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Legislative Assembly of Manitoba

Standing Committee on Human Resources

Chairperson
Ms. Jennifer Howard
Constituency of Fort Rouge

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON HUMAN RESOURCES

Thursday, June 4, 2009

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Ms. Jennifer Howard (Fort Rouge)

VICE-CHAIRPERSON – Ms. Marilyn Brick (St. Norbert)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Ms. Melnick, Hon. Mr. Selinger

Mr. Borotsik, Ms. Brick, Mr. Graydon, Ms. Howard, Mr. Martindale, Mrs. Mitchelson, Messrs. Pedersen, Saran, Ms. Selby

WITNESSES:

Mr. Garnet Boyd, Private Citizen
Mr. Shannon Martin, Canadian Federation of Independent Business
Mr. Kevin Rebeck, Manitoba Federation of Labour
Ms. Lynne Fernandez, Canadian Centre for Policy Alternatives
Mr. Mike Skaftfeld, CUPE Manitoba
Mr. Colin Craig, Canadian Taxpayers Federation
Ms. Judy Edmond, Manitoba Teachers' Society

MATTERS UNDER CONSIDERATION:

Bill 30–The Budget Implementation and Tax Statutes Amendment Act, 2009

* * *

Madam Chairperson: Good evening. Will the Standing Committee on Human Resources please come to order.

Our first item of business is the election of a Vice-Chairperson. Are there any nominations?

Mr. Doug Martindale (Burrows): I nominate Ms. Brick.

Madam Chairperson: Ms. Brick has been nominated. Are there any other nominations?

Hearing no other nominations, Ms. Brick is elected Vice-Chairperson.

This meeting has been called to consider Bill 30, The Budget Implementation and Tax Statutes Amendment Act, 2009. We have a number of presenters registered to speak this evening, as noted on the list before you. I'll note that we do have a few out-of-town presenters in attendance marked with an asterisk on the list. With this in mind, in what order does the committee wish to hear the presentations?

Mr. Rick Borotsik (Brandon West): Yes, I think, Madam Chair, if it's agreeable to the committee, that we hear the presenters that are from out of town first and then we go to the top of the list to those presenters that are in town, if it's okay with the committee.

Madam Chairperson: Okay. Is it agreed that that will be how we proceed?

An Honourable Member: Agreed.

Madam Chairperson: Agreed.

Before we proceed with presentations, there's a number of things I have to read. First of all, if there's anyone else in the audience who'd like to make a presentation this evening, please register with staff at the entrance of the room. Also, for the information of all presenters, while written versions of presentations are not required, if you're going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak with our staff.

As well, I would like to inform presenters that, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations with another five minutes allowed for questions from committee members, and I will remind you when you have 30 seconds left in the 10 minutes for your presentation.

Also in accordance with our rules, if a presenter is not in attendance when their name is called, they'll be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they'll be removed from the presenters' list.

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

Bill 30–The Budget Implementation and Tax Statutes Amendment Act, 2009

Madam Chairperson: Thank you for your patience. We will now begin pre–hearing presentations.

The first out-of-town presenter I have on my list is Susan Hart Kulbaba. Is Ms. Kulbaba here? Not seeing Susan Hart Kulbaba present, she will drop to the bottom of the list.

The next name I have on my list is Garnet Boyd. Welcome, Mr. Boyd. You can start whenever you're ready.

Mr. Garnet Boyd (Private Citizen): Okay, thank you. First, I'd like to apologize. When you received my presentation on it, I had made the standing committee out to Finance instead of Human Resources, so if you'll make that change with it, it would be appreciated.

Okay, thank you for hearing me. We're here today on Bill 30, the budget implementation and tax statute amendment ac–amendment act, 2009.

We are very fortunate in Manitoba that we're not in the financial position that many of the other provinces are in. Take Ontario, for example, where they're investing $2.1 billion just to support the auto industry alone.

Manitoba is in a better financial situation than most other provinces due to the diversity of the industries in our province, but we are not recession proof and we must address the economic downturn.

The provincial government is working with the federal government through the Building Canada Fund and Manitoba is required to ante up its share of the projects costs.

It does not make sense to cut projects and services when you can reduce your debt repayment to cover essential infrastructure. These projects include housing, public schools, hospitals, highways, bridges, universities, colleges, water and waste water treatment plants.

Redirecting $90 million from debt repayment and investing in new capital infrastructure will create and maintain about 10,000 person-years of employment.

Working people who are paying taxes, paying mortgages and rent, purchasing goods and services, they are the key to keeping the economy moving. Ensuring that people receive the adequate training and skills required so they're able to return to the work force is as essential as social housing, day care, immigration and health care. Bill 30 is not eliminating debt repayment; it only allows provisions for up to three years to provide relief during these tough economic times. This year, $90 million will be reinvested in new capital infrastructure projects to stimulate the economy and $20 million will still go to debt repayment.

In closing, during a recession, the government needs to invest in new capital infrastructure, education and training, social services and health care. Making cuts to public services and not investing in new capital infrastructure only adds fuel to the fire, and it will take years, if not decades, to restore. I believe that Bill 30, the budget implementation and tax statute amendment act of 2009, is essential legislation required to keep Manitoba moving forward. Thank you. Any questions?

Madam Chairperson: Thank you very much, Mr. Boyd. Does the committee member have any–committee members have any questions?

Mr. Rick Borotsik (Brandon West): Just, just one very brief one. Thank you, Mr. Boyd, for making a presentation. I see you came from Brandon; I know that it's a long way to come. Thank you very much for your presentation.

Just as a clarification, in your last page you had indicated that $20 million will go–still go to debt repayment. Under this legislation, as we have before us right now, not amended, that's not the case. There was no $20 million going to debt repayment. It was identified in the budget. The budget wasn't reflected in the Bill 30. That may change, but the $20 million, as you've identified, is not here right now, but it could be at a later date.

So thank you very much for your presentation.

Madam Chairperson: Honourable–did you have a response, Mr. Boyd?

Mr. Boyd: Just on, on that one, my understanding was they're looking at the $110 million of debt repayment. We're using 9–$90 million, as looked at, going into new infrastructure work in that area, so there's still that 20 million that can be going to, to debt repayment, right?

Hon. Greg Selinger (Minister of Finance): First of all, thank you for attending from Brandon and making a presentation. I just, by way of a question, I wanted to know if you were aware of the fact that we've already made the $20-million payment to the debt retirement fund for this year, and, therefore, it has been put aside, leaving the remainder to do fiscal stimulus along the lines you suggested in your presentation. Were you aware of that?

Mr. Boyd: No, I wasn't aware of that. Thanks.

Mr. Selinger: And thank you for your presentation again, Garnet.

Mr. Boyd: Thank you.

Madam Chairperson: Thank you very much. Next out-of-town presenter I have on my list is Paul Moist from CUPE National. Is Mr. Moist here? Paul Moist? He will drop to the bottom of the list.

Next I have on my list is Shannon Martin from the Canadian Federation of Independent Business. Mr. Martin, you can start whenever you're ready. Start whenever you're ready.

Mr. Shannon Martin (Canadian Federation of Independent Business): Good evening. My name is Shannon Martin. I'm the director of provincial affairs for the Canadian Federation of Independent Business. On behalf of CFIB and its approximately 4,800 Manitoba members, I'm here to register our views on Bill 30, The Budget Implementation and Tax Statutes Amendment Act.

The measure of any government is not the decisions they make during the good times but the decisions they make during the difficult times. It is unfortunate that with Bill 30, we have a government that not only breaks its promises–despite nice sound bites such as, a promise made is a promise kept–but enshrines it into legislation. Such action, of course, makes all other commitments made, especially in the area of future tax reductions, suspect.

Obviously, there are some aspects of Bill 30 that CFIB has no difficulty endorsing: extending the co-operative education apprenticeship tax credit, reducing and restructuring the mining tax rate and, of course, the planned elimination of the small business tax rate–even if it does result in my unemployment, according to the Premier (Mr. Doer). These are some areas that we have no issues supporting.

***** (18:10)

However, there are three areas that warrant criticism, two in particular. First, while Bill 30 does increase the basic education property tax credit for residential properties by $50 to $650, it is worth noting that on May 4th, 2007, the government made a commitment to Manitobans to increase the tax credit to, quote, $700 in 2009. While it may appear minor–a disagreement over $50–in reality, it is the desire on the part of CFIB for government to be accountable for their commitments made.

Secondly, CFIB members have consistently told government that their No. 1 priority is personal income tax reductions. A medium-sized–small/medium-sized businesses has recognized that only by ensuring customers have the necessary disposable income to purchase their goods and services will they grow. Last year's increase, for example, of $1,000 to the top bracket was reviewed–was viewed as very or somewhat positive to 75 percent of our members. CFIB has consistently expressed concern that Manitoba's personal income tax system is not competitive, especially with neighbouring jurisdictions. According to the Province's own budgetary documents, page E20, a middle-income family in Manitoba pays more than double the personal income tax than the same family pays in B.C., Saskatchewan and Ontario.

As well, our basic personal exemption remains among the lowest in all of Canada, subjecting taxpayers to income tax far sooner than other provinces. For example, in Saskatchewan one can earn $13,269 before paying income tax, as compared to Manitoba's $8,134 exemption, a difference of over $5,000, or 63 percent. Factor in the reality that Manitoba remains as one of the last provinces to automatically index its tax system to inflation to protect taxpayers from bracket creep, one can only surmise that the government will continue, as described by one of their own colleagues, one in opposition, basically, of taking Manitoba's income taxpayers to the cleaners while telling them you have not raised their taxes.

Even Premier Doer has publicly acknowledged that offering taxpayers inflation protection is, quote, a legitimate issue for his government that has yet to be addressed. While CFIB would, of course, like to see a more aggressive plan to reduce our personal income tax rates and brackets, we note that on page C4 of budget 2007, and page C2 of budget 2008, the government laid out a five-year personal income tax reduction plan which would have reduced the first bracket rate from 10.8 to 10.7 and increase the middle bracket threshold from 31 to 32,000, and the top bracket threshold from 67 to 67–68,000 effective January 1st, 2010. In fact, budget 2008 went even further, noting that, quote, "as budgetary circumstances permit, additional rate and threshold changes will be introduced."

Today, of course, we see that Bill 30 omits any reference to the above-noted personal income tax reduction promises. To add to the sense of unreality Manitoba taxpayers felt regarding the most recent budget, the government also tried, in its press releases, speeches and taxpayer-funded advertising, to claim that as a result of budget 2009, quote, the basic personal amounts, spousal amount and eligible dependant amount will increase by $100. There is no reference anywhere in Bill 30 to this plan increase, and in conversation with government officials, it appears that the government is trying to retroactively take credit for tax changes passed in last year's Bill 44, the budget implementation and tax statutes amendment act of that year that took effect six months ago on January 1st.

Thirdly, CFIB is concerned about the planned amendments to Manitoba's balanced budget legislation contained in Bill 30, specifically the decision to suspend for the next three years the legislative requirement to make annual minimum payments of $110 million against the provincial debt. The plan to suspend debt repayments for the next three years is contrary to the 1999 commitment by the government to, quote, maintain balanced budget legislation. It goes further than the minister's own budget speech in which he projected suspending payments for only two years. It is quite astounding that in four short weeks between the introduction of the provincial budget and the introduction of Bill 30, the Province's own economic projections have weakened to such an extent that another year had to be applied.

No matter how one looks at Manitoba's debt, whether it is debt per capita at $9,775, or summary net debt of 11.8 billion, or even the government's own preferred measure, a summary net debt as a percentage of GDP, which stands at a projected 22 percent, the debt situation in Manitoba's worsening. Passing on today's debt burdens onto future generations is a disservice and an admission that this government cannot live within its means. The inability of this government to redirect, in essence, less than 1 percent of total budget expenditures to debt repayment, borders on unbelievable.

CFIB is left asking as a result of this decision and the inevitable rise in interest rates, how much more will future governments have to pay to service the debt? How much future revenues will have to be diverted from health, highways and higher education to pay for the passage of Bill 30 in the years to come?

In conclusion, CFIB is not, at this time, asking from government anything more than the request to simply live up to your commitments, commitments sold to Manitobans as, quote, affordable, doable and realistic when first announced. Your failure today with the passage of Bill 30 only reinforces the cynicism many Manitobans have towards all elected officials and makes suspect all other commitments made, especially on the tax front. Thank you.

Madam Chairperson: Thank you very much, Mr. Martin. I see our educations at Brandon University have served us both well. Are there any questions?

Mr. Borotsik: Perhaps another graduate of Brandon University could ask a question? Very quickly. Thank you, Mr. Martin, for your presentation on this lovely evening. Just one question.

You mentioned the basic personal tax exemption of Saskatchewan. I think you mentioned around $13,400. If Manitoba had increased its personal basic personal tax exemption to the same level of Saskatchewan, do you have any detail as to how many taxpayers that could, well, take off the tax rolls in Manitoba?

Mr. Martin: Well, I'd have to leave that and the exact number to finance officials but I do note that when the government increased the–last year when it increased the basic person exemption by $100, they took 2,000 low-income Manitobans off the tax rolls. And by comparison, when the government of Saskatchewan late last fall increased their basic personal exemption by $4,000, they took 80,000 low-income Saskatchewan taxpayers off the tax rolls. So individuals that simply should not be paying taxes in the first place.

Mr. Selinger: Yes, thanks, Shannon, for your presentation. I'm not–I didn't realize you were a graduate from Brandon University along with the Chair and my critic here. I'd love to get together with the three of you for coffee some time and discuss the curricula that you followed there. *[interjection]* I can see that.

On–you quoted page E20 in the '09 budget in terms of the tax rates for middle-income families. And I wondered if you could tell us what those tables indicated in terms of Manitobans, where they rank on total personal costs and taxes compared to others jurisdictions? Mine also showed they were the second lowest. Would you agree with that based on the look of that page?

Mr. Martin: I don't quibble with, with what the minister's saying. I mean, it's, it's laid out there in black and white. But at the same point, so were the commitments made by government were laid out in black and white in both budget 2007 and budget 2008.

Mr. Selinger: Just one final questions. In Saskatchewan, in their budget this year, and also did a cost-of-living table, were you aware of the fact that they ranked Manitoba No. 1 for cost of living and taxes in the country this year?

Mr. Martin: Yes, I was.

Madam Chairperson: Thank you very much for your presentation.

Mr. Martin: Thank you and have a pleasant evening.

Madam Chairperson: Thank you.

Next on my list I have–well, we'll go to the top of the list. That I think is all of our out-of-town presenters that I know of.

So the next presenter is Kevin Rebeck, Manitoba Federation of Labour. Welcome Mr. Rebeck. You can start whenever your ready.

Mr. Kevin Rebeck (Manitoba Federation of Labour): Thanks very much.

I'm here as vice-president of the Manitoba Federation of Labour. We're made up of over 90,000, closer to 100,000 working Manitobans and we support Bill 30. It introduces a measure of flexibility that the government of Manitoba and all governments need today to address the serious economic con–conditions that have existed since fall.

Fourteen years ago, almost to the day, the MFL told the Filmon government that some aspects of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act would create problems for future governments during difficult economic conditions. We said, broadly speaking, balanced budget legislation's an inappropriate limitation on the ability of a government to deal with the peaks and valleys of the business cycle and with unforeseen cries that may confront society.

Since last October, the crisis that has swept the globe destroying jobs, businesses and economies. People have lost their homes, their cars, their savings and their retirement income. Consumer bankruptcies across Canada increased an unprecedented 34.6 percent in the first quarter, 2009, compared year over year to 2008. By way of comparison, the first quarter increase in 2008 was 2.9 percent. Nationally, the April unemployment rate stood at 8 percent. From October 2008 to April 2009, there are 321,000 fewer jobs in Canada, the highest level of unemployment in seven years.

The United States, our largest trading partner, has experienced harshing–experiencing harsher conditions. Since last October, more than 5.7 million men and women have lost their jobs, nearly 540,000 in April alone.

In Manitoba, careful economic and public policy planning has paid off in better conditions. Our April unemployment rate was 4.6 percent, down from 5.1 percent in March. To this point in 2009, the number of jobs created in Manitoba is slightly higher than the number lost.

***** (18:20)

But this good news should not be taken as evidence that the worst is over. In fact, the worst is yet to come. Manitoba's economy is forecast to decline by another 0.5 percent this year; troubling, but not as much as the decline of the 2.2 percent shrinkage forecasted through Canada as a whole. The Toronto Dominion Bank's economists predict that Canada's unemployment rate will peak at 10 percent in 2010. The Royal Bank's slightly more optimistic with a jobless peak at 8.1 percent at the end of 2009. According to Don Drummond, TD's chief economist, this year will go down in the history books as one of the most difficult economic years for Canadians. The news has been bad all over, said Robert Hogue, senior economist at RBC, adding the revision reflects greater weaknesses mounting through the world economy, crimping demand for exports, particularly from Canada's largest trading partner, the United States. In all, half a million jobs will be lost from the Canadian economy in 2009 according to the TD Bank, the worst since the end of '96. The highest jobless rate on record in Canada dates back to the recession of 1982, when unemployment hit 13 percent in December.

Taking effective action on these issues means our governments need to be able to implement their strategies in a timely manner. What Bill 30 does is build some flexibility into the rigorous requirements of part 3 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act. Contrary to some critics, Bill 30 does not represent the end of Manitoba's commitment to paying off our public debts. It provides a three- or, I understand, perhaps a two-year respite from the mandatory annual $110-million payment on the debt.

Not long ago, Manitobans learned from Finance Minister Selinger's budget speech that a $20-million payment on the debt will be made this fiscal year and the 90 million that's being redeployed will help our communities and families deal with the economic storm. This 90 million is helping fund major infrastructure projects that will create and maintain 10,000 person-years of employment–10,000. These projects will improve water and waste treatment facilities, universities, colleges and schools, hospitals and highways; these are the things that create jobs and improve the quality of life for all Manitobans. There are those who think that investing in these projects is irresponsible if debt repayment's affected and that Bill 30 is, therefore, a toxic piece of legislation. The Manitoba Federation of Labour and its affiliated unions do not share that view. It's far more important to cushion Manitobans from the impact of global economic adversity by delaying debt repayment for a short time.

If there's an aspect of Bill 30 that causes us concerns, that would be the tax reductions it contains. We have a great deal of sympathy for any government that has to compete with neighbouring provinces and countries in the relentless drive towards the lowest possible taxes. It's a losing proposition, providing public services and capital projects that ensure a high quality of life for citizens and at the same time collects fewer and fewer taxes. There can be no doubt about it; the government has done an admirable job of carrying out a substantial mandate to deliver high-quality services to the people of Manitoba, while at the same time competing with other resource-rich provinces and countries on the tax front. But building a hospital's only part of the equation; you also have to staff it, keep it equipped with modern technology, keep it in good repair and meet the countless other challenges that are required to provide quality health care. And it's not just hospitals; it's education, social services, housing and so much more. To deliver these things, government needs income and that income comes from taxation.

If there's one thing the neo-conservatives and their political parties have done exceedingly well in Canada, it's been crafting and implementing a communications strategy that demonizes virtually all forms of governor–government revenue and spending. It's impossible to find a person that doesn't react badly to the word "taxation." Public opinion professionals will tell you there's a world of difference between how people react to a–to a statement that contains that word compared to the same statement phrased with the word "investment" rather than "taxes." People reject tax burden, but are quite supportive of making an investment in their future.

In the past decade, the government has forgone about a billion dollars of investment potential through businesses' and personal tax reductions. In a province where a million people live, that's about $100 a person a year, but on the altar of giving people about a hundred dollars a year in tax reductions, or actually less–about 25 percent of that were aimed at businesses–what have we given up? How big of an impact would the government have had on child poverty with another billion dollars to invest? How 'bout community economic development, or programs to ensure that equity groups get a fair deal?

Bill 30 contains more measures that will reduce government income in its ability to fund critically important public services and programs. Some of the tax and fee reductions are pretty difficult to argue against; others aren't. But that's not really the point we're trying to make. What we're saying is there has to be an end to the cuts at some point, and soon, because we're paying businesses to operate and paying royalties to mining companies instead of collecting them.

We want our governments to invest in health care and education. We want you to invest in roads and bridges, and we want government to have enough income to make these investments on our behalf. Thank you.

Madam Chairperson: Thank you, Mr. Rebeck.

Any questions?

Seeing no questions, I thank you very much for your presentation.

Next on the list, I'll call Lynne Fernandez from the Canadian Centre for Policy Alternatives.

You may start whenever you're ready, Ms. Fernandez.

Ms. Lynne Fernandez (Canadian Centre for Policy Alternatives): Thanks. Thank you very much.

The Canadian Centre for Policy Alternatives Manitoba has examined the government's plan to alter The Balanced Budget, Fiscal Management and Taxpayer Accountability Act and wishes to offer support for this portion of Bill 30.

There are three reas–reasons we support the plan to temporarily lower our debt reduction obligations:

First of all, we are experiencing a deep economic recession that requires immediate action.

Secondly, by freeing up money that would normally be spent on debt reduction, the government can address pressing problems that prevent our economy from performing better, such as entrenched poverty, lack of education and housing insecurity in large portions of our population. And, thirdly, Manitoba's economic conditions are solid and favourable. We can afford to invest more.

I will explain our reasoning–more of our reasoning–one point at a time here.

First of all, in responding to the economic crisis. An unregulated financial sector has thrust us into the largest economic downturn since the Great Depression. Although Manitoba cu–currently stands to weather the storm better than the rest of Canada, we must not be complacent about the gravity of the situation. Should the recession last for much longer, Manitoba will see its fortunes fall along with the rest of the country.

In 2006, 63 percent of our GDP was based on exports, making Manitoba the most export-based province in Canada. Seventy, seventy-two percent of those exports go to the U.S., and we need not remind you of the dire situation south of the border. In short, we must not assume that Manitoba is immune from even more toxic economic problems than it currently suffers.

Our relatively strong economic position in Canada means that the recession may not be as deep or long-lasting, but it does not mean that we will remain unscathed. The best we can hope for is that our rate of growth will remain positive. There is no guarantee that our GDP won't dip into negative territory.

By injecting a further $90 million into the Manitoba economy, the government is taking appropriate action to diminish the harmful effects of this recession. We do, however, have a caveat as how–as to how the money is spent.

Stimulus spending is certainly required, but it should direct money so as to provide the quickest and biggest impact on aggre–aggregate spending. This government knows that the most effective way to provide a direct stimulus is through increases in benefits to the unemployed and transfer payments to the poor, simply because they spend everything they get in local economies. U.S. economist, Mark Zandi, estimates that a $1 increase in stimulus spending results in a GDP increase of $1.59, information that is cited in your budget papers.

Minister Selinger notes that the $90 million will be directed from debt repayment to infrastructure renewal. CCPA Manitoba defines infrastructure broadly, and we encourage the minister to do the same.

We strongly urge the minister to apply this spending where it is needed most; helping poor families to meet their housing, food, health and educational needs. We also hope that those who lose their jobs are given the help they need until they can find work. There will be a gap for many people between the time they lose their jobs and when they can find new ones. These people, along with the more chronically unemployed, need, need support in these difficult times, and this group will efficiently recycle that support back into the economy, supporting Manitoba businesses that are also struggling.

***** (18:30)

On our third point that we can afford to do it, the government has rec–has received and will receive much criticism for redirecting money from debt reduction to stimulus spending. Arguments will mostly concentrate on the onerous effect of public debt on our economy and warnings that we are burdening future generations with our debt. CCPA Manitoba counters those argu–arguments with the following points:

(a) Not all debt is bad. Debt undertaken to avoid greater future costs and debt to invest in infrastructure that will benefit society for decades to come is productive debt. Our children's and grandchildren's futures will be brighter if money is wisely spent today so they won't mind paying their portion of the investment costs when they're adults. We all benefited from massive infrastructure spending after World War II and understood that public debt was incurred to allow for the investment. Part of the reason Canada is in the developed world is because of that public debt.

(b) Manitoba is well positioned to slow debt repayment. Canada is the envy of the developed world with the lowest debt-to-GDP ratio, at this point around 30 percent. Manitoba's debt-to-GDP ratio is even lower at just under 22 percent. In other words, our debt is both reasonable and manageable allowing for some give and take to respond to the crisis.

Even if the worst-case scenario unfolds and our GDP shrinks, thereby increasing our debt-to-GDP ratio, we have to remember that we expect interest rates to remain low for at least the foreseeable future. The portion of our debt that is short term will roll over at lower interest rates, slowing down the rate that interest accrues. Manitoba's debt-servicing cost has been cut by 55 percent since 1999. Now that we're in a recession, it makes perfect economic sense to allow the cost to increase somewhat. Economic common sense dictates that we pay down the debt when the economy is growing and allow it to grow when the economy is contracting or slowing.

With respect to sections of part 4 of Bill 30, we would like to make some broad comments regarding this Province's propensity to cut taxes. One may make an argument for lowering taxes in recessionary times, although the stimulu–stimulus effect is less than when money is spent, but the other side of the coin is raising taxes again when the recession is over. Unfortunately, 30 years of neo-liberal ideology has tried to convince the public that all taxation is bad, making it politically difficult to raise taxes when necessary. In fact, although Manitoba can lower taxes effortlessly, it cannot raise taxes without running a provincial referendum to seek public approval. With taxes set at permanently rock-bottom rates, the government will eventually have to cut social programs to balance the books.

Given that neo-liberal economic policy has been completely discredited by the current crisis, we urge the minister to return to coherent economic policy during and after this recession. Tax cuts should never be a permanent feature of a progressive government, and we fear that the $1 billion in tax cuts, improperly imposed while the economy was growing, will have long-term negative effects on the future revenues and essential social programs. Our position is fortified by the recent national CCPA report by economist Hugh Mackenzie and statistician Richard Shillington, entitled Canada's Quiet Bargain: the Benefits of Public Spending. Mackenzie and Shillington's report analyzes data from Stat–Statistics Canada. They show that, quote, what passes for public policy debate on tax cuts ignores a significant part of the story. For most Canadians, the benefit they receive from tax cuts is outweighed by a significant margin by their losses from accompanying cuts in public service, unquote.

For example, assuming that a 1 percent income tax cut would result in a 1 percent reduction in education and health-care spending, 75 percent of Canadians would be negatively impacted by that tax cut. The few who would gain from this arrangement are households earning between $90,000 and $150,000 a year, and they would be ahead by $200. Households with income over $200,000 would gain $600.

More than two-thirds of Canadians realize benefits from public services that equal more than 50 percent of their incomes. Median income households receive benefits from public services in the amount of $41,000 a year, roughly 63 percent of their total income. The authors rightly point out that over the past 30 years public debate over fiscal issues has deteriorated to uncritical support for tax cuts with no reference to the services those taxes provide. Mackenzie and Shillington bring balance to the debate, and we urge this government to consider their study. Information about the study is attached to my submission so you can download their report should you like to read the whole thing.

Even mainstream, business-friendly economists are acknowledging that tax cuts have been too deep. We hope that this government will heed the writing on the wall and begin to reverse its dangerous tax-cutting policies and recommit to investing fully in Manitoba's future. Thank you.

Madam Chairperson: Thank you very much, Ms. Fernandez. Any questions from committee members?

Mr. Borotsik: Just one very brief question. Thank you again for making the presentation this evening. I do appreciate it.

I'm a little confused, though. In your report, you refer to the $90 million that could be reinvested in infrastructure. In Bill 30, as you're well aware, originally there was a $20-million debt repayment in the budget as it was tabled, but in Bill 30 it speaks to supe–to suspend all debt repayments. So that would mean the 110. Where do you get the $90 million from?

Floor Comment: I got that from–

Madam Chairperson: Sorry, I have to recognize you first. Ms. Fernandez. Go ahead.

Ms. Fernandez: Thank you. I got that from press releases that we, that we received in our office from the government. Is there not going to be $90 million–

Mr. Selinger: Yeah, the, the payment last year was 110. We plan to pay 20 this year. The difference is 90, and I think that's what the presenter is using as–for a number tonight.

Mr. Borotsik: Yeah, I, I don't–I didn't see that press release because this bill, Bill 30 as we have it before us right now, speaks to a full suspension of the debt repayment, which will be $110 million. So I–I'm not–I'm, I'm not privy to the press release, so, obviously, you have more information than I have, and I'm sure the minister will fill me in later tonight. Thank you.

Ms. Fernandez: Perhaps I have that number wrong, but, as I understand it, the debt, the debt is not going to be repaid. There's going to be a, a, a sum of money that normally would go to ret–debt reduction that's now going to go into infrastructure spending. I do have that correct, right?

An Honourable Member: Yes.

Ms. Fernandez: Yes. And that is what I'm supporting, and if the number–and if I have the number wrong, I don't think it changes–I don't think it changes my, my position, my argument one way or another. We do support reducing the debt reduction.

Mr. Selinger: Yes, thank you for your presentation, Lynne. You are correct. There will be a $20-million payment to the debt retirement fund this year, which has been made, leaving a balance of 90 compared to last year, available for infrastructure spending. So I just wanted to assure you of that.

And you make a point on page 2 of your presentation that you wanted to define infrastructure broadly. Are you aware that part of our infrastructure definition here is to include things like social housing because of the ability to get that up and running quickly, employ local people and, because of the spinoffs, by using lots of local materials and labour?

Floor Comment: Yes, I, I am aware of that–

Madam Chairperson: Ms. Fernandez.

Ms. Fernandez: –and I appreciate it, yeah. Sorry, I keep forgetting.

Madam Chairperson: That's okay.

Mr. Selinger: Just wanted to thank the per–Lynne for her presentation tonight. Thank you.

Madam Chairperson: Thank you very much, Ms. Fernandez.

Ms. Fernandez: Thank you.

Madam Chairperson: Next on our list, we have Mike Skaftfeld from CUPE Manitoba.

Welcome. You can begin whenever you're ready.

Mr. Mike Skaftfeld (CUPE Manitoba): Thank you. Earlier, Paul Moist had been called, and Paul couldn't make it so I have his–I have his brief that I have supplied with you all here today.

Good evening and thank you for the opportunity to comment on Bill 30. I am Mike Skaftfeld, the executive assistant to the president of CUPE Manitoba, and I will be presenting on behalf of Paul Moist and the almost 600,000 members from across Canada.

While it may appear that Manitobans are not suffering the brute force of North American recession and the global financial crisis, we see major economic problems coming. We see changes that take place in the sale and trading of goods, the movement of workers across Canada and the decline in local business investment. We are starting to feel the impact of job losses in other parts of Canada, the lack of consumer confidence, the economy and the sober public attitude towards government bailouts of major corporations. Therefore, we agree with the Manitoba government that it must be part of the solution to our economic ills and that it must take immediate measures to help our economy remain stable in this unstable time.

Overall, our position is that the most effective way of stimulating the economy now is through the consumption and savings of working Canadians. As union members and taxpaying citizens we believe that the government spending that directly supports working families is the most effective method of maintaining economic activity during this period of recession.

The labour force survey for May will be released this week, and it will have new numbers for unemployment for Manitoba. In April, Manitoba had the lowest unemployment rate in Canada at 4.6 percent. It probably won't be that low for May, but it will still be relatively low, partially because of the good economic policy by the government. But these figures show Manitoba is not immune from the economic crisis. We want to commend the government on its positive economic policies, but more, but more is clearly required.

Economic stimulus measures are needed that focus on maintaining and increasing jobs, particularly in manufacturing, environmental protection and public services. The legislation being considered today includes significant tax cuts. The reductions that will go to low- and middle-income Manitobans have some merit. We can even see the benefit in reducing some taxes for small-business owners. I know that many Manitobans appreciate the over one billion in tax cuts that have been realized since this government came to power in 1999. However, we also believe that tax reductions, generally, are not going to address current economic problems and will only add to the fiscal pressures on taxpayers in the future.

***** (18:40)

We should be looking at ways of gradually increasing taxes, not decreasing them. The research and analysis of the Canadian Centre for Policy Alternatives makes some sense to us. As a recent article states, shrinking revenues for a government that has to conform to balanced budget legislation can only mean shrinking spending. Manitoba has serious social problems that raise health and crime costs and prevent many from participating in our economy. It makes sense to intervene within at-risk groups before they develop long-term problems. Fiscal planning that is counter-recessionary should direct public money to fixing employment insurance, reducing mortgage costs, creating jobs and increasing wages and benefits, the quickest and biggest impact on aggregate spending. Though we are commenting on a provincial budget, we certainly acknowledge that the federal government has a major role in this strategy as well. We believe that Ottawa should provide a direct stimulus, through increases in benefits to the unemployment and transfer payments to the poor, simply because they spend everything they get within their local economies.

The CCPA article goes on to state, 30 years of neo-liberal ideology has tried to convince the public that all taxation is bad, making it politically difficult to raise taxes when necessary. In fact, although Manitoba can lower taxes effortlessly, it cannot raise taxes without running into provincial referendum to seek public approval.

Budget 2009 makes significant investments in training and social services which should be a priority in times of economic uncertainty for Manitobans, but this is not enough. A study by Hugh Mackenzie and Richard Shillington shows also that public spending benefits Canadians. In a recent research paper, they note that more than two-thirds of Canadians' benefits plan–benefits from public services which are worth more than 50 percent of their household's total income earned. They show clearly that public services are a form of social wage that benefits the majority of Canadian households and especially lower- and middle-income families.

We agree with the authors that the vast majority of Canadians would also be better off without tax cuts. Their analysis estimates that 80 percent of Canadians would have been better off if, for example, instead of cutting the GST, the Harper government had transferred the money to the local governments to pay for more and better public services.

The realization that traditional top-down economic action based on corporate tax cuts has failed is coming from the pillars of the corporate world. I quote Olivier Blanchard, IMF chief, chief economist, that, that said in December of last year, the IMF is calling for countries to introduce economic stimulus measures equivalent to 2 percent of GDP with emphasis on public spending. Avery Shenfeld, CIBC economist, economist, in the same month said, the recipe has, has to be trickle-up economics. Cuts in the corporate tax rate can't help much. And Sherry Cooper, BMO chief economist, said, cuts in hourly wages and salaries and salary freezes can lead to a, to a wage-price deflationary spiral that is very difficult to stop.

The requirement of Manitoba to make over $100-million debt repayments every year under The Balanced Budget, Fiscal Management and Taxpayer Accountability Act should be suspended for the next few years. Instead, we agree that the government should invest in creating jobs, stimulating the economy and maintaining social services. While it is important to repay debt, current conditions require that we as taxpayers pay forward, not pay back right now.

We believe that taking the approximately 90 million available for this year and putting it into infrastructure development will have a long-term benefit for the economy and society. We would add, though, that social infrastructure also needs significant funding, and the government should be putting more into funds–more funds into schools, child-care facilities and recreation.

Research done by CUPE and informetra shows considerably higher job and GDP multipliers for Canada from investments in child care, social services, health care and education, rather than for tax cuts. In conclusion, we want to support and encourage the government to take policy and budgetary action to address current recession and economic crisis. We agree that using tax revenue to compensate working Manitobans for the impact they will experience, and thus injecting capital directly into the economy is an effective means of dealing with the recessionary pressures. However, we don't believe that tax cuts are going to be effective in generating the consumer confidence and contribution the economy needs.

We still need political innovation and courage to find ways of generating public revenue and then getting the public to contribute financially to quality–to the quality of life we demand in Manitoba. The measures proposed in Bill 30 are significant and will help Manitobans deal with the immediate needs of the recession, but we strongly recommend that the government treats these conditions as an opportunity to maintain our long-term productive capacity, not merely respond with political expedient measures.

And, as a last more light-hearted thought, if you had invested $1,000 at the beginning of 2008, in their corporation, it is now worth $53. That same $1,000 in AIG Insurance is now worth $30, or in Nortel Networks, that is now worth $12. But instead, if you had taken your $1,000 and had bought 47 cases of Fort Garry beer, drank it all and turned in the empties, you'd have $57 from the deposit refund.

Our message in investment advice, put your money into local consumption and always, always recycle. Thank you.

Madam Chairperson: Thank you very much, Mr. Skaftfeld. Any questions from committee members?

Mr. Selinger: Yes, first of all, I'd like to thank you for your presentation and your anecdote about the value of recycling. And is it necessary to consume all the product in the bottles before you recycle them to come out ahead?

Mr. Skaftfeld: Necessary, maybe not, but enjoyable, but only in moderation.

Madam Chairperson: Thank you very much, Mr. Skaftfeld. Thank you for your presentation.

My understanding was that that presentation was on behalf of Paul Moist, who can't come tonight, so I'm going to seek the agreement of the committee to remove Mr. Moist's name from the list, and we won't call him a second time.

An Honourable Member: Agreed.

Madam Chairperson: Thank you. Next on my list, I will call Fletcher Baragar. Fletcher Baragar. Is Mr. Baragar here? His name will drop to the bottom of the list.

Next, I'll call Robert Chermonas. Is Mr. Chermonas here? Not seeing him, his name will drop to the bottom of the list.

Next, I'll call Chris Rigaux. Chris Rigaux. Not seeing him, his name will drop to the bottom of the list.

Next, I'll call Pat Isaak of the Manitoba Teachers' Society. Pat Isaak. Not seeing Ms. Isaak, her name will drop to the bottom of the list.

Next, I have Darryl Draeger. Darryl Draeger. Mr. Draeger's name will drop to the bottom of the list.

Next, I have Ian Hudson. Ian Hudson. Not seeing Mr. Hudson, his name will drop to the bottom of the list.

Next, I have Colin Craig of the Canadian Taxpayers Federation. Welcome, Mr. Craig. Do you have a written presentation for us?

Mr. Colin Craig (Canadian Taxpayers Federation): Just an oral presentation.

Madam Chairperson: Okay, you can start whenever you're ready, sir.

Mr. Craig: Well, good evening, and thank you for the opportunity to speak here today. I would like to begin by commending the Doer government for standing by its commitment to reduce the business tax rate from 13 percent to 12 percent and for reducing the small business tax rate to zero in 2010.

In addition to the other tax relief measures, those actions will have a positive effect on the provincial economy. However, we are disappointed by the decision to break the election promise to raise the education property tax credit to $700 for this year, and the entire cancellation of the Province's personal income tax cut plan. Although the personal income tax relief plan was modest, it was reassuring that Manitoba's high income tax rate problem was, indeed, on the government's radar. Perhaps most troubling about these two broken promises was the fact they weren't communicated in any of the six news releases on budget day. Needless to say, we feel it is unacceptable for the government to continue without a plan to provide income tax relief in the future.

In terms of the legislation before us today, supporters of the Canadian Taxpayers Federation have deep concerns with the clause that waters down the balanced budget act even further. In particular, the measures that relieve the provincial government of its debt repayment obligations over the next three years are of great concern. It is easy to simply say that Manitoba's facing an economic slowdown and cannot pay its debt obligations this year. However, the more responsible thing to do is to follow the lead of the average Manitoba family. Just as Manitoba families are watching their pennies so that they can continue to make their mortgage payments, the provincial government should follow suit and maintain its debt repayment obligations. After all, it's not like there's a shortage of money.

***** (18:50)

Before cancelling the required $110-million debt repayments, the Canadian Taxpayers Federation asks members of the Legislative Assembly to consider the bigger picture and consider the history of spending in this province. As noted in the CTF's 2009 prebudget submission, spending has increased at a torrid pace since 1999. Beginning in 1999, had expenditures been capped for the rate of inflation and population growth, the provincial government would have achieved an $8.9-billion surplus. That's enough to pay off the entire core debt and have a couple billion dollars left over. Some will argue that that's an unworkable target, something that can't be achieved. However, even meeting that fiscally prudent spending target halfway would have yielded about $4.5 billion in savings. Combined with interest savings by paying down the debt sooner that approach could likely have paid off the debt too.

The point is Manitoba can meet its $110-million debt repayment obligations over the next three years, however, doing so will require government officials to roll up their sleeves and start controlling spending. For leadership in this area, one could look to the province of New Brunswick. Although the New Brunswick government is running a deficit this year, they're working towards a balanced budget and are making some tough choices. Needless to say, some of those decisions are also quite politically difficult. They have capped spending at 2 percent over the next four years. Further, they've also frozen public sector salaries for the next two years. That's right, from the premier of New Brunswick right down to general government labourers, everyone is doing their part. Teachers, nurses and other public sector unions have also agreed to the wage freeze.

Given the explosion of government salaries over the past 10 years in this province, there's no reason why our public sector unions couldn't be asked to pitch in. Instead, across the province, we're seeing significant increases to public sector salaries. It's unfair that most in the government are not only enjoying job security during the economic slowdown, they're seeing wage increases above the rate of inflation. For example, if you visit the Manitoba Teachers' Society Web site, you'll notice a sea of 3 percent increases across the province. As many around the table know, Manitoba's inflation rate has been much closer to 2 percent over the last several years. Along with step provisions in their contracts, many teachers will receive year-over-year increases of 6 or 7 percent. If you look at the Pembina Trails School Division, a first-year teacher will earn $48,459 this year, yet, by next year he or she will receive $52,020. That's a year-over-year increase of 7.3 percent. If you pull out the Turtle Mountain School Division's contract, a first-year teacher will see their salary increase from $48,270 last year to $52,568 for this year. That's an 8.9 percent increase. If you look at other school divisions across the province, you'll find similar results.

Let me be clear, the problem's not just isolated to teachers' union contracts. Several other public sector unions are achieving generous increases for their employees that are over and above the rate of inflation. Given that those in the private sector are lucky these days to get an increase in salary that meets the inflation rate, it's unacceptable to ask them to pay for public sector employees to get an increase that is above the inflation rate.

Public sector employees deserve to be fair–deserve to be paid fairly. No one would dispute that. But the current approach is too costly for taxpayers. For a government looking to find $110 million or more over the next few years, addressing generous public sector salary increases and the wage gap between the public and private sector, it's just one place to look.

If the Legislature were serious about repaying debt this year, another budget to look at would be the Legislative Assembly's. Freezing expenditures in that area would save $1.4 million this year alone.

For other solutions, the government could consider cutting the WRHA's massive bureaucracy. Government advertising could be curtailed, luxury capital projects could be put on ice, the school closure ban could be lifted, government services could be contracted out, unnecessary government promo items could be discontin–discontinued, and the list goes on and on.

The reality is there are plenty of things governments could do to maintain their payments on the debt. To help flush out other ideas, the CTF recommended establishing an all-party committee to look at spending. The prebudget meetings with the CTF, each party expressed a willingness to work together with other parties to look at better ways of stretching our tax dollars. Clearly, now is the time to strike such a committee and start working together.

On the revenue side of the equation, the government could boost revenues by making changes to our electricity market. While keeping Manitoba Hydro in public hands, other companies could be invited to in–to come into Manitoba and develop our vast array of waterways up north that Manitoba Hydro has no plans to develop. This simple gesture could be done without costing taxpayers a cent, but could help Manitoba's economy grow and thus more tax revenues could be collected and put towards debt repayment.

Instead of forcing Manitobans to pursue timely health care outside of Manitoba, our health-care system should be opened up to the private sector. Private companies should be allowed to offer the same services that public health facilities do. That way, those that–who take money out of our community and spend it on health care in the United States could, instends–instead, spend those dollars here in Manitoba and thus lead to a net increase in taxes collected in this province. Those are just a couple ideas.

If we stand back and put the $110 million into perspective, it represents 1.1 percent of the Province's overall $10.1-billion core budget. Simply changing the debt repayment rules to avoid finding 1 percent worth of efficiencies is taking the easy way out. The longer it takes to pay down the debt, the more we unfairly require future generations to pay. What Bill 30 proposes is similar to ordering a coffee at a Tim Hortons drive-through, telling the guy at the window that the next driver will pay for it, and then driving off. We request that the government reconsider this aspect of the legislation.

Finally, in terms of improving transparency, it appears that the massive tax break the new stadium will receive has been poorly communicated to the public. Section 8 of Bill 30 would exempt the new stadium from paying property taxes. Now, whether you agree or disagree with governments funding the new stadium, most would agree that there needs to be transparency in terms of the details of that agreement. Nowhere in the government's news release from the announcement of the stadium does it state the new facility would not pay property taxes. Nowhere in the news release for Bill 30 does it state the facility would not pay property taxes, and after doing a quick media scan, I haven't seen any mention of the exclusive tax cut. In the future, we feel such important details should be included in government news releases so that the public is informed.

Again, thank you for considering the Canadian Taxpayers Federation's comments on Bill 30.

Madam Chairperson: Thank you very much, Mr. Craig.

Mr. Selinger: First of all, I'd like to thank you, Colin, for the presentation you made tonight. When I think of the Craig family, I think of Brandon. Is there any chance you might have been at Brandon University?

Mr. Craig: I feel like the odd man out, but, no, I don't think anyone in our family ever went to Brandon University.

Mr. Selinger: Okay. Secondly, I'd just like to say that with respect to your comment on the stadium, are you aware of the fact that this was simply a carry-forward of what the City of Winnipeg offered the present stadium in terms of the, the tax regime. It's really just transferring to the new stadium what exists for the present stadium.

Mr. Craig: I understand the tax obligations of the current stadium. However, this was something that should have been communicated to the public. As it is a new stadium going forward, it would be owned by a, a private individual and that's something that the public should have been made aware of.

Mr. Selinger: Thank you for that comment. I just wanted to put it in context, but I take your point.

Madam Chairperson: Any other questions? Thank you very much, Mr. Craig.

Next on my list, I have David Shambrock of the Manitoba Food Processors Association. David Shambrock? Mr. Shambrock will stay at the bottom of the list.

We will go through our second calls. Susan Hart Kulbaba. Not seeing her, she will drop off the list.

Fletcher Baragar. Mr. Baragar will drop off the list.

Robert Chermonas. Mr. Chermonas will drop off the list.

Chris Rigaux. Mr. Rigaux will drop off the list.

Pat Isaak. Ms.–oh, Ms.–

Ms. Judy Edmond (Manitoba Teachers' Society): Judy Edmond, Manitoba Teachers' Society.

Pat was hoping to be here, but she is speaking at a retirement. I expected her at seven, but I have copy of her presentation that I could leave with you since she couldn't get here in time.

Madam Chairperson: Is there leave for that, committee?

Some Honourable Members: Leave.

Madam Chairperson: Okay.

Ms. Marilyn Brick (St. Norbert): I'm not sure if you wanted to do the presentation on her behalf? You probably could do that.

Ms. Edmond: I'm not sure.

An Honourable Member: You're putting her on the spot.

An Honourable Member: If she's willing to and the, and the committee's willing to hear.

Madam Chairperson: Is that agreeable, to have Ms. Edmond present on behalf of Ms. Isaak?

Some Honourable Members: Agreed.

Madam Chairperson: Agreed. You can start whenever you're ready, Ms. Edmond.

Ms. Edmond: After Mr. Craig's comments, it's a shame that Ms. Isaak isn't actually here to address some of the things that he mentioned in terms of–I guess the only point that I'd like to add with respect to the comments that he made is that teachers bargain their contracts and negotiate them with school trustees which are elected officials throughout the province. So they aren't gifts from heaven. They are bargained at bargaining tables, and we have a legitimate collective bargaining process in this province.

***** (19:00)

Pat–I guess we represent 15,000 public school teachers in the province of Manitoba. And I'd like to thank you for this opportunity to make this presentation to the legislative committee considering this bill.

Education is at the core of our success as a province and a nation. Teachers understand the challenges we face today. We're preparing our students to use technologies that have yet to be invented in order to do jobs that don't yet exist amidst uncertain economic times. We're nurturing their understanding of community in order to be citizens of a country that embraces the diversity of the world. And we know that our job is only the start. If our students and communities are to be all they can be, then public education is only the beginning of a life-long experience in growing and learning.

I'm here to support Bill 30. Education program and service delivery by public schools to students throughout our province requires the support of a provincial treasury. As several presenters have said before me, this bill does not authorize the Minister of Education to stop making yearly debt repayment for three fiscal years, but gives him the discretion as to the amount of annual payment. Any suggestion that the Province of Manitoba's experiencing an unduly sharp rise in annual operating expenditures is ridiculous. As many economists have noted and others have commented this evening, the rate of increase in Manitoba's provincial expenditure per capita remains amongst the lowest in Canada.

The Manitoba Teachers' Society believes that this amendment makes sound fiscal sense. Several Canadian provinces are experiencing downturns in revenues. In such an uncertain fiscal environment, it is prudent for the Minister of Finance of Manitoba to have discretion in relation to yearly amount of debt retirement payments.

Our research has found that the TD Bank, as well as other major Canadian financial institutions, has not criticized the Manitoba government for reducing the amount of its down payment in these uncertain economic times.

Like many economists, MTS agrees that fiscal stimulus is required in these economic times. We are pleased that this government has kept its commitment, made early in its mandate, to benchmark public school funding to the rate of economic growth. It's a promise that this government has fulfilled and exceeded, and it's one we especially appreciate in these economic times.

We are pleased that the Manitoba government has demonstrated that it views funding public schools as an investment in our province's future. This year, they have increased funding to public schools by 4.8 percent or $43.9 million for the 2009-2010 school year.

This is in sharp contrast to what occurred during the economic downturn of the '90s. The previous government's annual public school funding announcements of zero and minus 2 percent significally–significantly harmed public schooling in this province.

Teachers view this government's funding increases despite uncertain economic times as a signal that it considers the long-term benefits of education. This government is focussing on the future while clearly being mindful of the present.

Thank you for this opportunity to present our views.

Madam Chairperson: Thank you very much, Ms. Edmond. Are there any questions from the committee?

Thank you very much for pinch-hitting.

I'll move along down the list. Darryl Draeger. Not seeing Mr. Draeger, his name will drop off the list.

Ian Hudson. Not seeing Mr. Hudson, his name will drop off the list.

David Shambrock. Not seeing Mr. Shambrock, his name will drop off the list.

That concludes the presenters I have on the list before me. Is there anybody else in attendance who wishes to make a presentation?

Seeing none, that will conclude public presentations on this bill. We'll now proceed to clause-by-clause consideration.

Does the minister responsible for Bill 30 have an opening statement?

Mr. Selinger: Just, just briefly, Miss Chairperson–Ms. Chairperson. The–by prior negotiation with the House leaders, I will be proposing amendment in clause 1, sub 3, and I just wanted to make everybody aware of that.

Madam Chairperson: We thank the minister.

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

Mr. Borotsik: Yes, just very, very briefly. I know the minister knows the Progressive Conservative Party's position not only on the budget, but also on the BITSA bill coming forward. I don't have to go into fur–further debate on that.

I would like, if possible, if the minister could provide the press release that went out that suggested the $20 million would, going to be included in the amendment. As a matter of fact, I saw the amendment late tonight at about 5 o'clock, and if the press release is available, I would like to see that at some time.

That's my only statement. Thank you.

Mr. Selinger: Yes, the press release, I think, that was being referred to by some of the speakers tonight was on April 30, 2009, and it indicates in it that the budget continues with a $20-million debt payment this year. I'll make a copy available to the member.

Mr. Borotsik: No, I'm, I'm fully aware of that particular press release of the $20 million. But Bill 30 does not speak to that $20 million. It speaks to three years of the debt repayments not being, not being going forward. So I, I do understand that this is in the budget, but it's not in the bill itself. So I just can't make the connection, that's all.

Madam Chairperson: I'm actually not going to entertain any more questions right now. We're on opening statements from the critic. Do you have more on your opening statement?

Mr. Borotsik: No, I would like to close my opening statements, and I'm sure the minister and I can deal with this after the session. Thank you very much, Madam Chair.

Madam Chairperson: Thank you, Mr. Borotsik. We thank the member.

During the consideration of a bill, the table of contents, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Due to the size and structure of Bill 30, is it the will of the committee to consider the bill in blocks of clauses corresponding to its 15 parts, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose? Is that agreed?

Some Honourable Members: Agreed.

Madam Chairperson: That's agreed.

We'll start with part 1. Shall clause 1 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Madam Chairperson: The honourable, honourable minister, I have it.

Mr. Selinger: Yes, I'd like to propose an amendment to section 1, sub 3.

Madam Chairperson: You have to read it exactly as written.

Mr. Selinger: Yes. That would be as follows: that clause 1, sub 3 be amended by replacing the proposed section 13(2)–13, sub 2.1 with the following: Exception for 2009-10 and 2010-11, 13, sub 2.1, subsection 2 does not apply to the 2009-10 and the 2010-11 fiscal years, but the minister may transfer to the debt retirement account, in addition to the sum of $20 million transferred on June 1st, 2009, for the 2009-10 fiscal year, any portion or additional portion of the amounts determined under subsection 2 that the minister considers feasible to transfer for those fiscal years.

Madam Chairperson: So the amendment will be as printed–I think in the first clause you meant to say subsection instead of section–is that agreed?

Some Honourable Members: Agreed.

Madam Chairperson: Agreed.

THAT Clause 1(3) be amended by replacing the proposed subsection 13(2.1) with the following:

Exception for 2009-10 and 2010-11
13(2.1) *Subsection (2) does not apply to the 2009-10 and 2010-11 fiscal years, but the minister may transfer to the debt retirement account – in addition to the sum of $20,000,000 transferred on June 1, 2009 for the 2009-10 fiscal year – any portion or additional portion of the amounts determined under subsection (2) that the minister considers feasible to transfer for those fiscal years.*

Madam Chairperson: The amendment is in order.

Are there any questions or comments on that amendment?

Shall the amendment pass?

Some Honourable Members: Pass.

Madam Chairperson: The amendment is accordingly passed.

Shall clause 1 pass as amended?

Some Honourable Members: Pass.

Madam Chairperson: Clause 1, as amended, is accordingly passed.

Part 2, shall clauses 2 through 6 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 2 through 6 are accordingly passed.

Part 3, shall clauses 7 through 15 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 7 through 15 are accordingly passed.

Part 4, shall clauses 16 through 35 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 16 through 35 are accordingly passed.

Part 5, shall clause 36 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clause 36 is accordingly passed.

Part 6, shall clauses 37 through 39 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 37 through 39 are accordingly passed.

Part 7, shall clauses 40 through 48 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 48–40 though 48 are accordingly passed?

Shall clause–Part 8, shall clause 49 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clause 49 is accordingly passed.

Part 9, shall clauses 50 through 60 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 50 through 60 are accordingly passed.

Part 10, shall clause 61 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clause 61 is accordingly passed.

Part 11, shall clauses 62 through 77 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 62 through 77 are accordingly passed.

Shall–part 12, shall clauses 78 and 79 pass?

Some Honourable Members: Pass.

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Madam Chairperson: Clauses 78 and 79 are accordingly passed.

Part 13, shall clauses 80 through 88 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 80 through 88 are accordingly passed.

Part 14, shall clauses 89 through 93 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clauses 89 through 93 are accordingly passed.

Part 15, shall clause 94 pass?

Some Honourable Members: Pass.

Madam Chairperson: Clause 94 is accordingly passed.

Shall the table of contents pass?

Some Honourable Members: Pass.

Madam Chairperson: The table of contents is accordingly passed.

Shall the enacting clause pass?

Some Honourable Members: Pass.

Madam Chairperson: The enacting clause is accordingly passed.

Shall the title pass?

Some Honourable Members: Pass.

Madam Chairperson: The title is accordingly passed.

Shall the bill as amended be reported?

Some Honourable Members: Agreed.

Madam Chairperson: Agreed. The bill shall be reported as amended.

The hour being 7:10, what is the will of the committee?

Some Honourable Members: Committee rise.

Madam Chairperson: Committee rise.

COMMITTEE ROSE AT: *7:10 p.m.*

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