enterprise and Trade—[*interjection*] Order.

Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade): Thanks for that question, because we continue to work with businesses all across Manitoba in terms of having accessibility into public spaces and the business community. The public facilities have taken up the challenge of this, making sure that all buildings are accessible to those who have handicaps of any sort.

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

Mr. Kinew: Sounds like no action on the employment standard. But the minister wants to talk built standard, let's talk about that.

So, again, the accessible built environment standard is supposed to provide for retrofits to doorways, to address the need for ramps, to talk about elevator access, all sorts of ways to ensure that physical barriers can be surmounted by those with disabilities.

But according to information provided by the deputy minister of this minister's department, which I will table now, it looks like the Premier has decided that the accessible built environment standard will not include buildings. So the built environment standard, under this Premier, will not include buildings. Instead, it will focus on sidewalks, pathways, parks, all sorts of things, but not buildings. Madam Speaker. Seems like a pretty big oversight in the built environment standard; makes no sense, really.

Will the government retract this bizarre proposal and make sure that buildings in Manitoba are accessible to each and every one of our citizens?

Hon. Heather Stefanson (Minister of Families): During the last election we committed to five standards in the accessibility for Manitoba act, Madam Speaker, and we committed to that in our first term. And I can inform the House and Manitobans that we're on track to delivering on the promises.

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

Mr. Kinew: Well, a careful perusal of the documents that I just tabled, Madam Speaker, will show that this government appears to be breaking their promises to implement The Accessibility for Manitobans Act.

Now, we know—[*interjection*]

Madam Speaker: Order.

Mr. Kinew:—that it is truly bizarre that their built environment standard will not include buildings. It seems like buildings are a pretty important part of the accessibility framework that needs to be put into place. We also know that the employment standard is late. It should've been here in September,

Madam Speaker, and even according to their new timeline, they're behind the eight ball.

Now, when advocates called out the government on this, they said, hold on, it'll be done by the end of September. And, again, we are still waiting here at the end of October.

There are many more parts that need to be implemented in the AMA.

Will the government truly listen to Manitobans who want our province to be more accessible, and will they enact these compliance standards for the AMA today?

Hon. Brian Pallister (Premier): I thank the advocates for the disabled in our province for their work. I recall in every year in my memory that the NDP was in government those same advocates calling for action and their advocacy fell on deaf ears, year after year after year.

And we committed during the election campaign to make the achievement of greater access one of our priorities, and in the first term we committed to achieving goals which we have enunciated clearly and are on track to meet.

And I can only—given the member's question, I want to assume his sincerity—I want him to know, as a child of two disabled Manitobans who were affected by mobility challenges throughout their entire lives, this is something near and dear to my heart and to this government's heart as well.

Disability Services Funding Concerns

Mrs. Bernadette Smith (Point Douglas): Helen Roulette is a 31-year-old Portage La Prairie woman living with cerebral palsy. For 10 years the support Helen received from Community Living disABILITY Services meant that she could live on her own. This summer Helen was told by this government that instead of fulfilling her dream of even greater independence, she would have to move into a provincial group home. Helen says, and I quote: I feel no one is listening to me, my choices, my rights as a human and what I am saying. End of quote.

We know this decision was a result of this government's cuts to community living disability.

Why is this government not listening and putting the bottom line before Helen Roulette's dignity?

Hon. Heather Stefanson (Minister of Families): Well, as I said previously, Madam Speaker, we have committed to these five standards and we are on track to achieving that in our first term.

Under the previous government they had committed to some of these by 2023. I can say to Manitobans that we will deliver ahead of time.

Madam Speaker: The honourable member for Point Douglas, on a supplementary question.

Mrs. Smith: I know the minister has only been in that seat for a few months, but she's talking about the wrong file.

Madam Speaker, according to the government's briefing notes, obtained through freedom of information, the real reason for—this government is demanding the program bend the cost curve. I'll table to the document for the minister.

That goal is to make services better. It's not to ensure people with disabilities get worse service, it's actually to give them better services. It's not to cut costs. Bending the cost curve for supports with disabilities means fewer supports. That's what advocates have been saying for months.

Will this government actually start listening to Manitobans and hear who they should be serving, and provide them with the actual supports that they really need and deserve?

Mrs. Stefanson: Well, what I can say to the member opposite and to Manitobans, that after 17 years of NDP mismanagement we are faced with having to clean up a significant mess from members opposite.

We are committed to delivering programs to Manitobans that will help all Manitobans, including those under the CLDS program, and we will do so. While members opposite spent more and Manitobans got less, we will ensure that there's those services there for Manitobans when they need them.

Madam Speaker: The honourable member for Point Douglas, on a final supplementary.

Mrs. Smith: So, Madam Speaker, 31-year-old Helen is asking to stay in his—her home. What I'm hearing from this minister is she's not going to allow that woman to stay in her home.

I'll give you another example. Advocates have been calling out this government for months now. The government's changes have met—meant cost cuts. Rod Lauder is the advocacy co-ordinator

for Inclusion Winnipeg, which advocates for Manitobans living with intellectual disabilities.

* (14:00)

He was clear. He said, and I quote: The problem is that might not actually meet what people need to live in a good—to live a good life. They're actually going backwards. When government bends a cost curve, they cut back services.

Why is this government cutting supports to Manitoba's most vulnerable?

Mrs. Stefanson: I can tell the member opposite and, indeed, all Manitobans, that we take the issue of accessibility for persons with disabilities very, very seriously, Madam Speaker. That is why we have embarked on some changes in programs that are focused on providing for those programs to those individuals who need it, when they need it.

Under the previous NDP government they spent more; Manitobans got less. We have a different approach. We will ensure that those services are there for Manitobans when they need it.

Government Notices Modernization Act Request to Withdraw Sections of Bill 8

Mr. Dougald Lamont (Leader of the Second Opposition): Last week at committee we heard presentations about Bill 8, a bill that scraps more than a century of putting public notices in newspapers.

Under this bill, instead of the government actively telling citizens what they're doing, citizens will have to do the work of digging up information on how the government may be undermining the environment, public health, human rights, water protection, securities regulation, municipal boards, even the ability of the government to seize people's property when they've been charged but not convicted of a crime.

Bill 8 is against the public interest. It has no public support. It is a bill so bad this government has said they have no intention of proclaiming the offending sections.

Since that's the case, why doesn't this government just remove the offending parts of the bill?

Hon. Cathy Cox (Minister of Sport, Culture and Heritage): The member opposite talks about communication, and we talk about modernizing the way we communicate here in Manitoba. For years

and years, 17 years, as a matter of fact, the members of—the residents of Manitoba were left in the dark under the NDP government.

We're going to modernize the way we communicate. We're going to provide Manitobans opportunity to have access to information 24 hours a day, 365 days of the year, Madam Speaker.

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

Winnipeg Free Press Premier's Legal Action

Mr. Dougald Lamont (Leader of the Second Opposition): Madam Speaker, one of the witnesses at committee suggested—

Some Honourable Members: Oh, oh.

Madam Speaker: Order. Order.

Mr. Lamont: One of the witnesses at committee, Madam Speaker, suggested that Bill 8 was introduced because the Premier doesn't get along particularly well with the media.

Earlier this year, when the Winnipeg Free Press reported the Premier hadn't paid luxury taxes on his Costa Rican mansion for years, the Premier sued and said he has always paid his taxes. In August he settled his outstanding tax bill, which was a tax levied on luxury homes to help pay for affordable housing in Costa Rica.

So the Premier has not, as he claimed in April, always paid all the taxes he owes. The Winnipeg Free Press story was true, but it was also suggested at committee that the Premier has not yet dropped his lawsuit.

Does the Premier still have an outstanding lawsuit against the Free Press for accurately reporting that he failed to pay his taxes, and if so, will he drop the suit and apologize to Manitobans?

Hon. Brian Pallister (Premier): Speaking of the carbon tax, Madam Speaker, I want to make it clear to members that the federal Liberal government is attempting to develop a two-tier carbon tax which the member opposite fully supports. It has exemptions for Quebec which would allow Quebec to have a tax level of one third, approximately, of what would be imposed on Manitoba.

That in itself is indefensible, but it also makes excuses and exemptions for other provinces to the east of the Ottawa River, like Newfoundland and

New Brunswick. We learned yesterday that in New Brunswick, for example, the federal government is going to exempt coal-produced power.

Now, Madam Speaker, the federal government under the Liberals, which this member supports, wants to impose a massive tax burden on the people of Manitoba while not respecting Manitoba's green record. At the same time, it will not impose anything but lower level taxes on other provinces to the east and it doesn't require them to make green advances like we've already invested in.

Now, I'm going to give the member another opportunity to stand up for Manitobans instead of standing up for what's wrong about this plan from the federal Liberal government.

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

Harassment and Conflict of Interest Claims Independent Integrity Commissioner

Mr. Dougald Lamont (Leader of the Second Opposition): We should all be concerned, Madam Speaker, with this government's approach to Bill 8 and the media. It's an assault on the public's right to know from a Premier who's willing to sue the media for stories he knows are true.

This is not normal behaviour, Madam Speaker, and it's a pattern that continues. When the Winnipeg Free Press broke the story that the member from Emerson had made disgusting comments to legislative employees, and had been for years, this Premier's response wasn't an open door and due process, it was the threat of a lawsuit.

The first response to an allegation of harassment was to use lawyers to threaten and intimidate the media in an attempt to suppress the story. The Premier has claimed there is no wrong door and that people just have to approach him and that he followed his party's own standard procedure.

Is this government going to stop marking its own homework and create an independent integrity commissioner who can investigate and enforce harassment and conflict-of-interest claims alike?

Hon. Brian Pallister (Premier): As opposed to the previous practice of the NDP government of covering up and concealing problems of harassment within government, we took a totally different approach, Madam Speaker, and embarked on consultations with the civil servants of our province, developed an intelligent, strategic plan, advanced

training opportunities and awareness opportunities for all in civil service. I encourage the member to use those programs. I encourage him to co-operate with us in making sure this is a safer place to work. I encourage him to speak up when the Prime Minister takes free vacations from the Aga Khan, as well.

Health-Care Services Funding Concerns

Ms. Nahanni Fontaine (St. Johns): Last year the WRHA was ordered to cut \$83 million from its budget, resulting in the closure of an urgent-care centre, an ER, the mature woman's health clinic. It meant cutting physiotherapy, Madam Speaker, and cuts to those receiving life-saving medications.

This year the Premier has demanded an additional \$36 million cut.

Why is the Premier cutting \$36 million from front-line health care in Manitoba?

Hon. Brian Pallister (Premier): Why does the NDP care so little about the sustainability of a health-care system that they blew millions and millions of dollars to the point where our debt-service costs this year alone are over \$1 billion for the first time in Manitoba history? Why do they believe that throwing money at every problem is the way to solve it when the money they throw is borrowed on the backs of our children and grandchildren? Why do they never understand nor never demonstrate a single piece of evidence to show that they actually care about the people who will need health care next year?

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

Ms. Fontaine: I'm not sure why the Premier only talks about money and not patient care here in Manitoba.

So last year, again, the—[*interjection*]

Madam Speaker: Order.

Ms. Fontaine: —Premier called for \$83 million in cuts, and the WRHA's annual report shows that its funding was reduced by tens of—[*interjection*]

Madam Speaker: Order.

Ms. Fontaine: —millions of dollars. That's cuts, Madam Speaker, not increases as the Premier tries to claim in this House.

The result is all around us, Madam Speaker: a reduction in the number of nurses at the bedside

while overtime is on the rise. Now the minister wants to cut another \$36 million before he closes two more emergency rooms.

Why is the minister and the Premier cutting health care that Manitobans depend on?

Mr. Pallister: Six hundred million more for health care in this year's budget than the NDP ever invested, Madam Speaker. Yes. But also a demonstrated ability to focus on better results for patients, something the NDP never demonstrated, and also an understanding that fiscal management practices do matter.

The member says why do we always talk about money every preamble? Her and her leader reference dollars. They want more dollars thrown at issues—borrowed dollars, Madam Speaker.

If we had stayed on the track the NDP had us on, we'd be borrowing \$6 million today more than we'd be bringing in, and who would be paying that back, Madam Speaker? Well, the future—the people who live in the future, real people.

They spent money like there was no tomorrow, Madam Speaker, because they didn't believe they needed to be accountable for the decisions that would be made in the future, but we do, and we understand that the sustainability of a health-care system is what Canadians want and what Canadians deserve.

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

Ms. Fontaine: Whether or not the Premier actually understands it or even cares, the combined \$119 million in cuts to health in Winnipeg is hurting the quality of health care here. The number of hospital and personal-care beds has already decreased and their plan for another \$36 million in cuts further creates a reduction in beds, Madam Speaker.

But it's clear that the Premier doesn't want to hear this, nor does he care, because all he cares about is cuts: cut emergency rooms, cut nurses, cut beds.

*(14:10)

Will he back down and actually care about health care here in Manitoba instead of his precious cuts that's all he cares about?

Mr. Pallister: The member likes to talk about compassion, but can fail to demonstrate it on a regular basis, both here and outside the

Chamber. She has not demonstrated in any of her decision-making that she understands the consequences tomorrow to children and seniors who need health care; we do

And, Madam Speaker, when we reduce wait times we're demonstrating our compassion better than the member does by spouting off about spending more money. When we shorten wait times for personal-care homes we demonstrate our compassion to seniors. When we lower ambulance fees we demonstrate our compassion for those who need urgent care.

These are the things that the NDP never seems to understand, so rather they lengthen wait times, throw money at the problem and get worse results with every passing year. That's why they're where they are now, and that, Madam Speaker, is why they'll stay there, because they do not have the ability to demonstrate the understanding that it matters to Manitobans and to Canadians that they have health care tomorrow and the year after that and the year after that as well.

We understand that, Madam Speaker. They don't. What they broke we're fixing.

Greenhouse Gas Reduction Initiatives Government Vehicle Fleet Reduction

Mrs. Sarah Guillemard (Fort Richmond): Madam Speaker, reducing emissions is a task that requires everyone to do their part. Our government has been committed to taking real action on climate change. Furthermore, saving money while reducing emissions is something only our PC government could do.

Can the Minister for Sustainable Development please update the House on steps that we're taking to save Manitobans money while also helping our economy?

Hon. Rochelle Squires (Minister of Sustainable Development): I want to thank my colleague from Fort Richmond for that wonderful question.

Yesterday our government was pleased to announce that we're removing 400 surplus vehicles from the government fleet and encouraging more carbon-friendly practices of communicating and teleconferencing and carpooling. This is going to save 4,000 tons of emissions every year and sets the tone at the top.

Our government is taking leadership on this initiative to lower our carbon footprint. I'm excited to

work with all Manitobans as we lower our carbon footprint. *[interjection]*

Madam Speaker: Order, order.

Methamphetamine Addiction Primary Care Clinics

Ms. Cindy Lamoureux (Burrows): Manitobans dealing with meth addiction and psychosis pose significant challenges for primary health clinics and providers like NorWest community health clinic in the North End.

Today I'm joined by Corey and Amy up in the gallery from the NorWest clinic and between managing wait rooms, medical needs, finding safe transportation and places to stay for extended detox and support, NorWest desperately needs more resources.

Madam Speaker, members of NorWest want to know what this government is going to do to help support primary care clinics and how other government services could be of support?

Hon. Cameron Friesen (Minister of Health, Seniors and Active Living): The government is taking real action when it comes to the sudden and shocking rise of the use methamphetamines in our communities. We know that it's a challenge that faces all of us together, everything from front-line care workers to the justice system, family system. It's a challenge in our communities, a challenge in our families.

But Manitobans don't have to wait because the government is taking action now in respect of Rapid Access to Addictions Medicine clinics. In addition to that we are training more doctors to have addictions specialities, and we are increasing the number of beds in which to treat people with addictions and there's much more to come.

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

Ms. Lamoureux: Madam Speaker, there continues to be increased infection rates related to meth addiction and needle injection. People in the North End feel that they're being overlooked, and from a primary health-care and public health-care perspective there needs to be more harm reduction and preventative practices in this community.

Madam Speaker, allow me to ask another question on behalf of a staff member at NorWest clinic: What can the government do immediately to

support harm reduction in our community through our resource centres and community clinics?

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

What can the government do immediately is to put more resources in communities where people would be able to get quicker treatment on addictions than they had at any point in time previously in Manitoba, and we're doing that with the rapid addictions medicine clinics where—which has just seen its 200th patient, some of them immediately diverted from community into care where they're receiving the help they need.

These are complex problems. It will take all them—all of us to solve them together, but we are making progress and continuing to talk with others about how to make our next steps.

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

Ms. Lamoureux: Madam Speaker, the members of NorWest clinic have noticed the impacts that methamphetamine has had on their community as a whole. Children and others are facing this addiction on their streets, their sidewalks, their playgrounds. There are individuals who have used and are now trying to re-establish themselves after treatment back home, but there 'just' are not enough resources.

Madam Speaker, again, to quote a member from the NorWest clinic: How does this government plan to support the long-term impacts on individuals, families and communities that have been impacted by methamphetamine?

Mr. Friesen: I welcome members from the NorWest clinic here today. That member knows, as well, that we have said we're very open to suggestions coming from anybody on how to deal with this.

We know that no one has the one fundamental answer when it comes to dealing with this very sudden rise of methamphetamine use in our communities. Today Manitobans will hear about additional measures being undertaken in the WRHA at HSC to keep patients and to keep staff there—*[interjection]*

Madam Speaker: Order.

Mr. Friesen: —safe. But while the leader of the opposition continues to chirp, he's not learning about the important things that this government is doing to make real—real—demonstrations of commitment and make a difference in people's lives.

We'll keep doing it, and if the member has additional options that we should consider, I welcome her to send those along.

Manitoba Hydro Privatization Concerns

Mr. Tom Lindsey (Flin Flon): On May 17th, 2016, this Premier was asked if he had any plans to privatize Manitoba Hydro or any part of Manitoba Hydro. He answered with one word: no.

Yet now—

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

Mr. Lindsey: Yet now, this same Premier of the Pallister government has hired a partisan commissioner of inquiry to explore just that.

Why is the Pallister government laying the groundwork for privatization of Manitoba Hydro?

Hon. Colleen Mayer (Minister of Crown Services): As we always have been, since we were elected in April of 2016, we're going to continue to listen and work on behalf of Manitobans in this province. We're going to continue to look at all of the services and give better services than they received for 17 years.

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

Mr. Lindsey: Well, that was certainly an interesting answer, Madam Speaker.

Let's talk about Mr. Campbell's record. It kind of speaks for itself. During his tenure as premier of British Columbia—*[interjection]*

Madam Speaker: Order.

Mr. Lindsey: —BC Hydro partially privatized its energy system and functions of the corporation were contracted out. This is not a neutral commissioner on these issues but a hand-picked, partisan appointee who has a clear preference for privatization.

Why is the Pallister government setting us up for privatization of Manitoba Hydro?

Mrs. Mayer: Let's be clear: we are not privatizing Manitoba Hydro.

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

Mr. Lindsey: The minister should know that attempts at privatization in BC resulted in escalating

costs. Privatization functions had to be taken back. Simply, it didn't work: didn't work in BC; didn't work in Ontario; and it won't work in Manitoba.

* (14:20)

Does the minister intend to follow Mr. Campbell's failed privatization experiments by bringing them here to Manitoba Hydro, and is this government planning to privatize any part of Manitoba Hydro? *[interjection]*

Hon. Brian Pallister (Premier): Well, I appreciate a question from the member that is prefaced by a series of comments about his knowledge of things that don't work, Madam Speaker, because I know the NDP has a lot of knowledge about things that won't work.

There's certainly no intention to privatize Manitoba Hydro because we stand by the referendum legislation which requires Manitoba's permission before that could ever be undertaken. Now, the NDP tried to weaken that legislation when they introduced the PST.

But I would say, Madam Speaker, it's a sign of the desperation and the proximity to Halloween that the member resorts to this jack-o'-lantern—

Some Honourable Members: Oh, oh.

Mr. Pallister: —style of questioning.

Some Honourable Members: Oh, oh.

Madam Speaker: Order.

Mr. Pallister: It's a jack-o'-lantern question, Madam Speaker, because it's orange—*[interjection]*

Madam Speaker: Order.

Mr. Pallister: —it's hollow, and like a jack-o'-lantern it doesn't really scare anybody anymore.

Some Honourable Members: Oh, oh.

Madam Speaker: The honourable member—*[interjection]* Order.

Agriculture Sector Collaboration MOU with North Dakota

Mr. Brad Michaleski (Dauphin): The Minister of Agriculture and the agriculture commissioner of North Dakota signed a memorandum of understanding earlier this month that furthers agriculture co-operation between both our jurisdictions.

Could the Agriculture Minister—Minister of Agriculture inform the House of how the MOU will drive economic growth and job creation on both sides of the border?

Hon. Ralph Eichler (Minister of Agriculture): Finally an agriculture question from a great farm member. Not only deliver MRI for a area, he's a great farmer as well.

Madam Speaker, unlike the previous government administration, our PC government recognizes the importance of agriculture and its critical impact to our economy. The MOU with North Dakota will be a continuation of friendship that focuses on shared priorities, trade and economic return on investments.

Unlike the previous government, for 17 years, who closed the door on the border, we're opening up Manitoba for business today, tomorrow and every other year.

Madam Speaker: The time for oral questions has expired.

Speaker's Ruling

Madam Speaker: And I have a ruling for the House.

Following the prayer on Monday, June 11th, 2018, the then honourable minister of Finance raised a matter of privilege regarding comments made by the honourable Leader of the Official Opposition (Mr. Kinew) during oral questions on Thursday, June 7th, 2018. The then honourable minister of Finance contended that the honourable Leader of the Official Opposition had accused the then honourable minister of Finance of misleading the House regarding government statements concerning revenue from the sale of cannabis. At the conclusion of his remarks, the then honourable minister of Finance moved, and I quote, that this House impose a remedy and reparation for this matter of privilege under rule 36, and that the Leader of the Official Opposition apologize for his stating that the minister of Finance made false statements and calling into question my forthrightness with this Assembly, as this amounts to unparliamentary language, and it is not suitable for this Chamber. End quote.

The honourable Leader of the Official Opposition, the honourable member for River Heights (Mr. Gerrard) and the honourable member for Assiniboia (Mr. Fletcher) also offered advice to

the Chair. I took the matter under advisement in order to consult the procedural authorities.

There are two conditions that must be satisfied in order for the matter raised to be ruled in order as a prima facie case of privilege. First, was the issue raised at the earliest opportunity, and second, has sufficient evidence been provided to demonstrate that the privileges of the House have been breached, in order to warrant putting the matter to the House.

The then honourable minister of Finance had indicated that he had wanted to see the exact comments in Hansard before raising the matter in the House. Given that Hansard from June 7th would not be available until after that sitting day was over, the next available sitting day to raise the matter would be Monday, June 11th, 2018. The honourable minister did raise the issue immediately after the prayer on June 18th, so I am satisfied that the issue of timeliness was met.

Regarding the second condition of whether a prima facie case of privilege has been established, I would like to inform the House that Joseph Maingot advises, on page 254 of the second edition of Parliamentary Privilege in Canada, that language that impugns the integrity of members would be unparliamentary and a breach of order contrary to the standing orders but not a breach of privilege. Therefore, this issue should've been raised as a point of order and not as a matter of privilege.

Additionally, in looking at the remarks made while honourable members offered to the Chair, it is clear that the essence of what was raised is a dispute between honourable members over the same set of facts. As has been ruled numerous times by previous Manitoba Speakers, a dispute between two members as to allegations of fact does not constitute a breach of privilege.

Bosc and Gagnon advise on page 148 of the third edition of House of Commons Procedure and Practice that if a "question of privilege involves a disagreement between two or more members as to facts, the Speaker typically rules that such a dispute does not prevent members from fulfilling their parliamentary functions, nor does such a disagreement breach the collective privileges of the House."

Citation 31(1) of the sixth edition of Beauchesne indicates that "a dispute arising between

two members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege."

Joseph Maingot, on page 223 of the second edition of *Parliamentary Privilege in Canada*, states, and I quote: "A dispute between two members about questions of fact said in debate does not constitute a valid question of privilege because it is a matter of debate." End quote.

Due to the reasons cited, with the greatest of respect, I rule that a prima facie case of privilege has not been established.

PETITIONS

Gender Neutrality

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

The background to this petition is as follows:

Gender, sexuality and gender identity are protected characteristics of human rights, both federally and provincially, in Manitoba, Ontario, Alberta, British Columbia, and soon will be in Saskatchewan, Yukon and other places in Canada. These governments have realized the need for this option on identification for the benefit of people who identify or who are identified by others as intersex, third gender, transgender, genderqueer or non-binary.

Identification and government documents should reflect gender neutrality to prevent issues that may arise from intentional bias on gender and misgendering. The people described above face anxiety and discrimination in many aspects of day-to-day life, such as interactions with health-care professionals, interactions with persons of authority, accessing government services, applying for employment.

Gender neutrality describes the idea that policies, language and the other social institutions should avoid distinguishing roles according to people's sex or gender in order to avoid discrimination arising from impressions that there are social roles for which one gender is more suited than others.

Many newcomers to Canada may already have gender-neutral ID. Many indigenous persons are coming to identify as two-spirit as the effects of colonization are lessening, and this needs to be addressed in the process of reconciliation.

Being forced to accept an assigned gender affects children and newborns as they grow and become part of society. There are many psychological benefits for transgender and non-binary people to be allowed to develop without the constraints put upon them by having their gender assigned based on purely physical attributes.

The consideration to have a third option like X or Other on documents was on the previous provincial government's radar for several years, but the current provincial government has not taken steps to implement it.

The City of Winnipeg is actively making its forms reflective of gender neutrality in respect to all persons who work for or come into contact with that government.

* (14:30)

The federal government now issues passports and is educating personnel about the correct language and references for non-binary persons.

An Other option existed on enumeration forms for Elections Manitoba in 2016, was easily accepted and provided a framework to provide accurate statistics of those who do not identify under the current binary system.

The foresight, along with training and making changes on required forms, acknowledges and accepts persons who fall outside the binary gender so that governments and people can more effectively interact with one another and reduce the anxieties of everyone involved.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to immediately begin implementation of plans to convert systems and forms to be more inclusive of two-spirit and other non-binary individuals, whether it be to include a third gender option or no requirement for gender on forms unless medically or statistically necessary, including health cards and birth certificates.

To urge the provincial government to immediately instruct the Manitoba Public Insurance Corporation to offer a third gender option or no gender requirement for licences or any other form of provincial identification.

To urge the provincial government to instruct Manitoba Health, Seniors and Active Living to offer

the option of Manitoba Health cards with no gender in order to reduce the anxieties of transgender and non-binary persons accessing the health-care system as a first step.

To consider revisiting legislation that may need updating to meet the needs of its citizens in this regard.

Signed by Jackie Swirsky, Matthew Swirsky, Andrea Vaile and many others.

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

Speaker's Ruling (Continued)

Madam Speaker: And prior to proceeding with petitions, I just have a correction to the matter of privilege ruling that I just read, and in paragraph 4 I should have stated Monday, June 11th, 2018, and not June 18th, 2018. I apologize for that.

Further petitions? Grievances?

ORDERS OF THE DAY (Continued)

GOVERNMENT BUSINESS

Hon. Kelvin Goertzen (Government House Leader): Madam Speaker, would you please call Bill 34 into Committee of the Whole.

Madam Speaker: It has been announced that the House will resolve into Committee of the Whole this afternoon to consider Bill 34.

Just as a reminder to the House, as per the sessional order adopted on June 25th, 2018, on days when the budget implementation and tax statutes amendment act is considered in the Committee of the Whole, the House will sit until 6:30 p.m. instead of rising at 5 p.m.

The House will now resolve into Committee of the Whole.

Mr. Deputy Speaker, please take the Chair.

COMMITTEE OF THE WHOLE

Bill 34—The Budget Implementation and Tax Statutes Amendment Act, 2018

Mr. Chairperson (Doyle Pivniuk): Will the Committee of the Whole please come to order.

Today we'll be continuing act—continuing the consideration of Bill 34, The Budget Implementation and Tax Statutes Amendment Act, 2018.

As agreed by the committee in—on October 22nd, 2018, questioning on this bill will proceed in a global manner.

The floor is now open for questions.

Mr. Matt Wiebe (Concordia): I wanted to start with some questions with regards to credit unions and some of the changes that were made in BITSA for credit unions. I'm just wondering if the minister can review those changes for the House.

Hon. Scott Fielding (Minister of Finance): Sure. There's two pieces of BITSA that really deal with the credit unions. One is eliminating the special deduction over a five-year period, and the other is eliminating the credit unions' profit tax.

Mr. Wiebe: So I have to admit, besides the physical set-up here where, you know, not only the clerks but also the staff are in between me and the minister, and a little bit of noise in the Chamber, which I'm sure the Chair is going to get a handle on very shortly, I did have a little bit of—a hard time hearing exactly what the minister had said.

I think he said the special deduction, and I didn't catch the second part. Maybe if he could just repeat those and if he could just expand on exactly what the impact for credit unions, what that would look like under these changes.

*(14:40)

Mr. Fielding: Yes, the—you're right. The two pieces of the legislation that deal with credit unions are—No. 1 is eliminating the special deduction for credit unions. What we have done similar to other jurisdictions such as the Canadian government, areas—provinces like Prince Edward Island, Quebec, and I believe the other one is Saskatchewan, have eliminated the special deduction for credit unions. And that's over a five-year period.

We tried to be—we want to make sure that it's a phased-in approach. So, in fact, our phase-in is actually one year later than Saskatchewan. I guess that—or eliminating the special deduction, and the rationale reasons for this is the credit unions are a mature institution. And if you look at—let's give an example in terms of banks, what they pay in terms of capital tax is in the tune of about \$100 million. And so these, again, were deductions that we're phasing out of special credit, I guess special—you know—over

a five-year period as opposed to maintaining what the current grow is. So we're moving towards what other provinces are doing.

The second is in terms of eliminating profit tax for credit unions, and that will have an immediate impact where the whole 100 per cent of that is done in the first year to give some flexibility to credit unions.

Mr. Wiebe: So in terms of numbers of what the credit unions would be expected to pay in addition with removal of the special deduction, I'm wondering if the minister could give us a sense of what that number would be province-wide.

Mr. Fielding: One thing that I will add to—from some of our officials here still, and Bruce and our other folks that are here that are supporting us—*[interjection]*—is the credit unions will also benefit from the increase in the small-business deduction, increase from 450 to 500 thousand dollars. So—and that is a bit more of an advantage that credit unions will be associated with it.

In terms of the phase-out of the special deduction, the phase-out in terms of the amounts is about \$3.1 million in the first year, and that's—there's an offset, I guess, in terms of the profit taxes that credit unions will not have to pay anymore for—that starts immediately.

Mr. Wiebe: So it's almost like the staff here in the Chamber were reading my mind and were anticipating where we were going in terms of the questioning. So I appreciate them starting to put those pieces together.

So, if I've got the number correctly, the minister is saying \$3.1 million is the special deduction figure, and that's across the entire province? Maybe we can just compare those two numbers, then. So, if I understand correctly, the profit tax is a 1 per cent tax and the small business—removal of small-business tax for—the higher threshold is—would come into play there. Maybe could the minister just compare those two numbers. What sort of savings, I guess you could call it, that credit unions could expect by the increased threshold and the removal of the profit tax when juxtaposed against the special deduction that they're going to have to pay in addition?

Mr. Fielding: In terms of the elimination of the special deduction, we're phasing it in over a five-year period, so it's actually a little bit—a longer phase-in period than other provinces like Saskatchewan. But it is similar to other provinces such—as

I mentioned—Saskatchewan with the—rather, the Canadian government as well as PEI and places like Quebec have phased it out. We're doing it over a five-year period. That's one year longer, I guess, than Saskatchewan.

In terms of the numbers, it represents about \$3.1 million in the first year; and in terms of the special—or, rather, in terms of the credit union benefit to increase small business, again, it goes from 450 to 500 thousand dollars, so that identifies that budget line, and eliminating the profits tax for credit unions represents about anywhere from 1.3 to 1.5 million dollars.

Mr. Wiebe: Okay, well, that's just restating, I think, the same facts that the minister put on the record, although that does, I think, help me understand that, you know, we were looking at a number of \$15 million for the removal of the special deduction, but I—so what I'm taking from what the minister's saying, the \$3.1 million this year, that's each year will be added up so—and that's phased in over five years up to the \$15 million.

So, again, I'm just trying to get to the heart of the matter here, which is that, you know, credit unions are facing additional taxes under this government, and I wanted to understand exactly how much that will impact them on their bottom line.

So, you know—and I understand if the minister doesn't have that analysis in front of him. That would be fine if we could come back with it. But I just wanted to get a sense of what removal of the profit tax and the increased threshold—which I, you know, to be honest, like, I can't imagine many credit unions being affected by, you know, and, you know, the minister can maybe correct me if I'm wrong, but I know there are some small credit unions, but that would be an incredibly small credit union to be operating as, what we would consider in this province, a small business.

But, anyway, so I just wanted to get a sense of those numbers so that we can compare and see what the impact on these credit unions actually is.

Mr. Fielding: Well, I think—well, in fact, I know that all credit unions will benefit from the 450 to 500 per cent threshold change. That's part of the zero small-business tax rate for—that Manitoba enjoys. In fact, I think that's the lowest of any province for small business throughout the country, so they all will benefit from that.

Mr. Wiebe: Well, I'm, you know, I always appreciate when the minister puts on the record how much he acknowledges that our government lowered the small-business tax to zero here in this Province, and I think, at the time, it was the—well, I know for a fact at the time it was the only—we were the only province to do that. I don't know if other provinces now are playing catch-up. *[interjection]* I see my friend from Minto saying no. In fact, we are alone in that, so it's a—it is something that we were very proud of in working with small business.

But, I mean, again, to get to the heart of the matter here, and that is, is that, you know, credit unions play an important role in the economy of Manitoba. You know, they are an institution that, you know, is a part of the fabric of the community and employs Manitobans, of course. Credit unions across the province are the lifeblood of some communities, in fact, and help to boost business and work with small-business owners to amplify the work that they're doing.

And, ultimately, what credit unions serve to do, you know, apart from—that sets them apart from the big banks is that they keep Manitobans' money in Manitoba and puts it to work right here in Manitoba, so I know I have a lot of respect, I know our caucus has a lot of respect for the work of credit unions. And yet, you know, this government has decided to increase taxes on those credit unions.

Maybe the minister could clarify, and this may not be—this might be outside of the BITSA discussion, so you can choose to answer it if you'd like to or not, but were there similar tax measures, increases, that were applied to banks that would put them at a level playing field with credit unions or were these increases solely for credit unions in the province?

Mr. Fielding: Well, one thing I think we can both agree is that small- and medium-sized businesses certainly do look at the NDP in a unique fashion in terms of their role in respect to their approach to business and allowing business to grow and prosper, so we very much agree with you on that point.

What I can say, again, these are—it's—there was a special deduction, right, that's there. So this is not a tax increase. This is a deduction that was essentially a part of the realm going forward.

* (14:50)

Are you asking about banks? Banks pay about \$100 million in capital taxes. Credit unions—first of

all, I want to say how much we value credit unions. I think they're a really important area of lender for a variety of areas, including the ag sector for sure. They are a very important institution, and we very much value what they do.

But, to be fair, when there is a calculation in terms of the amount, they are not paying the capital tax which equates to about \$100 million for banks, and with this we want to make sure that there is, I'll just say that we value what credit unions do and we're doing very similar to what other jurisdictions like the Canadian government, that places like PEI and Saskatchewan and Quebec have done, in respect to any special deductions associated with credit unions.

Mr. Wiebe: Well, so, on the one hand, the minister acknowledges, well, what he called a special relationship with small business. I think that is a good way to characterize it. I think small business said, wow, I can't believe this NDP government is being so, working with us so well and values the work that we that do. So, on the one hand, he's saying that, you know, it's important to recognize the unique role Manitoba has played in the country in lowering small-business tax and being true friends of small business. But, on the other hand, he is saying well, no, wait a minute, actually what we want to do is just be like every other province when it comes to credit unions. And, you know, I mean, it's all well and good to say that the minister stands with credit unions, you know, but the facts bear themselves out here where they're going to be paying \$15 million more in corporate income tax.

We already see at Caisse Populaire and other small credit unions closing across our province, and, you know, feeling an impact already. And, you know, and this will be a further burden on the work that they do.

So I think, you know, I think it's important that the minister acknowledge the impact that this is going to have, recognizes, as I said, the unique role that these institutions play in our—especially our rural communities, but throughout our province, and especially in keeping Manitobans money here at home, amplifying it, working with small-business owners and others to make sure that that money is invested here in Manitoba.

Maybe I'll try to get at this a little bit of a different way. Did the minister—maybe the minister could just explain some of the consultation that went

into this, and some of the discussions that he had with credit unions and what their response was.

Mr. Fielding: Yes, since I know the previous minister had previous discussions with the credit union central, I had a meeting with Credit Union Central over the last month and a half to talk about the changes that are—that we are making that are similar to other provinces, very similar to other provinces and the Canadian government as it relates to special deduction that's associated with credit unions. So there has been discussions with the credit unions.

Mr. Wiebe: Well, this sounds like some of his colleagues in the way that he describes the consultation. I think we've heard his fellow colleagues sometime say, well, we had a meeting, we sure did, and there was coffee there and people showed up, and we had a meeting. And then that's about the extent of it.

I appreciate that the minister has sat down with them. What I want to know is what the reaction was. How did these credit unions, you know, talk to him about this particular, you know, significant tax increase that they're going to be facing? And how did they convey, or what did they convey to him about some of the challenges they're facing again with some, you know, small institution, *caisse populaire*, across the province shutting down? What kind of information did they give to the minister?

Mr. Fielding: Well, we have had discussions with the credit union. I know the special deduction was put in place in 1972, the year I was born, so it has been around for some 46-some-odd years. I know that there's a long-standing benefit for credit unions, and no other corporations really have had the benefit and its addition to the small business tax credit that we had talked about.

The sector really requires, or if you look at, they no longer require the additional government supports, i.e., credit unions assets increased by over \$11 billion to over \$27 billion since 2006. So they are a maturing organization.

And I think, if you look at their literature—and I want to emphasize the fact that we think credit unions are doing a wonderful job in our communities, and specifically in certain sectors for sure. Things like agriculture, we think, is important. But they have matured, and I think even if you look at their marketing literature, that what they will tell you is that they very much compete with the banks on an everyday basis.

We wanted to make sure we did this in a fair and appropriate way. We didn't phase this out all in a way. What you—when you talk to business communities, really what they want to look for is predictability. And so a phased-out approach to the special deduction—again, similar to what Canada as well as three other provinces has done—we think, will give some predictability in terms of the credit unions.

And so that was part of the decision-making process. And we continue to have dialogue, and we encouraged the credit unions to continue to have discussions with us through our budget process.

The first year, as mentioned to you, there was a—there's an offset with the elimination of the credit union profit tax that's associated with it, so there is some offsets for credit unions.

Mr. Wiebe: Well, once again, I've heard a lot about what the, you know, the minister has to say about the industry and about credit unions, but not as much as I'd like about what credit unions had to tell the minister, and I do think that's an important part of the story, and I do think that's an important consideration to make.

As I said, I think, you know, most Manitobans understand that they can trust their credit unions; they can put their faith in their local *caisse populaire*; they can—they know that, you know, they are capable of providing the right services and working with them to amplify their work here in Manitoba.

But, that being said, they are at a inherent disadvantage against the big banks in Canada. And, you know, not that, you know, I'm going to—you know, there's definitely a role to be played for big banks, but I think there's also a very important role to be played by small credit unions and, quite frankly, large credit unions, because, of course, we know in Manitoba we have some very successful credit unions as well.

I did want to switch gears slightly for the minister if we could and talk a little bit about child care, and I think the minister may have some thoughts on this. So there's about—as the minister knows, about 17,000 names now on the child-care wait-list. How many—so, the question is, by approximately how many will the development of a Child Care Centre Development Tax Credit reduce the number on the wait-list so that parents can work without having to worry about their child care?

Mr. Fielding: I will address child care. It's something I have talked about a lot over my term

here in the government, but I do want to add a couple things to the record on the credit union.

First of all, our government has very much supported clients that use credit union services. In fact, we've made changes, obviously, to the threshold that we talked about, moving it from four hundred and fifty to five hundred thousand. We've indexed brackets that we think is very much important for all Manitobans. It's giving a little bit more money in your pockets. We've committed to reducing the PST, which was of course raised under the previous government. And we've made important improvements in our systems to getting the fundamentals of government right. And when I mean that, I look at things like red tape; we look at, as mentioned, taxes and environment for businesses to grow and prosper, even things like tax-incremental finances.

And the one thing that I would recognize: the fact that our economy is booming right now. You have the largest amount of private sector capital investment in the country right now. Because of Manitoba, there's businesses being attracted in the food-processing area. I know the Minister of Agriculture (Mr. Eichler) is here and has done some fabulous work with help attracting—*[interjection]*

Yes, I think he deserves some applause for it. And whether it be things like Roquette, things like Simplot, some places like HyLife Foods that are not only attracting businesses and jobs to Manitoba economy, it's growing it.

We know that the private sector is growing upwards of 12 per cent on a yearly basis, and in terms of things with—you know, whether residential starts or things like commercial are growing at exponential rates.

But, to answer your question on child care, turning to that element, our government has made substantial investments in child-care area. You're probably referring to the elements of BITSA that talk about the child-care tax credit. We truly think that's a innovative approach to addressing child care and creating some spaces. What we tried to do with child care, after consultations with Manitoba Child Care Association, is we've developed a new and innovative approach to creating spaces.

* (15:00)

I can tell you very much so—and I think you're going to be hearing a little bit more about this from the government over the next number of weeks or

months—in terms of the amount of workplaces that are very much interested in this tax credit. I can tell you they're almost lined up out the door, when—through the Minister of Families (Mrs. Stefanson) and also, through Finance.

And so we think it's an innovative way to approach child care. And what it does, obviously, it provides a refundable tax credit for workplaces to set up child-care centres and that's over a longer period of time. We want to create upwards of either 75 or 100—over 75-spot child-care centres. And so we think, added to the approach of investing more money in child care, things like the \$47-million investment partnership with the federal government on creating spaces, investing more money in things like the special—rather the inclusion support that's supporting children with either higher needs or autism. We heard quite clearly from the child-care association that we need to do a better job in supporting it. So our government committed over \$10 million towards that.

We also, in the child-care sector, wanted to make sure that we're supporting things like ECEs. You hear that from all the time from the child-care sector, that you want to support people having the right training. We created things like the living textbook, that you hear from a number of child-care providers, one in particular would be Cindy Curry, it's a child care provider just outside of Portage—to really get them the skills and knowledge they have.

We also included northern strategy, a part of our child-care plan, a partnership of the federal government where we're investing money to make sure that ECE development is there and that spots are available. So, very proud of our investments in child care, it's created thousands of spots and we know that we are left with quite a hole from the previous government.

Mr. Wiebe: Well, I suspected the minister might have a lot to say on that and I guess I was right. But I've also been told by one of my colleagues that, I guess, he did start some of this line of questioning yesterday. So I'm going to, maybe, let him continue that at a point here in the near future, because I'm sure he has some follow-up that he'd like to talk to the minister a little bit more, and add some questions, about.

So, again, to slightly switch gears here on the minister, and I apologize for that—so we did start this conversation today talking about credit unions and had a brief discussion on the small-business tax that

small businesses here in this province pay. As we talked about the increase, the threshold for paying that small-business tax has increased from \$450,000 to \$500,000.

If the minister could, could he just give us a sense of what that impact is, in terms of revenue for the government, for raising that threshold to that amount?

Mr. Fielding: Yes, I'm sorry, could you repeat the question?

Mr. Wiebe: Just the overall impact of raising that threshold, in terms of revenue, that the—yes, how much money is the government expected to collect less in terms of business—tax from small businesses.

Mr. Fielding: I believe the figure is around \$7 million that are associated with it. What I can tell you—and I'll give credit when credit's due—I think the small business zero is important and so that was a good decision by your former government, so I congratulate you on that. What we have increased that though; we didn't think it was good enough, and so we've increased it from four hundred and fifty to five hundred thousand dollars. We are still—although we're pretty similar to other jurisdictions—you know, overall, in terms of the deduction level, Saskatchewan's still a little bit ahead of us, where their deduction's up to \$600,000.

So, you almost view it as kind of like the basic personal exemption but for small businesses, where that's the threshold where you're not actually paying any taxes. So, all businesses are going to benefit from that. But if you're a small business, obviously, this means a little bit more than a huge corporation that's there. But we think that it does allow businesses to grow and prosper. And I think one other thing that we really heard from businesses that is important is in terms of addressing red tape, and although it's not necessarily in BITSA, it is an important factor for businesses. We know that, you know, if you have more red tape and regulations just for the sake of regulations, that's something that impacts the growth of small businesses. And we know that small- and medium-sized businesses grow the most amount of jobs in the—not just the Manitoba economy, but in the Canadian economy. And so we need room to work with small- and medium-sized businesses to grow and prosper. And so we think this will help small-, medium-sized businesses.

Mr. Wiebe: Well, it's always nice to get credit from the government and from this minister when talking

about these tax breaks. And, again, something that we've talked very loudly about. The pride that we have in working with small businesses, ensuring that they are paying their fair share, of course, but that—especially small businesses are given that break that sometimes they so desperately need when getting off the ground. And so I think there's a lot of benefit to that.

And, as the minister would know that we realized we ran into a bit of a problem when implementing the small business tax reduction. So it did—it was reduced a number of times until we got to that zero. And then when we got to the zero, we realized there's nowhere to go. You can't go lower than zero. And so that's where the threshold really came into play. And he will know that we increased that threshold on a regular basis for small business.

And, you know, this is a government that likes to talk about the importance of predictability. You know, I would argue sometimes it's predictability in the wrong direction in terms of cuts, but in this case, you know—and in the case of the minimum wage, right? You know, predictability—you know, every October, we—the—you know, the previous government would increase the minimum wage by 25 cents so that employees knew that they would come to expect that their wage would inch ever closer to a living wage. Again, this government has moved in a different direction. It's predictability, but predictability in a way that locks them in at a poverty level, which is a concern.

But back to small business. When we talk about predictability—so the minister has—they've raised this—maybe he can give me just a bit of a history here. And this might be something his officials could help him with is, in 2016, was there an increase to that threshold? In 2017, was there an increase to the threshold? And I guess most importantly, the question I'm trying to get to here is in 2019, can small businesses in this province expect that the threshold—the minimum threshold would continue to rise with increasing costs and inflation, et cetera?

Mr. Fielding: Well, we're a little bit off topic for BITSA, but I will address a couple topics.

Number one, there is 1,700 businesses—workplaces that will benefit from the increase. So that would be businesses that—their revenues would be between \$450,000 to \$500,000. So, when you increase the cap, there's close to, again, 1,700 businesses that will not have to pay any tax. And whether—whoever brought this in—and I—you

know, again, not afraid to give credit where credit's due sometimes—you know, will not have to pay business taxes.

To answer your question, even though it's outside of BITSA, you know, we are doing consultations on Budget '19. And so, you know, all options are always on the table. And so we're going to review that. But I can tell you we're—just started our process, so no decision's been made on 2019 and beyond.

Mr. Wiebe: Well, that's disappointing. I thought I might get a peek behind the curtain there and get a scoop on what this minister is up to. But, you know, that's fine; that's within the prerogative of the minister to hold on to that information.

I guess maybe I could ask this in a different way, or to try to get a little bit of a different piece of information here. So as I said, I am interested if he could just to tell me, was it increased in '16 and was it increased in '17, and I guess—well, maybe I'll just leave it at that.

If the minister could just answer the—has there been a regular increase since this government was elected, or when was it last raised?

*(15:10)

Mr. Fielding: Yes, well, first of all, we are—we have been involved in a number of tax credit reviews. I think that's pretty out there with a variety of the tax credits that are in place. So part of that review led to decisions to allow small businesses to grow and prosper, and we thought this was one that would make some sense.

What I would like to also say is that we are very much committed to reducing the PST, and PST is not something that just impacts residents. It has an impact on businesses. In fact, I think the PST, if I'm not mistaken, has about a 40 per cent of, you know, the benefit—the overall benefit—somewhere between 40 to 50 per cent of the overall benefit of the PST will allow businesses to grow and prosper.

And, you know, when you think about that—I, you know, had a—I was having a good discussion with a business friend of mine, and there was some talk of the carbon tax and the pros and the cons, I guess, we'd be having a discussion. The government has made a change in our plan, which we think is good, but there was some discussions.

And I put the point back to the business owner that was in the midst of buying heavy construction

types of products, and saying, you know, we have committed to reducing the PST, and so would that 1 per cent make a difference on the heavy-duty construction product, whatever he was going to buy.

And, you know, he was quite impressed that if you are able to reduce the PST, that is going to make a difference to, not just residents, but also to businesses. So our commitment to reduce PST is something that will not just have benefits for Manitobans, but will have impacts for businesses.

And you could put that together with the threshold increase that we've talked about here, you put that together with things like our commitment to reducing red tape, you know, and we've, kind of, moved from a, kind of, a model where if you need to introduce or reintroducing regulation, you've got to eliminate two, and that's the right size.

We've kind of done a review of all red tapes, and I know you were going to talk about child care later on. We're in the midst of doing a review of child-care red tape, so it's not just in the business, but it's on the social services side.

All these things meshed in, we think, will add benefit to businesses, and probably some of the reasons why we saw, in 2017, an increase of almost 12,000 new jobs for Manitoba businesses, and really, that means these are jobs are going to stay here for the long haul. And so we're very proud of that record, and we continue to lead the nation in terms of private sector capital investments.

So I think the business sector is seeing, I guess, essentially, that we're trying to get the fundamentals of government right, and also an important business environment, I guess, to grow and prosper. And you need to put these things in place, because you have interest rates that are going up.

There's already been, I think, three interest rate hikes over the last 18 months, and you look at what has been predicted in Canada and the United States, you know, there's a good chance that there'll be continued interest rate hikes in Canada. We also know that there's quite a bit of tax cuts that have happened in the United States in the business—from the business environment that makes us a little bit less competitive.

Manitoba leads—in fact, I think we're the—I think we're leading the nation in terms of exports to the United States over the last year, 2017, or year end, into '18. And so business is going well, but you need to get the fundamental rights and these are all

elements of getting the fundamentals right to allow businesses to grow and prosper for Manitobans.

Mr. Wiebe: Well, it's interesting. The minister slipped in there a little comment on the carbon tax, which, you know, when talking about business and predictability, this is, you know, one of the major complaints that small business and large businesses alike, quite frankly, in this province, are critical of this government about.

You know, I think businesses in this province want to be green. They want to do their part to reduce the carbon emissions in this province. And, instead of moving on that in a way that would in—you know, work with business to give them the tools to accomplish that while protecting jobs and making sure that the green jobs of the future are there, you know, this government just walked away from the table.

And the Premier (Mr. Pallister) made a decision on the fly—and I can appreciate that the minister wasn't at that table there when this decision was made. I'm sure he wasn't informed of it ahead of anyone else in his caucus. They all found out at the same time and were all shocked.

I remember that day. Everyone walked in a little bit shocked as to what the Premier had dreamt up over the—you know, the night; maybe had eaten a bad chicken wing or something and was having a restless night and was thinking back on that encounter with the Prime Minister.

I can't imagine what it would've been, what exactly turned the tide here in this province, but what I do know is that small business and medium-sized business and, again, large business, even in this province has criticized this government for the lack of predictability. And so that's why—that's kind of the heart of the question I'm trying to get to. And I don't think I've heard an answer from the minister, and this is a pretty straight-forward question. So I'm hoping maybe he could just take it as—under advisement if he doesn't have the answer in front of him.

But what I'm trying to understand is the BITSA or the—sorry—the small business threshold. Now, this is an amount that has been increased this year and I'm just—I'm trying to understand, first of all, if this has been done on a regular basis since this government was elected. But, I guess, more importantly, is why was this included in BITSA? I know this was something that was talked about by this government in terms of its intention to do this in

the budget, so I'm just trying to understand the logistics of why we're seeing it here in BITSA. And, you know—and, again, I guess I am trying to poke a little bit to see if we can get a sense of if there's a feeling that the government would move to some sort of predictable increase that would, well, you know, be able to help small business in this province.

Mr. Fielding: Well, let me just address—I was part of the decision in terms of the carbon tax and I was aware of it, very much so. I mean, that's—you obviously need to take considerations of all these factors. Our government is very committed to green. We've got a green plan. In fact, we've got a large plan. There's about 67, 68, there's in the high 60s in terms of our carbon—our plan in terms of addressing areas of green.

And we've taken some leader—I'll just give you one example right off the bat. Through our fleet services we want to reduce our carbon footprint as a government. So we did a review of all our vehicles that we are using as a corporation, I'll say, and we've reduced our fleet by upwards of almost 500, just under 500 units. That's going to save us, actually, about \$2.3 million on an annual basis, reduce our carbon footprint—I know the Minister of Sustainable Development (Ms. Squires) talked about what that means in terms of emissions. But we think that's one small example of what we can do as a government to do it.

So, once again, I was very much aware of the carbon tax decision. I think it's the right decision, and, you know, you talked about why this is included. I guess the business threshold piece of increasing for 450 to 500—the threshold—that is part of BITSA. And to be frank with you, when the former government made changes to that—and I would suggest, in a positive way—that was part of BITSA, as well. It's a tax 'implemation' measure and so that needs to be included in BITSA. So it needs to be there to be implemented.

Mr. Wiebe: So, okay, two things: maybe the minister could just explain why it's in BITSA? And the minister just said with regards to the carbon tax, he said something with regards to it's in the high 60s, I think he said. I'm just trying to get some clarification. Exactly what did he mean by that?

Mr. Fielding: You know, respectfully, I guess, I would point to the title of the bill: the tax implemento—implement—I'm saying it wrong—tax implement. You know, it's right in the actual title of the actual bill, so it makes sense that budget

implementation of tax statute amendments. I think I'm—after seven and a half hours of questions, I've tripled my own words. But that is right in the title of the bill, and so any tax changes that need to happen, need to be incorporated in that. And to be fair, the previous government did the exact same thing. It needs to be a part of the bill. That's what this bill is all about, so.

We did announce the threshold change in the budget, so that's not something that's probably new to Manitobans, but it was announced in, you know, on the budget day.

Mr. Wiebe: Well, so that's helpful. I appreciate the minister clarifying that. Does makes sense to me now, I appreciate that. So just again, clarification on the minister talking about the carbon tax and had mentioned something about their green plan was in the high 60s. Just wanted to get an idea what that was.

Mr. Fielding: Yes, I think our government has said yes to green and no to a carbon tax, and what I was referring to was our carbon—our green plan, which was introduced with the Premier (Mr. Pallister) and the Minister of Sustainable Development (Ms. Squires) over the course of the last number of months.

* (15:20)

And so I was referring to the fact that there's one page of the green plan, I think it's 68 or 69 pages in length, I stand to be corrected, it could be 67, but that's the number that I was referring to that we have a comprehensive green plan. We think it's important to address and be more environmentally—take a more environmental stewardship look at things but not impact the economy. And so that's why we made some changes to the taxes. In fact, our original proposal looked exactly that way where we truly wanted to make sure the economy is not impacted.

Just with the environment we know though what the federal government has introduced, the Premier has talked extensively that there seems to be kind of a two-tiered approach to this carbon tax, and if you're, you know, if you're east of Ottawa you seem to be getting, I'll say that east of the Ontario border, I guess, you would be getting a better deal than in the west. So that was our concerns with it. And that's why we made some changes, and we think it's important to be green but also not impact the economy as well.

Mr. Wiebe: Well, I would argue that the number of pages in the document doesn't necessarily speak to its value or its ideas. But anyways that's probably a discussion; I know that's a discussion for another time. So I'll leave that at that.

The minister, and this may be a question I'm having a bit of déjà vu here in asking this question, but I don't know that I asked this specifically, but I know I did ask the minister a little about housing and that might have been in a different context now that I'm sort of looking over at him here, trying to remember in what context we talked about that.

What I wanted to ask about is with regards to the federal contribution to housing and housing projects in the Province. And I'm just not quite clear about what the obligation or what the commitment was by the federal government to housing in the province. If he could just give me a sense of what that number looks like. And I know that the minister did have some conversations with the, our health critic with regards to the federal health transfers. So I just wanted to get a bit of a better sense on the government's—the federal government's commitment to housing in this province.

Mr. Fielding: Yes, I can kind of briefly identify most of the—you know, I was the former minister for housing so I can give you kind of the overarching principles of it. For the most part, the National Housing Strategy is kind of a continuation of the investments in affordable housing. It's a long-term agreement. The investments for new housing was long-term agreement and the new housing—National Housing Strategy, is a kind of a continuation of that agreement with the federal government. So there is a requirement on most fronts to, wouldn't say all fronts, but on most fronts to match dollars. There's a variety of components.

We have signed on to the National Housing Strategy. The government is in the midst of negotiating a bilateral agreement with the federal government. We anticipate that there is—well, in fact, there is ongoing discussions of what that will look like. There is a number of components that really are attached to this, and it's amazing how much of this information you slowly lose, that is—you're not the minister for three or four months. But for the most part, I can say it's really three components of it.

There is the element where there is a matching fund, it was what we called investments in affordable housing; it was matching dollars, the federal and provincial dollars were—and build

affordable housing. That has changed to something called provincial priorities, and so that identifies some housing priorities that the government has.

There is also element of the National Housing Strategy that looks at the expiring of operating agreements. So as the member probably knows, the federal government got out of, really, the housing business in the 1999-ish time frame, and they moved the housing to the provinces where they're essentially administrating a lot of agreements, and they would flow some money to us. At that time, the federal government said we're going to phase out that amount of money that flows to nonprofit housing providers, and the Province would be administrating that. And the thought at that point was that housing providers would have that time when they're mortgages become mature, where they would be able to make those investments and the premise of the program was to keep rents affordable for Manitobans. In some respects, that did happen; in some respects, it didn't. So a portion of the federal-provincial agreement talks about the expiring operating agreements.

The federal government has committed to have a backstop; I don't have the exact date of when it will be, but I believe it is 2019 where the flow of money that would—that was coming to the Province to support these non-profits that were coming off operating agreements would kind of expire. So the federal government, instead of continuing to deplete the amount of money that would flow to the Province kind of continued on that path. So it's a good-news story for non-profit housing providers where the amount of money that's flowing in from Ottawa will be there and allows them to keep their priorities together.

So, again, first priority was provincial priorities; the second priority is expiring operating agreements. They have a new fancy title for it. I can't exactly remember the name of it. But the third element of the plan deals with a portable shelter benefit, and that's something that this government really supports. It's very similar to the Rent Assist program and so it allows people with low income, certain thresholds, to get basically like a subsidy, so it's very similar to the Rent Assist program where it allows them to take that portable shelter benefit and maybe investment. So, if you want to, instead of just being in a Manitoba Housing stock or others you can take that money with you and you can, you know, have choice and immediacy in terms of money and go where you want.

So it's a very good process. I'm very supportive of that. I think that, if you look at supporting Manitobans, the amount of money that you could use with a shelter benefit, you could support probably six times more people in terms of housing than you can by just building one Manitoba Housing unit. To build one Manitoba Housing unit, to—the debt financing to build it and to supply the operating agreement is equivalent to about \$23,000 a year. So if you take that \$23,000 a year, what you could get from a shelter—portable shelter benefit, you know, if you averaged out maybe 3,600 bucks per person, you could support about six times more people on a portable shelter benefit than you could by just building Manitoba Housing units.

So that's kind of the premise of the three elements. There's obviously the ongoing discussions with the federal government on the bilateral agreement that the governments continue to work on, and we're happy to be part of it.

Mr. Wiebe: So, the National Housing Strategy, the minister called that a bilateral agreement. I think I heard him say that the agreement has not been signed. Does that mean that there are no dollars flowing to the Province from the federal government?

Mr. Fielding: No. The current agreement, the investments in portable housing continues on. I believe the start date, if I'm not mistaken—and I'll have to refer this back, I don't have all the information right in front of me—is potentially starting in 2019, if I'm not mistaken, and—but the current agreement is in place that's there.

So we have signed on to the National Housing Strategy, and then once the National Housing Strategy is signed on to, then it's up to the provinces. So each of the provinces will negotiate a bilateral agreement of the kind of the details, I guess. So they kind of say, this is the envelope of money, and then we kind of, you know, negotiate with the federal government of, you know, what's in that envelope or the types of investments that are there. Overall, it's somewhere in the neighbourhood of a \$300-million commitment over 10 years for both levels of government. So that's the overarching national housing agreement that we have signed onto. The bilateral agreement in terms of the details of what's in that envelope full of money is still being negotiated. We're hopeful that we can.

Just like to put a couple things on the record, you know, and I want to really apologize for this, because

for a number of months I've been saying that our government actually built over 487 new units of social affordable housing. I was mistaken. I was wrong about that and I want to apologize about that. We've actually built 558 new units of social and affordable housing since this government's taken office.

So we made those investments. Not only have we opened these units of housing, but we supported them through operating dollars, which we think is important. There is a number of projects that are still on the way, and so we've tried to take a balanced approach when it comes to housing by supporting new bills, supporting Manitoba Housing stock, supporting things like Rent Assist, and so it's a balanced approach to addressing affordable housing in Manitoba.

Mr. Wiebe: I notice that the minister was reading from a note that came into the House to him. I'm wondering if he wanted to just table that document and maybe table the list of the housing addresses that he's referring to.

Mr. Chairperson: The honourable member for—the honourable Minister for Finance.

* (15:30)

Mr. Fielding: Well, I can do even better than that. I can tell you the housing units and where they are, so if you look at some of them—and I could list them off, if you want. There's 558, but, essentially, there is housing that was built: housing for homeless, Brandon, five units; there is MMF for Brandon north, two units; MMF Brandon south, there's two units; MMF Brandon, duplexes or triplexes for three units.

There's a variety of different areas in Manitoba that we've created housing, some things like: Old Grace housing corp, 30 units; things like Merchants Corner south, 13 units; things like Weston Seniors, phase 2 in Brandon, 48 units—that was a good one.

We've got things like Merchants Corner north, 17 units; Cross Lake, phase 2, four units; things like Austin Family Commons, that's a lot of social housing that's there—Social Enterprise helped build that, by the way, it's a very good project—19 units; things like the St. James Kiwanis Courts East—close to my neck of the woods in terms of where I represent—48 units; the St. Paul Martin estates, that's more in the Transcona area, about 92 units will be created there; the Fountain Springs Housing, and that deals with kind of like mental health,

people that have mental health challenges for housing, which is important, somewhere—it's around 30 units; Downtown Commons, 46 units; the RTM relocations, there's various units, seven; Cambridge family housing in Thompson, 24 units; the bridge—I mean, I can go on and on and on.

But I guess my emphasis is the fact that it's 558 units that have been opened and we supplied, in three of our budgets, depending on when these things came on line, money for their operating dollars. So we have been making some important investments. We are continuing to make those important investments on future projects as we go forward.

Mr. Wiebe: Well, first the minister claims that he's forgetting everything that—you know, from being the Housing minister, and then he's able to almost fill up five minutes. So maybe he's not losing it all. I think it's all coming back to him pretty clearly, and I do encourage him; he does have the document in front of him. It's—[interjection]—table it. Yes, I think there's a request to table it.

When—you make copies.

Mr. Fielding: Just tabling doctor—the document.

Mr. Chairperson: Okay, thank you.

Mr. Wiebe: Well, that's helpful. I appreciate the minister doing that.

So I just—back to the budget implementation and 'tach'—tax statutes act, with regard to the bilateral agreement, so what I'm trying to understand is, you know, the minister says that this is an ongoing process. Have other jurisdictions signed on to the—their bilateral agreements or can the minister just give me a sense of what they think the timeline would be to come to that agreement? And, again, just to confirm, here, that the minister said that, I think it was 2019 is when the dollars started to flow. When in 2019, I guess, would be helpful.

Mr. Fielding: Yes, I got—refer—I'll have to verify the start mandate. I believe the process is in place, is like the old agreement stays in place until the new agreement is signed. I know our officials are meeting with the federal government in terms of that negotiation. Just off—you know, I don't have all the literature in front of me. I know that the Ontario government prior to their election did sign on to—or did provide a bilateral agreement. Now there's a new government that has come in place since then, so whether that agreement is scrapped and we look

to do another one, I don't know. But the last information I had I know at least Ontario did sign on to it. Some people, you know, thought that potentially there was some election timing that they wanted to make sure they got everything in place. But to my knowledge, again, I know I'm sure it has, but, again, that may have been rescinded with the new government, but we can probably get you some information of who has signed on and who hasn't.

What I would say is that our officials are working with Ottawa and there's finer details that have to be arranged with that, specifically in terms of the portable shelter benefit. And so those are details that are important that are still being worked out. And what I can say is people are not without a bilateral agreement in place because there is a current agreement through investments of affordable housing that, you know, is the current agreement that's in place until the new agreement is signed on to.

So I would also like to mention with the housing, there is a big—there's an important fund called the National Housing Co-Investment Fund. It's about a \$16-billion fund across Canada. So, you know, Manitoba proportion, although there's not a provincial allocation for the housing, Manitoba generally gets about 3.5 per cent of these types of allocations. So, you know, I mean, there's significant amounts of money that's on the table of the \$16 billion and that's everything from things like, places like non-profit housing can apply for this, private developers can apply for it.

And there's, kind of, a regiment of low-interest loans. I think it's like 1.8 per cent low-interest loans for a time period, I'm not sure what the term is, and/or grants per doors. The private sector ones are a little bit more—like, I think it's like 15 per cent.

And what the federal government is looking to do is two things: build affordability into it. So the—certain amount of these units would be considered as affordable units, and they also want to make sure that they're green, you know, green buildings and that sorts. So those are, kind of, the two overarching principles of the co-investment fund.

I encourage all housing providers to apply for that. The actual application process is out right now, and it's, kind of, a rolling application until the money's all gone. So—and that's over a long period of time. So there's a real opportunity to provide some housing, and there is a bit of a provincial component to that that's still being ironed out, but we think that

it's a good opportunity for housing providers to get some money for housing.

Mr. Wiebe: Well—and I'm sure the minister knows why I'm asking this particular question. And, I mean, obviously, this is because, I mean, first and foremost, any assistance that the Province can get to catch up in terms of the affordable housing deficit that we're facing here in this province from the federal government, it's, you know, one more dollar that could be spent in this province. It's a good thing.

But, of course, I mean, the backdrop to those discussions and those negotiations that I'm sure that his officials are having is a Premier (Mr. Pallister) that has, at every opportunity, picked a fight with the federal government.

Now, not turned away any dollars, you know, let's be clear; has gladly taken whatever federal assistance can come our way, but not made it easy, not worked with the federal government to make sure that Manitoba got its fair share and that Manitoba was getting its piece of the pie in terms of the federal assistance, in a way that's most beneficial to Manitoba.

So that's my concern. I think it would be helpful, and I do have the minister on the record that he is going to try to get some more details about the timelines that he's expecting, so I do appreciate that feedback and I will—I think that'll be helpful, in terms of understand the picture that we're painting.

I just wanted to jump around a little bit, I do have—I know others in my caucus are interested in asking some questions, and I do want to give them some time, but I just wanted to jump around a little bit, if hopefully we can get some quick hits of information.

What I'm trying to understand is with regards to the amendments to The Fuel Tax Act that are listed in the budget implementation and tax statutes act. So these are changes, amendments that are amended by, as it says here in the bill, schedule E from The Climate and Green Plan Implementation Act, Bill 16.

Of course, the minister will know, we have a number of amendments that are before the House right now, and there's much—there's been a dramatic change in this government's plan when it comes to a price on pollution in this province.

So I'm just trying to understand how this will—this particular piece will be affected, where it says here to exempt interjurisdictional commercial cargo

and passenger flights from carbon tax when aviation fuel is purchased by the permit and delivered directly to the tanks of an aircraft for such a flight.

Mr. Fielding: Well, I guess what I'd say is the provisions are kind of mute to a certain extent because we don't—we haven't entered into—our policy has changed in the carbon tax. And so each, as I'm sure, the amendments that you'll be bringing forward will be voted upon and we'll see where that goes.

Mr. Wiebe: Okay, so what I understand is this is—and I know that there's been some discussion in the House about possible amendments to BITSA, and this would be—this would fall under those amendments. Is that what the minister is saying?

Mr. Fielding: Well, I think we'll be able to vote on these certain things. I don't see any potential amendments that government would be making to this particular bill, but we'll have to see in a few hours, right?

*(15:40)

Mr. Wiebe: I'm genuinely confused. The amendments that the minister is talking about are the amendments to Bill 16. Is it—what I'm trying to understand is just how—so, we're going to be voting here this afternoon on sections of this particular bill. If the minister's—if the changes, the government changes, to the Bill 16 go through—I'm just trying to understand the relationship between BITSA and the specific—or the specific changes that are being made here, how those will be affected by potential changes that will happen to Bill 16.

Mr. Fielding: Well, I want to be clear. What I was referring to is BITSA bill; I wasn't talking about Bill 16 in terms of changes—of changes. That's—another minister can deal with those particular things. There's two things that—under the fuel portions of the bill that have any implications, and they—well, there's really one thing, but it's—they're interrelated—related to an exemption on aviation fuels. But, clearly, the government has signalled our intention on carbon tax and what our position is.

And so, you know, maybe I'll leave it at that. I—you know, it's a—when these things come up, as I'm sure you're not telling us right now what your amendments would be to BITSA, and, you know, there is—really, the only thing that the carbon tax component, a part of BITSA, is those things: an exemption for aviation fuel. So the fact that we're not moving in, that we've said quite clearly that we're not

doing a carbon tax makes that point mute to a certain extent.

Mr. Wiebe: Well, I don't think the minister would be letting, you know, the cat out of bag here in terms of explaining this a little bit further, but, I mean, that's his prerogative to do so or not to do so, you know, ahead of any amendments that we'll see this afternoon.

I recognize that the minister is doing his best to keep up with the Premier's (Mr. Pallister) best pickerel-on-a-dock impersonation that he can possibly do. And I appreciate that other members in the Chamber like our terminology when it comes to the flip-flop that this Premier came up with on the fly. But I guess what I'm just trying to get a little bit of a better sense—and I think—again, I don't think this is probably giving any kind of—giving anything away by telling us how these two pieces of the BITSA legislation—how those would relate to the changes that are happening in Bill 16.

Maybe the minister can just explain to me, and I'm just—I'm not asking this on the fly, so this is a genuine question. I'm trying to understand, the changes to Bill 16, which will be voted on next week, whereas BITSA will be—the amendments will be proposed today, and I'm just trying to understand when that vote—in other words, do—will we have to make changes to BITSA ahead of changes to Bill 16, ahead of the votes, on those amendments?

Mr. Fielding: Right, I—you know, some of the procedural items—I'll be the first to admit—my colleagues would probably agree—I'm not a procedural guy. But, for the most part, what I can say is Bill 16, I can't speak to, per se, but for the most part, I'm not sure of when the voting sequence will happen with this, but if the carbon tax doesn't go ahead, which I think our government has signalled quite clearly this—it's kind of a mute point because the changes are part—or the elements of BITSA, the amendment, is voted on by clause-by-clause basis. So you wouldn't—you know, you wouldn't—you won't need the exemptions, because there won't be a carbon tax in place anyways. Do you follow?

Mr. Wiebe: Well, as I said, I'm, I think, probably as confused as many Manitobans are about exactly what this government's position is on price on pollution these days. And there is some, you know, confusion, obviously, here in terms of a bill that was presented in the summer, again, you know, that supported a plan that the Premier went across the province touting, that the

Minister of Sustainable Development (Ms. Squires) went across this province and throughout the media talking about how important this particular piece of legislation was, and then, lo and behold, you know, one bad chicken wing and one bad conversation with the Prime Minister and here we are, trying to amend this legislation to keep up with those changes.

So I do appreciate that the minister is at a bit of a disadvantage in terms of presenting this bill in a way that matches what his Premier (Mr. Pallister) has decided, this week, on the price on pollution. And I guess we'll just kind of muddle through it here, this afternoon, as we try to understand what our position is to best serve the people of Manitoba.

And, I mean, this is the real crux of the matter, in my estimation, is that this is one piece of the legislation that, you know, could presumably, if I understand it correctly, you know, help folks, for instance, in the North who are, you know—count on air service to bring them supplies, bring them fuel, bring them food and supplies to last them the winter. These are incredibly important—this is an incredibly important resource for those northern communities. And, you know, if you were trying to create a price on pollution that really looked out for those, you know, who are going to be most impacted by these changes to the price on carbon in the province, that would be one place I think we would look at.

I think, you know, you wouldn't find any disagreement from members on our side of the House that people in the North, who are, you know, sometimes are already struggling for a number of different reasons, could use some pretty helpful car votes, could use some potentially helpful levers that could allow them to also do their part in contributing to reducing our carbon footprint in this province. And this might be one of those ways. But instead, what I'm seeing here is that while the minister crafted this piece of the legislation and put some thought into this, based on a carbon plan that was presented to Manitobans, now they've walked away from it and are just throwing their hands up and saying, no, we're going to let the federal government decide.

Which, as I said, when it comes to large emitters and large businesses in this province, they're saying the same things. They're saying, we want that predictability. We want a car vote for what works best for Manitobans. And the Premier has said, no, we're going to walk away from this and we're not going to do our part to make sure that we get the best deal for Manitoba.

Mr. Dennis Smook, Deputy Chairperson, in the Chair

So I'm concerned about this, and I'm wondering if, you know—and this is probably outside of the minister's, you know, above his pay grade. I don't mean that in a negative way, but I just—I do mean this is not his decision to make or his negotiation to have. But when talking to the federal government and saying, look, you're bringing in your carbon tax; here are our priorities. What—were these presented as the priorities of this government, to allow our northern residents to have some kind of car vote to allow them to get the supplies that they need?

Was that presented? Was that put on the table that the minister would know? Was that part of the negotiation that the Premier or the Minister for Sustainable Development, or maybe it was the Minister for Finance who made that case to the Prime Minister and said, look, this is important; this is what we wanted to do as part of our plan. Can you still include this as part of your carbon tax that you're hoping to bring forward here in the province and across the country?

Mr. Fielding: Well, I—what I can say, and I can tell you my opinion—the Premier's position, really crystal clear. I very much—very much—support our policy as it relates to our green plan, as well as not introducing carbon tax. I very much support that.

What I can tell you is, part of BITSA—to bring it back to BITSA—the only two parts—these are very minor parts—of the whole bill that deals anything to do with carbon tax was related to two things—well, actually, one thing—was really an exemption on the carbon tax that would be for aviation fuel, right? And then, I think, part 71 is the enabling component to that one exemption. So that is the only thing to do with BITSA, at all, with the carbon tax. It's there; it's the exemption on aviation fuels. But seeing as the fact that we're not going ahead with the carbon tax, you don't need that exemption even if we wanted to say at the federal level because it's their carbon tax, essentially, that's being brought in. We can't give exemptions to different industries because it's—that's a federal—the federal would make the decisions on that.

* (15:50)

And so my point is the one—the only one element, the small element of this amend—no amendment—small element of the bill BITSA is to deal with the exemption for aviation fuels. But

considering the fact that we're not going ahead with the carbon tax it's irrelevant to the bill now. There's no need to have it in the bill because we're not introducing the carbon tax.

Mr. Wiebe: Well, again, I mean, you know, the minister may call this a small part. I think that for certain communities and for certain constituents in this province, I don't think that they would consider it a small part. And I guess my point is is that was important enough that the minister made sure that it was included in the BITSA. He made sure that this was brought forward in August, that, you know, this was a part of the carbon plan for this province, that he made sure that there was a carve out. This was a priority as put forward by this minister. It was a priority enough to put it in the BITSA bill and to bring it here for debate before the House. This was obviously something that they picked up was a priority in constituents—for constituents here in this province.

And yet, by abdicating their responsibility in bringing forward any kind of price on pollution in this province, they've walked away from this commitment. And—but I would imagine that it's still a commitment. It's still something that this minister believes strongly and then would still want to advocate for. Even if he has advocated any kind of responsibility for collecting the tax, he would still, I'm sure, be interested in making sure that there is some kind of carve out or some kind of exemption.

So my question was, was whether that was communicated up the chain of command to whoever is doing these negotiations now, or whoever is, you know, calling incessantly to the Prime Minister, you know, and getting the answering machine over and over again saying hey, you know, wait a minute, we want to talk about the carbon tax. We still want to have our say. Hopefully, somebody's doing that, and if they're doing that are they saying this would be a priority, this would be something we think is something should go forward. Or have they just said, no, you know what, anything that benefitted people, the people of Manitoba, we're just going to walk away from that. We're going to leave it in the hands of Justin Trudeau, let him decide what's best for Manitoba instead of the government of Manitoba who should be standing up for the residents here and should be saying, you know, we want to work with you. We want a price on pollution, but we want it to benefit Manitobans. First and foremost, we want protections for those Manitobans who are most vulnerable. We want to create those good jobs and

those green jobs here in this province. That would be, I think, what the Minister of Finance (Mr. Fielding) is trying to do.

So I guess what I'm asking is apart from this particular bill where I'm understanding the minister's going to bring forward a—an amendment that would strike this particular clause, is that still a priority of this government and would it still be communicated again up the chain of command whoever's in charge?

Mr. Fielding: Well it's—that's a lot of information to take in. I guess the question I'm asking myself, I know probably the colleagues amongst of the House is asking is, what the New Democrat position is on this.

So are you now opposed to the carbon tax? Do you support—I know the critic—although he's, oh, I guess he is in the room here—talked about that the price for—in terms of the pricing plan that the federal government had should it be enhanced. So I guess my question back to you is, what is the New Democrat's position? So did they think that Manitobans should be taxed more on carbon? How much do you think that's going to impact Manitobans?

So from our point of view that we think that we should take the economy and the environment together and that's going to allow Manitoba businesses to grow and prosper. And we're very supportive of the government's position to have a green plan, but not necessarily have carbon tax that's going to have potentially dramatic impacts on Manitoban businesses specifically in terms of what the federal Liberal government, and it sounds like the New Democrats, are supportive.

So, you know, if you look at our position versus the New Democrats, I think it's pretty clear for Manitobans that, you know, we're supporting the environment plus also supporting the economy in a lot more productive way than opposition parties like the Liberals and New Democrats.

An Honourable Member: Break?

Mr. Deputy Chairperson: Is there agreement for a five-minute break? *[Agreed]*

The committee recessed at 3:55 p.m.

The committee resumed at 4:00 p.m.

Mr. Deputy Chairperson: Will the Committee of Whole please come to order.

Mr. James Allum (Fort Garry-Riverview): I'm happy to be back this afternoon to ask a few more questions.

Yesterday, when the minister and I were just completing our discussion before time ran out and the day ended, we were talking a little bit about the government's decision in last year's BITSA to repeal the historic traditional 50-50 funding split between the Province and municipalities. And I was disappointed to see that BITSA this year did not include the restoration of that 50-50 agreement, funding agreement. So I wanted to just ask the Finance Minister about that agreement. He, of course, was a city councillor at City Hall. His record on supporting transit isn't that great. But could he tell us why they didn't take the opportunity to restore that 50-50 funding formula in the BITSA legislation when that's where it was repealed in last year's BITSA legislation?

Mr. Fielding: Yes, I guess what I would reference the fact that this was not part of BITSA. That was BITSA last year that the member has talked about. There's nothing in the document here that refers to that element for this year that we can debate. What I can say is the government is—the City of Winnipeg does get a very good—in fact, I'll say one of the sweetest deals of all the provinces as it relates to funding.

Mr. Chairperson in the Chair

In fact, I would suggest that on operating funding—and I did some analysis when I was with the City of Winnipeg. On operating funding, the City of Winnipeg is probably one of the most richest jurisdictions in terms of the funding agreements with the federal—or rather with the provincial government as it relates to operating, and there is obviously operating capital. But there is nothing in BITSA that does talk in regards to that. That is something that was in last year's BITSA bill, and so maybe I'll stick my comments to what's in this year's BITSA bill.

Mr. Allum: No, I appreciate that it's not in this year's BITSA bill, and what, of course, we found so alarming was that it was buried so deeply in last year's BITSA bill. But the question was, since it was repealed in last year's BITSA bill, why didn't the minister, a former city councillor who knows, or ought to know, how important that 50 'findy'—50-50 funding formula is to the City—why didn't he

assert himself on this file and utilize BITSA in the same way the former Finance minister did, except while the former Finance minister repealed that very important agreement, the minister didn't use his opportunity to restore it.

So I'm wondering why he didn't take this opportunity to do the right thing when it came to transit in Winnipeg or in Brandon or in Flin Flon or even in Thompson when it comes to that. Why didn't he utilize this particular bill to restore that funding—critical funding arrangement, which the mayor of Winnipeg has made crystal clear is absolutely essential, when groups like Functional Transit had lobbied very heavily for its restoration, when groups like Make Poverty History have indicated just how utterly important that 50-50 formula is—why the minister didn't use his background in city council to restore that historic traditional agreement in this year's BITSA legislation.

Mr. Fielding: Well, I truly think that mass transportation is important, and our government has not cut any funding towards mass transportation. The 50-50 funding is in place. One thing I can tell you: that a variety of cities and municipalities, whether it be AMM and others—really, what they wanted, and what really used to bother me as a city councillor, from the previous government, was when you did get money from the previous government, the previous NDP government, there's always strings attached, right? Some strings attached.

If you look at municipal government, they're elected by the people, and so they make important decisions as relates to them. There is tools within their—what I'll call tool kit, I guess, if you will—in terms of addressing that.

Two points that I would mention with transit, they have made some decisions, and that's a city council decision in terms of what rates they do charge for passengers. That's a decision that the city councils make. And so they made that decision, I'm not going to hear—cast judgment on whether they should or shouldn't have raised rates—fees, I guess, if you will in terms of what it costs to drive transit. I do recognize the fact—and I think has been supported by both the mayor and the chair of finance, that they want to do an operational review of transit services to make sure they're stretching their dollar as far as they can.

I think if you look at the ridership of transit, it has gone down. And so you want to make sure that you have a robust transit system. But there's always,

as all government go through, there's a balancing act between investments, not just in transit but where at city, you're investing in police, you're investing in infrastructure, making investments in important, you know, social areas and a variety of other things. So there's always competing priorities.

And so what I can confirm is that we've provided more of a save for municipal councils, which is important. There's a basket of funding, not just for a whole variety of items that are there. We have committed to the bus rapid transit system. There's a funding commitment with all three levels of government to finish off the first—well, the second leg, really, to University of Manitoba. And those—that work is being—ongoing. So to somehow suggest that we haven't been investing money in transit or investing money in the city, I think, is just not accurate.

Mr. Allum: Well, I don't know that I follow the minister's logic there.

For one, he has suggested that in rescinding the traditional, historic 50-50 funding formula between the city and between municipalities and the Province on transit, that it didn't cost Winnipeg any money. Well, actually, we know for a fact that it caused—the City \$10 million. And so for him to put on the record that it didn't cost the City any money really doesn't make any sense and is factually incorrect.

He says that the government is supporting rapid transit. And, of course, that deal was already in place, and it was put in place by our government. And it's fair to say the Premier (Mr. Pallister) has tried to wiggle out of elements of that. And the City's complained about—of—about that element too.

Maybe the minister, though, can give us some insight whether they—government intends to support the other legs of rapid transit going forward.

Mr. Fielding: Well, I—first of all, I did chair finance for six budgets in the City of Winnipeg. I've got a pretty good understanding of their budget and the budget process in terms of money which they do bring in. And the City makes the decisions of how they spend their money. And as a former city councillor, I think I can tell you clearly that the process that we had under your government, where there are so many strings attached to so many tentacles that would really indicate where you would need to spend money wasn't something, I think, what was, quite frankly, respectful to municipal councillors that are elected.

And so when we made a decision to provide more of a say for municipalities, I think that was pretty much embraced by all municipal councillors. In fact, I think that was a big element of their campaign over the years, to make investments in—not just in transit, but other areas. And that gives some flexibility to city councillors that are elected to do that. And, you know, again, they make decisions upon their budget.

Their budget, at least at one point, was about \$1.3 billion depending on how you look at, you know, capital and operating together, plus your utility. So there is significant monies that are there. The City has a bit of a different system. They do have reserves that are in place; there's operating and capital reserves that are in place. They also use things like cash to capital, which is actually the cash component of using—cash component to using cash for infrastructure projects that is there. I know it was somewhat—it was going up on a yearly basis, about—close to \$70 million. That is substantially down. I think it's somewhere around \$25 million, that cash-to-capital component of that.

* (16:10)

But, to be fair, that is the city councillors that are elected to do that, and they run the finances for the City of Winnipeg. And providing a basket of money for them to make those decisions is their prerogative. They just had elections. We respect those elections and they have a tough job to do.

There's always a lot of priorities, as there is at the provincial and the federal levels, and so we respect that process and they can make the decisions of funding, you know, as they go forward. And that's really a decision that city council makes.

Mr. Allum: Well, I appreciate, in a sense, where minister's coming from, although it always interests me to hear that. Of course, when someone is part of the City or a member of city council, don't want to talk about reserves, but the minute he becomes Finance Minister, all of a sudden he goes to that and talks about, oh, the City's sitting on all these reserves. And as chair of the Finance Committee, he ought to know the reality of what those reserves actually are.

I asked him, though, whether or not—because BITSAs did involve severe implications for transit last year—why it wasn't—why the 50-50 funding formula wasn't restored this year. And I guess they have no intention of restoring—of that historic

agreement, that historic arrangement, which is disappointing.

But I did ask him whether or not the government—the Pallister government—would be supporting the other legs of rapid transit yet to be built, and I didn't get an answer on that, so I wonder if he could clarify that for me now.

Mr. Fielding: Yes, I'm just looking through the BITSA bill right now as we speak, and I don't see any reference to bus rapid transit in the BITSA bill. So, to be fair, I think the member is completely off-base in terms of this.

What you are talking about is a budgetary decision. I don't think there is some sort of proposal, unless I'm mistaken, that came from the City of Winnipeg, in terms of an extension. I know there's future plans to do extension of rapid transit, but to be fair, we're not going to be like the former NDP government, where we're signing cheques for something when there's not even a project before us to review.

So, you know, we're not going to make the same mistakes that you made when you were minister of the Crown and you were a part of those decision-making processes. We're not going to cut just a blank cheque. But you know, to be fair, we're going to be fair and once proposals come forward for these types of projects, we'll review them on a return-on-investment basis.

Does it make sense to look at this? Is there some monies that're available through the federal government through bilateral agreements that are in place? I believe there is some monies that are available through the federal government, but I don't know how I can commit to a project when there's not a proposal before us for an ask in money.

Does the—you know, I ask maybe the member what streets are going to be impacted? Is there expropriations that he supports part of any proposal? I'm certainly not aware of any proposal that is before us for a funding commitment.

Maybe that's the way the former government made decisions. I don't agree with it. I think it's wrong. I think it's probably one of the reasons why we got in so much trouble on financial basis where, you know, we're having to spend about a billion dollars a year on debt-servicing charges.

And we know the results, especially in the education system, weren't what we needed to be.

They were—we were last in the area, so we really need to pick up some of the services and supports that we're doing, and that's really—we focused in on government.

We focused in on fixing the finances, repairing the services under—from the previous NDP government and really build—rebuilding the economy so we can get better—growing the pie, I guess, if you will, and getting the fundamentals right.

And, you know, as government, you always make mistakes, but we are trying to go in a direction and I think we're making some good progress on fixing the finances and repairing some of the services that were broken under the former government, and also repairing or recharging the economy and having private sector growth.

But to answer specifically the question—even though it isn't in BITSA, so I'm not sure why you're asking the question; we're going to—we'll review every proposal as they come in and there isn't a proposal for us to review, so I can't really make a comment on future funding commitments or route commitments. That would be disrespecting people, whether it be Transcona or wherever the next routing system is.

That's up to the council to make those decisions, and then we would, you know, listen to the city governments and we'd make some funding decisions based on what the actual proposal looks like, as opposed to notional commitments when we don't have a funding proposal or a routing system or all the legwork isn't done, the details aren't there.

Mr. Allum: Well, I appreciate that the 50-50 funding formula arrangement isn't in this year's BITSA, but the difficulty with that proposition is that it was included in last year's BITSA legislation; it wasn't announced as part of the budget. It was hidden from view for the longest time and then, suddenly, buried in section 70, on page 85—I'm making some of that up, because I don't quite remember—but it was certainly buried deep within the BITSA legislation from last year. And so I expected, and I think those of us on this side of the House, after a considerable advocacy on the parts of students and commuters and folks advocating on behalf of low-income Manitobans, I just expected, Mr. Chair, to see that 50-50 funding formula restored in BITSA this year in the same manner that it was repealed last year. And I think it's pretty disappointing not to find it in here, frankly, or any other references to transit.

I believe, in the green plan, that the government has made some kind of commitment to electrifying the fleet, and yet I don't see that commitment reflected in BITSA either. Can he tell us if that is a real commitment on the part of the government, to electrify the fleet, then why isn't there some provision in BITSA to address that particular issue?

Mr. Fielding: Right, well, obviously, our green plan, we've—we said, quite clearly, to Manitobans that we support a green plan. We've got an important green plan we think will make some progress. That is, obviously, part of Bill 16. There's nothing in this legislation that talks about, 'electra'—you know, buses; or have more fuel efficiency in buses or other measures like that, but we think that the green plan that we have brought forward, a part of Bill 16, it will be a good debate for Manitobans. We think that—fact, we would like to say that we support green, but we don't support the carbon tax. So that—the question, I guess, would be more reflective of Bill 16 than in BITSA.

Mr. Allum: Well, I'm not sure that I really understand that. Even in the last couple of days, the government has made a big deal about reducing the size of the fleet, but I—that is, government-owned fleet—but I don't see that reflected in the BITSA legislation either in some manner. Could he explain to us why something—some big provision like that isn't to be found in the budget implementation bill if the government is clearly serious about these kinds of initiatives?

Mr. Fielding: Well, this is the budget implementation bill, and so I think what the member is talking about is appropriations, which is something that we deal not just in budget process but, going forward, the elements that the green plan is—will be debated in the coming hours and coming days. And so I would refer, maybe, those types of questions with that.

If you do want my opinion, do I think that reducing our fleet is an important element? If you reduce the amount of cars or light vehicles that were on the road by the provincial government by close to 480-some-odd units, saving \$2.3 million on an annual basis and reducing our carbon emissions as a government, is one element, an important step, I would say yes. But, to be fair, the question is more related to the appropriations of budget and not related to BITSA, the tax implementation elements of the budget.

Mr. Allum: Well, now, I agree that that's probably a more appropriate place for this discussion. The difficulty we have with that is that other elements related to this conversation were included in last year's budget implementation bill, so it's hard to understand why, suddenly, from the minister's point of view, these are conversations and a discussion that's not relevant today.

What we're asking is why some of these measures weren't included in the budget implementation bill, and he wants to suggest that they should—we should have that discussion elsewhere. And, of course, we will.

* (16:20)

So I'll move on from this. But I find it very, very difficult to have any kind of a dialogue with the minister on something called a budget implementation bill when elements related to the budget are sometimes included in BITSA and sometimes they're not, leaving us all to wonder just what the government's agenda is, why they aren't being more transparent and why they aren't being more upfront with the people of Manitoba.

But I'll move on from that. I want to go back, also, to the Child Care Centre Development Tax Credit that we talked about a little bit yesterday. And the minister did tell the House that they projected 200 spaces at a total cost of—I think he said—he can correct me, if I'm wrong—at a total cost of about \$400,000.

Can he just tell us how he arrived at those two numbers, the 200 spaces and the \$400,000 cost?

Mr. Fielding: Well, it's—we anticipate \$400,000 a year for five years and that's about \$2 million and \$10,000 a spot.

Mr. Allum: Okay, that's kind of a simple math of it. I guess I was really—I was asking that, but I was also asking, like, who did he engage with? Who did the minister engage with, Mr. Chair, when he—and how did they come to arrive at 200, as opposed to 400, as opposed to 600 or 800 or 1,000 or whatever the number might be? How did they land on 200? And is that 200 a cap, a limit? Is that as far as the government is prepared to go? If there was considerable appetite and interest in this particular tax credit, would they be willing to go above and beyond that amount?

Just trying to get a sense of, like, why 200, as opposed to 800 or 1,000.

Mr. Fielding: Yes, I would say that if it's successful, I think we would look to extend it out. You know, we thought 200 is a good marker, a viewpoint that we'll see if there's some interest. I can tell you that there is quite a bit of interest, you know. There will probably be some communications from the government on this over the coming weeks and days and months, I guess, if you will and—but there seems to be a lot of interest from workplaces to be involved in this. And so I think if this is successful, it's a little bit unique and innovative in terms of the child-care elements. We've talked a lot about our commitments, and, you know, if we want, we can go through all that again but probably won't at this level.

But, yes, I think if it's successful, we would always look to continue something on. But, you know, I think 200 is a pretty good amount of spaces and to see is it successful. And if it's successful, I think we would absolutely look to expand it.

Mr. Allum: Okay, I appreciate that answer. I thank the minister for it, but was 200 spaces picked out of a hat?

Mr. Fielding: No, we were looking at a marker to see how successful it is. It isn't a program that we engaged in first. There was a federal program that was in place a number of years ago, but it wasn't effective for two particular reasons: No. 1, it was—the construction tax. It was tied to construction of new child-care centres, so basically, you had to build new centres and you would get money back on the constructions there. What we want to do is make it a little bit more flexible. Number 1, where, if a child—let's say, you know, name a workplace here—United Way and other workplaces that may be associated, whether it's Great-West Life, although they've got a child-care centre. You know, a centre—if they want to build a centre, they can convert their existing space—not necessarily heavy construction costs that are associated with it—into child-care centres. The standards for some of the infrastructure they need for child-care centres is going to be different from just setting up a room or a banquet hall or something, so there is some costs that are associated with it. But we didn't want to tie it to the construction element of things. We tied it to more the space creation. So we think we can create more spaces with that.

One thing I know, at the federal program that was in place at one point, it wasn't successful, too, because, as I understand it, I think it wasn't promoted very well, and so we've been working with places like the chamber of commerce, Manitoba Chamber

of Commerce, Winnipeg Chamber of Commerce. We'll really meet with anyone to promote this. We think it's important. We met with the child-care association—a part of that. They spoke pretty highly of new and innovative approach to it. I think there's going to be some workplaces that engage in this that are pretty much showing some interest, agreements are being concluded. And so we'll be making some announcements of that. And, again, if it's successful we can continue that on. But those are discussions once the first 200 spots are created and we'll work from there.

Mr. Allum: Okay, well, I thank the minister for that.

As I look through the explanatory notes describing this particular tax credit around the child-care centre development, it does stipulate tax credit that is earned by a corporation. So can we assume that this tax credit is only for incorporated entities?

Mr. Fielding: Sorry, I was just conferring with—could you repeat the question, I didn't—

Mr. Chairperson: The honourable member for Fort Garry-Riverview (Mr. Allum).

Mr. Allum: Thank you. Sure. Happy to do so. I was just looking at the explanatory note around the child-care-centre development tax credit, and it says the tax credit that is earned by a corporation. So I'm asking whether in order to claim this credit it requires incorporation.

Mr. Fielding: What I would say, a part of our child-care tax credit, for instance, non-profits could not apply for the federal tax credit portion of things. It was based on the construction. So we've levelled that out. And so maybe a non-profit, whether it be United Way or other agencies like that, would be able to establish themselves under the workplace component of the child tax credit.

Mr. Allum: Okay, I think we're making some progress here. So if I understand correctly then, a non-profit could, if they had the proper paper, I guess, could apply for this tax credit, just to be crystal clear about that.

Mr. Fielding: Yes, the answer is yes. And the federal program that was in place that was one of also—I guess I'd call that as a third element of why it wasn't successful because a non-profit, you know, I'm just using United Way, but they could set up—they couldn't benefit from the tax credit component that was there at the federal level, and so we want to

make sure that all workplaces, like places like the United Way, would be able to benefit from creating some spaces. And so a non-profit would be able to benefit in terms of creating some child-care spaces with the child-care tax credit that we've established.

Mr. Allum: Okay, I appreciate that. I thank the minister for that as well. So, just to continue in that vein then, would a home daycare be eligible to claim this tax credit?

Mr. Fielding: There is a criteria for spacing. So for instance, if you're able to create—you've got to create 52 spaces outside the city of Winnipeg and 74 spaces inside the city of Winnipeg. So obviously home-based child care for the most part is—I think the requirement is eight at the max if I'm not mistaken, I'm going back to my child care days here, for spaces. So it's more generated towards workplaces that can create a certain amount of spaces.

We want to make sure this isn't just to create a small amount of spaces. We want to generate either 52 outside of the city of Winnipeg and 74 spaces inside the city of Winnipeg. So it's more catered towards creating more spaces.

Mr. Allum: So the minister has suggested that there's been some interest. He wants to tell us that there is announcements down the road, that kind of thing. And—but I think he has an obligation because this is included as a provision within the BITSA legislation to give the House some indication, at least of what the interest level has been, has there been any uptake to date, and can he tell us if there is already a number that will be utilized for this purpose, and what is that number if he knows?

*(16:30)

Mr. Fielding: Well, there's two elements to that. Number 1, when agreements are signed, obviously you need a signed agreement with the workplace that's involved in this and the government, and also timing on, you know, whether that we're going to communicate this or how we communicate that. Those are the two parameters, really.

But I think, for the most part, we've got to make sure that the agreements are signed. There's—sometimes with transactions, whether they're with non-profits or businesses or other governments, there's negotiations that happen. And some things, at the last minute, change. So until you have those agreements signed, can it—you know, can't say exactly what it is, but I can tell you that there is—I'm not trying to be coy here; just, you know, I don't

want to pre-announce things that agreements aren't signed. So once the agreements are signed and we'll be able to communicate that to residents that want to, you know, have child-care spaces and I'm sure the workplaces would want to do that as well, whether that be with our employees or others that are there.

Mr. Allum: So, just so I'm clear, too, we've been talking a lot about workplaces, so would our mutual former employee, the City of Winnipeg, qualify for something like this, or is it—because it's public sector, it's not eligible?

Mr. Fielding: No, the City of Winnipeg would not be—because they're a level of government, would not be able to apply for this tax credit.

Mr. Allum: And so I'm assuming that's—is true for other public sector workplaces, for example, a college, Red River College, say, or a hospital had decided to set up a child-care centre for its—for their employees, they would not be eligible, as well, if you're in, broadly meaning, public bodies?

Mr. Fielding: What I would refer those centres to is the child-care community—I'm saying the name wrong. It's amazing how much you forget in three months. There's a \$2.8-million fund that was appropriated that centres can apply for upwards \$600,000 of capital costs for child-care centres. We did announce close to—well, a number of them, 15, I think 15 different projects and hundreds of spots that are created.

So I would direct those types of businesses and organizations, whether they be colleges or anything else, to the child-care community development—I'm saying the name of the fund wrong but, again, they can apply for upwards of \$600,000 of capital costs related to the construction of community centres. There's a portioning of what the costs would be that the federal government—or rather the provincial government can chime in for or be a part of.

And then what we guarantee for those organizations, we guarantee subsidization of those spots, as long as people hit the income level—tested levels of where a subsidy would come into play. So there's a spot in place for all different areas. Again, there's a fund for development of community child-care centres that those types of businesses and workplaces would be able to apply for, and there's others, the community child-care tax credit, that other workplaces can apply for.

Mr. Allum: Thanks for that clarification. So if it's going to projected—and maybe more, maybe less. I

understand the minister's saying that, depending on the uptake in the program. But let's say, for argument's sake, that it's—it could potentially cost the government, for 200 spaces, \$400,000 or \$2 million over the five years. Where does that—who—what envelope in government does that \$2 million, that—either the \$400,000 or the \$2 million, whatever number we want to talk about, where does—what envelope does that come from in government?

Mr. Fielding: Okay, that would be a reduction of our revenue associated with corporate income tax.

Mr. Allum: Well, one of the reasons we asked that particular question is we're curious to know whether the money transferred from the federal government for child-care purposes, will you be—will the minister be using that money to pay for this tax credit?

Mr. Fielding: No. This is specifically funded through provincial sources. No federal government money involved in this at all.

Mr. Allum: Well, I appreciate that clarification and, just for our own understanding, in the agreement with the federal government, does it rule out these kinds of tax credits as part of the expenditure of that money?

Mr. Fielding: Just to clarify, yes, the name of the fund was the Early Learning and Child Care Building Fund, and that was for \$2.8 million. I'm going to have to ask for—just because I was busy getting, you know, the information, just make sure I get the right information on the record about the fund, could you ask the question one more time, please?

Mr. Allum: Yes. That's fair. It's always good to make sure we get the right names on the record. I would agree with that.

I guess, just for the understanding of the House, for clarification, I was just asking whether or not the federal agreement on child care that I believe was somewhere in the order of about \$43 million, and the minister can correct me on that if I've got that number wrong, whether that particular agreement rules out an expenditure related to this particular type of tax credit. Does the agreement itself rule that out?

Mr. Fielding: Yes. There's no linkage at all with that agreement. What I would say is there's criteria upon the federal money flowing. You know, I'm not going to have all the parameters, but essentially it's—kids would have to be under six years of age; they'd have to be in a low-income area or a low—under-serviced

area to collect any of the federal money that were there.

It's a \$47-million commitment, the bilateral agreement with the federal government, and it's made up of a number of buckets of money. I'll say some is for space development; I think there's about 1,300 spaces developed. There's monies for inclusion support, which is money towards kind of higher needs children in the child-care system, for behavioural types of issues or autism. There's a \$10 million additional to that. There's monies for things like skill development in terms of ECE development. I don't have the exact dollar figures that's a part of this federal agreement. There's monies for kind of a northern strategy, I guess, if you will, and that builds, you know, that builds capacity within the North, in terms of ECE, and gives a bit of a block funding, I guess, to make sure that these child-care centres are there. And it also has some money for tracking and technology. So, for instance, we've heard from the child-care centre that kind of tracking, monitoring the process and the list, I guess, if you'll—making it more robust, something we've heard from Manitoba Child Care Association, is all part of the federal agreement.

So this is—this—there's no federal money that is involved in this. This is completely, strictly provincial government money that's associated with the child care.

Mr. Allum: Okay, that's very helpful. I appreciate that clarification as well.

Just on that federal agreement, is there a requirement for matching provincial dollars? The feds put in \$47 million. Does the Province have to put in \$47 million as well?

Mr. Fielding: Some of these agreements that the federal government have and, you know, and we have signed into just a number of them, just—in housing is one, for instance, there's a matching component. This one there wasn't a matching component that's there, and that's the same agreement that provinces have across the nation. It was a \$47-million commitment in terms of child-care centres, and it covers those buckets of—I should not refer to buckets of money; there's different elements of money that's a part of that. There's strings attached with the federal government in terms of where they're going to be flowing the money, in terms of the types of children or spots that can be created for this. And, again, the parameters were kind of similar to what I had suggested, kind of lower income, kind

of underutilized areas, things for, you know, higher needs children, things—children may be in the North, for centres in the North and/or underutilized areas. So areas where there's a need for child care, but I would say that there probably is a need throughout the province for child-care centres.

* (16:40)

Mr. Allum: Yes, how we would have enjoyed it if the federal government had given us buckets of money while we were in government. But, you know, we were stuck with Stephen Harper. And so, as you—the minister well knows, we were—most funding was flatlined during that time. And there were no buckets of money coming from Ottawa to support a wide variety of initiatives. If only there were. I mean, one of the things, of course, in politics is that timing is everything. And we had a parsimonious federal government that cracked down on funding of important, progressive initiatives in provinces across Canada. Ironically, a parsimonious provincial government is elected here, and yet we have a federal government throwing buckets of money at the Province now. If only that had been the case when we were in government, it might have made a dramatic difference.

The difference with us, of course, is that we would have been real partners in those endeavours. We would have often tried to match and lever in order to get more out of those dollars. From what we can tell from this provincial government is they're quite happy to have their hands out for federal largesse, but never put a—one lousy dime into anything. And so that's why I asked about that.

I want to turn to the 'caregiver' tax credit now. And we did discuss that a little bit as well, which has been—a cap has been put on that at \$1,400.

How many families, households or individuals—I don't know quite how it's calculated—how many folks previously applied for that tax credit?

Mr. Fielding: I'm getting some information from 'bicials,' but I will address, in a nice way, I'm going to address this about the buckets of money.

I would say that from the federal level, what we were—what we have been disappointed with the Trudeau government is their commitment to health care—their commitment to health care. And I would say that your government did benefit, and that's a benefit to all Manitobans, where you saw about a 6 per cent increase in health-care funding to the Province that has flowed. I think it was fairly well

documented that our government very much fought the federal government where there wasn't—and I don't want to use that term, buckets of money—there wasn't more money that is associated. In fact, that could be billions of dollars for Manitobans.

To be fair, your government—and you know what, Manitobans benefited from that. And we've made a very big point that we thought that should have continued under the Trudeau government. That didn't. So to be fair, there was more money that was flowing from Ottawa in terms of health care, you know, prior to Trudeau coming in, and there isn't as much money—I don't think there's any denying the fact there isn't as much money. It's gone from around 6 per cent to 3 per cent for that.

So be careful what you wish for, because there is commitments in certain areas from the federal government, and there has been some in housing and there has been some in child care, but it does come to a cost for people that do care about the—you know, for sectors in terms of health, because there is tough decisions we made. Not defending it—or, well, I would defend, because I am a federal Conservative, but the federal government did make some decisions on providing some money in people's pockets and a cheque that was changed. I don't think that was necessarily a horrible change. I think the Canadian child-care benefit, for the most part, is a good thing. And the fact that you're not paying tax on that, I think, is even a better thing. So—but I think to say that the federal Conservative government under Stephen Harper did make some gains in the child care. They looked at it a different way. They created giving money back to parents, and parents could use that money.

I know our officials are here, I kind of just, I want to emphasize that. I do want to get the right information for you of how many people applied for the primary caregivers, and I see that some of the information is—has just hit my palate here, so I'll say it.

The proposed—the proposal really simplifies the credit by removing the complicated paperwork, also simplifying the credit by implementing a flat \$1,400 annual credit available to all eligible caregivers. And that's eliminating the requirement for a daily log. So there's not as much—you don't have to write as much down on this. They give you a flat rate. Implementations are a result of continuous improvements on lien exercises that were undertaken by a variety of departments.

This is a refundable tax credit for long-term, unpaid caregivers. The average claim is estimated at 1,399—around 15,000. So 15,000 caregivers claim the credit each and every year. And the total value is about \$17.4 million in 2018 and '19.

So there's a variety of people that do, and what we are trying to do with the changes is to make it a little bit easier to streamline the process so you can care for your individuals as opposed to spending more time on doing things like filling out paperwork and logs and all that sort of stuff; so it streamlines the process for caregivers.

Mr. Allum: I appreciate that answer—then—those numbers. It's interesting to me, though, that every time the government wants to put a cap on something and limit it, especially something as valuable as that, it's about streamlining it and making it simpler. But let's be honest here what this intention of this is: is to put a limit on the value of providing care for a senior. And it's—that's pretty transparent.

The other thing I feel obliged to respond to is the difficulty with the minister's proposition around health care is that the contradiction that his own government finds itself in. When there's a cut in the escalator related to health-care funding, and that cut went from 6 to 3 per cent, the government wants to call that a severe cut, but, at the same time, when they do the exact same thing on education, that somehow, then, is the most money ever invested in education ever.

So the minister must understand that there's a contradiction at the heart of that proposition that he ought to be very, very careful about, going forward, because it's actually saying one thing with the right hand and then saying something dramatically different from the left. And, if he thinks the people of Manitoba don't get that kind of con game, I can assure you that they do and they will understand it. And we'll be talking to folks at the doorstep about that very kind of thing.

So, last year, he indicated—the minister indicated that—I think he said somewhere in the order of 15,000 people, homes or individuals claimed that credit. Have they projected, given the \$1,400 cap, how many will likely take advantage of that credit this year?

Mr. Fielding: Well, first, I want to just address the whole con thing here in a nice, respectful way. You know, we, quite frankly, are going to be quite happy, from this side of the House, to go to Manitobans with

the fact that we've really fixed the finances in so many ways. We've got another few years in terms of addressing the financial issues that we were left with. We're comfortable with the fact that we've reduced wait times in ERs by about 25 per cent, while we're reducing things like MRIs by over 30 per cent; the fact that we're attracting more doctors, about 75 more doctors; the fact that there is close to 1,000 more people that do not have to be moved from hospital to hospital there. We're also very happy the fact that we can talk to Manitobans about wait times for PCHs. We're also happy of the fact that we can show Manitobans that we are making some important gains on child and family services, and we're investing your money wisely.

So that addresses, you know, the item, and I think we're going to be very comfortable with the package we send to Manitobans and living up with our commitments in terms of reducing taxes for Manitobans and repairing the services, and the fact that we're seeing a large amount of businesses come. In fact, we're leading the nation right now in terms of private sector capital investment, things like food processing plants, and companies are coming to Manitoba, which we think is a good thing; hasn't happened in a very long time. We're leading the nation in private sector capital investment is a pretty good package, we think, we're going to take to Manitobans of doing what we said we're going to do—in—being the most-improved province.

*(16:50)

To deal with the items that you had mentioned, I believe the budgetary item that we've identified is close to \$18 million. You can't tell how many people are going to apply until they actually apply. So I can't say, you know, what number will apply. I can tell you what applied last year and what has been kind of the traditional trend, and those are the numbers that I referred in the last answer. And so maybe I'll stick with those. And that's what we anticipate but, again, these are credit programs that people apply for, and you might have a rush of people that apply for it or you might not. And we budget a number, and for the most part, I think, over the years, we've been pretty close to that number.

Mr. Allum: I thank the minister for that answer or at least part of that answer. There are some parts that—I guess we'll just agree to disagree on it. But it's not, in my view, in my estimation, an appropriate way of engaging with the public when you're, on the one hand, saying something's cut, and on the other hand,

saying something's an increase. And you just add to public confusion. You don't do right by the people of Manitoba by playing that kind of political game and that kind of torqued partisanship that's become so central to the Pallister agenda.

I'm just—I only have a few minutes left, and there was a bunch of other issues that we were hoping to get to, and we're going to slowly run out of time. But there was, in the green plan, an indication that there would be reductions in biodiesel and in organics and trucks, and so we're curious to know whether there was a budget linkage between any of these reduction targets that are set out in the green plan and where we might find them, because obviously you're not going to achieve emissions reductions if there isn't a budget backbone to it.

And so we're just trying to be—get some clarity on that issue, whether it relates to biodiesel or organics or trucking or any of the other items.

Mr. Fielding: Well, to be fair, we're not sure of when the bill will pass. Our hope is that it will pass very soon. What I can tell you is—I mean, it's pretty hard to commit to what the price of diesel and the price of gasoline will be. If someone has that crystal ball and can tell us probably more in terms of budget financing and forecasting, you should probably take your talents to New York City and to Toronto and, you know, apply those to the markets and make real money.

I mean, from our point of view, you have a number that you put in. I remember when I was at the City of Winnipeg budgeting finance, we would always, you know, have these long-winded discussions about how much we should put in for diesel and fuel and that sorts for buses, and the reality is you just don't know. You make a guess of what you—where you think that will be and, you know, that's—regards to our Estimates process that—going forward.

And so you hope that you're right, but sometimes what happens—I mean, look at happened in 2008, right, where one point the price of gasoline, I think, was about \$110 a barrel and—because of everything that went on with the housing bubble and dramatically took a huge nosedive down. You could probably ask the government of Alberta, in terms of their budget projections over the last two, three years have been quite out of whack. Same thing with Saskatchewan; I think they lost over \$1 billion of revenue over the last—either last year or the year

prior, because you just don't know what the price of oil and diesel and everything will be.

And you have a best estimate, and that's what the budget process is about. You build some contingencies in, and sometimes you're right; sometimes you're wrong. It's the same thing with a whole bunch of other areas, right? I mean, you don't know, in terms of, you know, how good a year the farmers are going to have, how that's going to impact, you know, farm receipts. You don't know, I mean, in terms of Hydro, quite frankly, of, you know, how your revenues and projections will be.

And sometimes these things are a part of that budget process and your best guess is your best guess. Sometimes you're right and sometimes you're wrong, and for the most part, over our last two years, we've been right. In fact, we came in under budget in the last two budgets by over 147 and 145 million. But, you know, we want to make sure that we're cautious. We've talked a lot in our budget consultation session; there are some storm clouds on the horizon. We know that interest rates are going up and have gone up two or three times over the last two—18 months. And you look at what the United States is doing. They're—and also the Bank of Canada has highlighted the fact that there's going to be further increases in interest rates. There's things like tariffs.

You know, some of that has been—my point with all this is that there's a lot of variables in budget process, and you try to do your best guess. I don't know what—how that will impact diesel and, quite frankly, above and beyond just the carbon tax, there's a whole bunch of variables. The price of gasoline and diesel really is out of my control.

Mr. Allum: I think, Mr. Chair, we're rapidly moving toward completion of the Q & A, and so this would be the last thing that I'll talk about. I do want to, of course, thank staff for joining us in the Chamber today. I have no doubt that they could've spent their time probably better doing a hundred other things at their desk, serving the people of Manitoba. But I do—I know all members of our caucus appreciate the work they do and thank them for coming in.

I thank the minister for the opportunity to engage in some discussion around both BITSA and budget. I have to say, it's kind of been interesting to us that we have carried the full questioning, with the exception of one of the independents, on the budget implementation bill. And yet our friends in the Liberal Party, who sent the people of Manitoba away

from public hearings, have for some reason decided not to participate in this particular process, though only a week ago it was a big deal to them. And so I think the people of Manitoba need to kind of reflect on what their priorities are, as well as the provincial government's priorities in relation to a lot of their expenditures, a lot of their budgeting priorities and a lot of what does and doesn't appear in the BITSA legislation.

There is some change—and this is the last question I'll ask—some change with respect, I think, to the research tax credit. Maybe the minister could just provide us with a little clarity on what that is, what's the change and what is the intention.

Mr. Fielding: Well, you know, I knew if we sit here long enough, in nine hours of debate, (1) I appreciate—first of all, I want to appreciate our staff. They do an excellent job. And it's a demanding job, sometimes, for politicians. I know the member opposite was a minister of the Crown and appreciates the hard work that our staff do on an everyday basis. I want to thank you guys for all the work that you do. After nine hours of questioning, you go home from these things and you're—you feel like you've been through the inquisition on these things. But that's probably a good thing for our democracy.

I knew there'd be something we could—can agree upon by the end. So after nine hours, there is something we very much agree upon. We did notice that the other third party—oh, they are entering the room now, so we were wondering where the third party was in terms of some of the questioning on some of the budget implementation bill. So we were concerned that they weren't there and weren't a part of it, but looks like they're coming in the room after nine hours of being absent from it. So we were concerned about that.

Mr. Chairperson: Order. I just want to remind the minister—order. Order. I just want to remind the minister, like, you can't say who was absence from the Chamber, any members from the Chamber. So, I just want—or if in or if they're outside of the Chamber. Okay.

The honourable member for—[interjection] Just one—order. Order. The minister, the mic is not on right now. So, just—the Minister of Finance.

Mr. Fielding: Well, we're happy that this process happened. It's a nine-hour bill. And so we're—we agree very wholeheartedly with the NDP that we are concerned that the Liberals decided not to join in the

debate. But they're here now to vote on these things, so. You know, our concern, of course was that, you know, they blocked a lot of public from coming in before.

But, with that being said, the Research and Development Tax Credit that the member had talked about, technical in nature, so there was not any major policy changes from it.

So thank you very much, Mr. Deputy Speaker.

Mr. Chairperson: Thank you. Thanks for the—okay, well, I'll go onto clause by clause. Just one sec. We'll just have a pause here for a minute.

We'll just let the staff from the finance—yes, to vacate, and then we'll have the other staff here for the bill, in itself, the Leg staff.

Thank you.

We'll have to take a short recess.

The committee recessed at 5:00 p.m.

The committee resumed at 5:02 p.m.

Mr. Chairperson: The Committee of the Whole, please come to order.

Now we'll go on to clause by clause.

Clauses 1 and 2—pass.

Shall clauses 3 pass? Shall clause 3 pass?

Some Honourable Members: No.

Mr. Chairperson: Shall clause 3—said no? Okay.

The clause is accordingly defeated. Clause 3 is accordingly defeated.

Clauses 4 through 6—pass; clause 7—pass; clause 8—pass; clause 9—pass; clause 10—pass; clause 11—pass; clause 12—pass; clause 13—pass; clauses 14 and 15—pass; clauses 16 through 18—pass; clauses 19 through 22—pass; clauses 23 through 25—pass; clauses 26 and 27—pass; clauses 28 through 31—pass; clauses 32 through 34—pass; clauses 35 through 37—pass; clauses 38 and 39—pass; clauses 40 through 43—pass; clauses 44 and 45—pass; clauses 46 and 47—pass; clauses 48 through 51—pass; clauses 52 and 53—pass; clauses 54 through 57—pass; clauses 58 through 60—pass; clauses 61 and 62—pass; clauses 63 through 67—pass; clauses 68 and 69—pass; clause 70—pass.

Shall clause 71 pass?

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

The honourable member for—the honourable Minister for Finance.

Mr. Fielding: Yes, I'd like to move an amendment

THAT Bill No. 71—or, sorry, Clause 71 of the Bill be amended by striking out Clause 71(2).

Mr. Chairperson: Order. Order.

It has been moved by the Minister of Finance (Mr. Fielding),

THAT Clause 71 of the Bill be amended by striking out Clause 71–2–71(2).

* (17:10)

The motion is in order.

The floor is open for questions.

Mr. Fielding: Yes, this is a amendment to—coming-into-force amendment because we struck out section 3 of the act.

Mr. Chairperson: Thank you.

Any other questions?

Mr. Wiebe: Well, thank you very much, Mr. Chair, and I appreciate a chance—another chance to put some words on the record with regard to section 71(2) of the BITSA bill. And I know that we had an opportunity during the question period preceding this to talk about this particular amendment. And, at that time, the minister was not interested in actually sharing exactly what the amendment would be. He was holding that very close to his vest for some strange reason, but appreciate that now we've seen this and we've gotten some context as to what exactly the minister is up to here.

I—you know, I'll simply put on the record, once again, that this particular clause was a part of this government's so-called green plan. This was, you know, one of the elements that the Premier (Mr. Pallister) was using to make some exemptions when it comes to a price on pollution in this province. And, you know, the Minister of Finance, in August, when he came forward with this bill, was very happy to point this out, to point out this particular exemption and talk about how important it was as part of this Province's green plan. And I believe the Minister of Sustainable Development (Ms. Squires) went far and wide across this province,

talking about how important it was that Manitoba have these kinds of exemptions, these kinds of tools at its disposal to make sure that when applying a price to pollution in this province, that Manitoba had its say, that we had an opportunity to make sure that Manitoba was part of the conversation.

At that time, you know, we pushed the Premier, and we thought we were getting somewhere, when he said, you know what, there should be a—some kind of price on pollution, and started that work. As I said, this is a reflection of that work that was done. And then, however, you know, lo and behold, unbeknownst, I think, to the minister, although he claims differently; he did during the question-and-answer period. He said he was right on board with the Premier. He knew that this flip-flop was coming; he knew that, you know, like a pickerel on a dock, that the Premier was going to be changing his mind in the middle of the night. Maybe he got the first phone call in the middle of the night, saying, no, we're totally changing course. Forget everything I've said. We're going to leave it to Justin Trudeau to dictate Manitoba's future when it comes to how we handle our carbon price on pollution here in this province in reducing our carbon emissions.

So the minister heard this news and, all of a sudden, he had to scramble. And I know he went to his department and he went to all of his officials, and he said, wait, the plan's different; we're changing our minds. The Premier has made a totally different pronouncement when it comes to the—our responsibility to price carbon. And this is a result of it, what we're seeing here this afternoon.

My point that I made earlier—I think I'd like to make again on the record—is that if this was such a priority for this minister in August, if this was such a priority for this Premier and for the Minister of Sustainable Development in September and October, right up until the moment when it was revealed that the change would happen, then is that still the case? Is the minister still making that case to Justin Trudeau? Is he still saying Manitoba wants a seat at the table? Who's making those calls? And I do think that if this was a priority then, then the minister should put it on the record that it's a priority now for this government. And this government is going to try to have some say in how the carbon tax is applied here in Manitoba.

Hon. Jon Gerrard (River Heights): Yes, Mr. Speaker, just to recognize that this amendment is consistent with the report stage amendments, which

we had tabled today, which virtually, completely gut the heart out of the Bill 16, the climate and green pan. And that, clearly, is the direction that the government wants to go. And so we just recognize that that's what they're doing and what—to make sure that people are aware of that.

Thank you.

Mr. Chairperson: Is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: The question before the committee is as follows:

THAT Clause 71 of the Bill be amended by striking out Clause 71(2).

Shall the motion pass?

Some Honourable Members: Pass.

Mr. Chairperson: The motion is accordingly passed.

Clause 71 as amended—pass; enacting clause—pass; title—pass.

Shall the bill be amended be—shall the bill pass?
Shall the bill as amended be reported?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Voice Vote

Mr. Chairperson: All those in favour, please say yea.

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Matt Wiebe (Deputy Official Opposition House Leader): On division.

Mr. Chairperson: On division.

The bill shall be reported as amended, on division.

* * *

Mr. Chairperson: We have now completed the nine hours allotted for consideration of this bill in accordance with the sessional order adopted by the House on June 25th, 2018.

That concludes the business before the committee.

The committee rise.

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Doyle Piwniuk): The hour being past 5 p.m., the House is now adjourned and stands adjourned until 1:30 p.m. tomorrow.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 30, 2018

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