

Fourth Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Legislative Affairs

Chairperson
Mr. Daryl Reid
Constituency of Transcona

Vol. LXII No. 5 - 6 p.m., Tuesday, June 15, 2010 – REPRINT

ISSN 1708-668X

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS

Tuesday, June 15, 2010

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Daryl Reid (Transcona)

VICE-CHAIRPERSON – Mr. Mohinder Saran (The Maples)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Ms. Allan, Hon. Mr. Lemieux, Hon. Ms. McGifford, Hon. Mr. Struthers, Hon. Ms. Wowchuk

Messrs. Briese, Derkach, Graydon, Reid, Saran, Mrs. Stefanson.

APPEARING:

*Mr. Kevin Lamoureux, MLA for Inkster
 Mr. David Faurschou, MLA for Portage la Prairie
 Hon. Jim Rondeau, MLA for Assiniboia
 Mrs. Mavis Taillieu, MLA for Morris*

WITNESSES:

Bill 5–The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended)

*Mr. Larry Baker, Private Citizen
 Mr. Gus Wruck, Private Citizen
 Mr. Dave Crabb, Manitoba Association of Cottage Owners
 Ms. Pat Dunlop, Private Citizen
 Mr. Lorne Weiss, Manitoba Real Estate Association
 Mr. Peter Squire, Winnipeg Realtors*

Bill 3–The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property)

Mr. Ed Ackerman, Private Citizen

Bill 227–The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ)

*Mr. Henry Horner, Kidney Foundation
 Mr. Ryan Johnson, Private Citizen*

WRITTEN SUBMISSIONS:

Bill 5–The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended)

Colin Craig, Canadian Taxpayers Federation

Bill 3–The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property)

Doug Dobrowolski, Association of Manitoba Municipalities

MATTERS UNDER CONSIDERATION:

Bill 3–The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property)

Bill 5–The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended)

Bill 16– The Order of Manitoba Amendment Act

Bill 20–The University College of the North Amendment Act

Bill 23–The Public Schools Amendment Act

Bill 26–The Addictions Foundation Amendment Act

Bill 29–The Advanced Education Administration Act and Amendments to The Council on Post-Secondary Education Act and The Education Administration Act)

Bill 227–The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ)

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Clerk Assistant (Ms. Monique Grenier): Good evening. Will the Standing Committee on Legislative Affairs please come to order.

Your first item of business is the election of a Chairperson. Are there any nominations?

Hon. Diane McGifford (Minister of Advanced Education and Literacy): Yes, I'd like to nominate Mr. Reid, the MLA for Transcona, please.

Clerk Assistant: Mr. Reid has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Reid, will you please take the Chair.

Mr. Chairperson: Thank you to committee members.

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

Ms. McGifford: Mr. Chair, I'd like to nominate Mr. Saran, the MLA for The Maples.

Mr. Chairperson: Mr. Saran has been nominated as Vice-Chairperson. Are there any further nominations?

Seeing no further nominations, Mr. Saran has been elected as Vice-Chairperson for this committee.

This meeting has been called to consider the following bills: Bill 3, The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property); Bill 5, The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended); Bill 16, The Order of Manitoba Amendment Act; Bill 20, The University College of the North Amendment Act; Bill 23, The Public Schools Amendment Act; Bill 26, The Addictions Foundation Amendment Act; Bill 29, The Advanced Education Administration Act and Amendments to The Council on Post-Secondary Education Act and The Education Administration Act; and Bill 227, The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ).

We have a number of presenters that are registered to speak this evening, as noted on the list before each of the committee members here. And, before we proceed, we do have a number of other items and points of information for this committee to consider.

First of all, if there is anyone in our audience this evening who would like to make a presentation and has not registered, please see the Clerk at the front of the room here and we'll add your name to the list. And also, for the information of all presenters with us here this evening, while written versions of presentations are not required, if you are going to accompany your presentation with written materials that we ask you to provide 20 copies. And, if you need assistance with photocopying, please see our staff at the entrance to this room and we'll assist you with that photocopying.

As well, I would like to inform presenters with us this evening that, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with an additional five minutes allowed for questions from the various committee members around the table. Also, in accordance with our rules, if a presenter is not in attendance when their name is called for the first time, their name will be dropped to the bottom of the list. If a presenter is not in attendance when their name is called a second time, their name will be struck from the list.

A written submission on Bill 5—for the information of committee members, a written submission on Bill 5 from Colin Craig, the Canadian Taxpayers Federation, has been received and distributed to committee members. I've been informed that Mr. Craig has requested that only the first two pages, pages 1 and 2, be printed in *Hansard*. Does this committee agree to have this appear in a *Hansard* transcript of tonight's proceedings? *[Agreed]*

On the topic of determining the order of public presentations, I will note that we do have out-of-town presenters in attendance, and they are marked with an asterisk on the list before committee members. With this in consideration—this consideration in mind, what order does the committee wish to hear presentations this evening?

Ms. McGifford: In—beginning, of course, with rural members and proceeding from there.

Mr. Chairperson: Out-of-town presenters?

An Honourable Member: Yes.

Mr. Chairperson: Is it the will of the committee to hear out-of-town presenters first on the bills and then proceed to the regular order? *[Agreed]* Thank you.

I would like to inform all in attendance that—the provisions in our rules regarding the hour of adjournment. Except by unanimous consent, a standing committee meeting to consider a bill in the evening must not sit past midnight to hear presentations unless there are fewer than 20 presenters registered to speak to all the bills being considered when the committee meets at 6 p.m.

As of 6 p.m. this evening, there were nine presenters registered to speak to these bills, and therefore, in accordance with our rules, this committee may sit past midnight to hear presentations if necessary.

How late does the committee wish to sit this evening?

Ms. McGifford: Until all bills are passed, Mr. Chair.

Mr. Chairperson: It's been posed that this committee sit until all business of this committee is concluded. Is that agreed? [*Agreed*] Thank you.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee here this evening. The proceedings of our meeting are recorded in order to provide a verbatim transcript, and the good folks sitting behind me control the microphones at the podium and at the table here as well. And whether it be an MLA or a presenter, the Chairperson, myself, first has to say that individual's name, and this is a signal for our good *Hansard* folks to turn the microphones on and off.

So I thank you for your patience and we'll now proceed with public presentations.

**Bill 5—The Cottage Property Tax Increase
Deferral Act (Property Tax and Insulation
Assistance Act Amended)**

Mr. Chairperson: First out-of-town presenter I have listed is for Bill 5, The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended). And the first presenter I have is Larry Baker, private citizen.

Good evening, Mr. Baker. Welcome.

Mr. Larry Baker (Private Citizen): Good evening.

Mr. Chairperson: Do you have a written presentation, sir?

Mr. Baker: Yes, I do. Want it up there, or—

Mr. Chairperson: We'll distribute it for you, sir, and then I'll give you the signal to proceed.

Please proceed, Mr. Baker.

Mr. Baker: Okay. It's not very often out-of-town folk get the upper hand in city folk. I'd like to thank you.

In a study published in the *Canadian Journal of Educational Administration and Policy*, issue No. 72, April 17, 2008, it was noted that Manitoba locally levelled education property taxes constitute a substantial proportion of the operating budget for public schooling, Saskatchewan being the only Canadian province with a higher proportion. The Saskatchewan government, in the March 2009

budget, stripped the school divisions of their taxing powers and established province-wide mill rates for three property classes: residential, commercial and agriculture. The Saskatchewan government reduced education taxes by 103 million, or 14 percent. This left Manitoba with the highest locally levied education property taxes in Canada.

The study clearly shows that from 1999 to 2006, the education support levy dropped from 199.7 million to 121.8 million, a decrease of 77.9 million. At the same time, the locally levied amount of property taxes increased from 401.7 million to 623.9 million, for an increase of 222.2 million. Net increase in education property taxes, 1999 to 2006, was 144.3 million. The study also notes that the operating budget for public schools in Manitoba paid by the provincial government declined from a peak of slightly over 80 percent in 1981 to less than 60 percent in 2002-2003. In *Hansard*, on April 28th, 1999, Stan Struthers, then in opposition, proposed a resolution to increase the government's share of the education bill from 67 percent to 80 percent.

* (18:10)

According to the study, New Brunswick—on my right—according to the study, New Brunswick, P.E.I., Newfoundland, Nunavut and Yukon Territory do not levy education taxes on property and, more recently, they were joined by Nova Scotia.

The study points out that British Columbia and Ontario do not levy property taxes via school boards. Alberta and Saskatchewan have subsequently stripped school boards of their right to tax. This leaves Manitoba, Québec and the Northwest Territories as the only provinces or territories to levy school board taxes. Québec has a standard mill rate of 3.54 mills, the Northwest Territories, 2.47 mills. The mill rate for my principal residence in the Interlake School Division was 21.86 mills in 2009.

The study states that, in summary, the stance that Manitoba has chosen in retaining local school board taxing authority is one that sets the province apart from the centralizing approaches of much of the rest of Canada.

The current system of education property taxation is also an unfair system. Over a five-year period, 2005 to 2010, the education taxes on my cottage increased from 471 to \$1,281.99 or a 172 percent increase. In the year 2009 to 2010, the increase was \$310.04 or a 31.9 percent increase. If

you own a principal residence in addition to your cottage, there is no tax rebate on the cottage. In the agricultural sector, property owners are allowed a 75 percent tax rebate on multiple properties.

An article in the *Winnipeg Free Press*, Doer's sweet deal, on May 13, 2007, states: Each of these renters will get a rebate of at least \$525 this year. That's \$200 to \$300 more than they paid in education taxes. Cottage owners in provincial parks don't pay school taxes. The *Winnipeg Free Press* reported in June 10th, 2010, that the highest fee on a cottage is \$1,600 lakefront with water and sewer. The 2010 taxes on my cottage in the R.M. of Coldwell is \$3,064 with no water and sewer.

Education taxes on properties can place an undue burden on property owners such as seniors and retirees, which I am. A letter to the editor in the *Winnipeg Free Press*, January 13th, 2010, NDP gives up on taxes, points out the hardship on seniors on pensions. The author was representing the Retired Seniors Professional and Business Men's Club.

Cottage owners who have a cottage that is not their principal residence are not allowed to vote for school trustees—and I would love to vote for them—in the school division in which their cottage is located. This is taxation without representation. I pay education taxes to Lakeshore School Division, an entity from which I receive absolutely no services in return. On the other hand, my municipal taxes provide service such as road grading, snow removal and garbage pickup.

The ability of school divisions to raise taxes via property taxes varies greatly depending upon the type of properties and school division. Commercial properties raise a lot more tax than residential properties. This contrast is very evident in St. James school division versus Seven Oaks School Division.

In many instances, education property taxes constitute more than 50 percent of the total property tax bill. The education portion of my principal residence in the Interlake School Division is 58 percent.

In a poll in the *Winnipeg Sun*, February 27th, 2009, should school boards have their taxation powers taken away, 93 percent of respondents voted yes.

A recent increase of 4.82 percent in Louis Riel School Division, in a time of recession clearly demonstrates the inability of local school boards to effectively negotiate with the teachers' union.

The provincial government needs to assume responsibility for education taxes on properties and stop the ever-increasing education taxes on properties which are becoming unbearable.

Bill 5, The Cottage Property Tax Deferral Act does not address the ever-increasing taxes on properties. Bill 5 does not address the inherent fairness of the current education tax system on properties in Manitoba. The only positive I see in Bill 5 lies in the first sentence: The 2010 general reassessment has resulted in property tax increases for many cottagers.

The Province of Manitoba is finally admitting that education taxes on properties are increasing.

Personally, the next provincial election for me will be focussed on which political party will effectively deal with education taxes before I become a casualty as a retiree and have to sell my cottage due to increasing taxes, as several cottagers have done already. Thank you.

Mr. Chairperson: Thank you, Mr. Baker, for your presentation, sir. Questions for the presenter?

Mrs. Heather Stefanson (Tuxedo): Well, thank you very much, Mr. Baker, for coming into Winnipeg and presenting to us this evening.

I do have a question for you with respect to Bill 5. And you said, you know, sort of the only—there's only one sort of positive thing in there and that was the sentence that you gave earlier.

Do you believe that there's any way to amend this legislation to get what you are looking for, or is this sort of more of—just sort of a PR exercise in trying to make it look as though they're doing something for cottage owners but not really achieving anything?

Mr. Baker: Well, one thing that would help cottage owners is a tax rebate, but another thing you could do is—we have different proportioned tax rates for agriculture, residential and agriculture. Perhaps because the—a cottage has increased so much more in taxes than residential, perhaps we could set up a new prorated percentage for recreational properties. In other words, residential's 45 percent, I think agriculture's 27—or it might have gone down a little bit lower—and commercial is, what, 60, 65? Those are two possibilities of alleviating in the near future.

Mrs. Stefanson: Just one more quick question to you, then. Do you believe that, at this point, this bill really does nothing to help cottage owners in the way

of providing any sort of tax relief to them, and if that is the case, are we better off just to—would the advice be to just scrap this piece of legislation, go back to the drawing board, actually call people forward for a proper consultation process? Is that something you would agree with?

Mr. Baker: I would like to keep my cottage for several years. If it—you know, you get a deferral for two years, but a debt, somewhere along the line, I'm going to have to pay that back. It's going to compound with interest. It's even going to be worse. And then if I can't pay it at that time, it'll be liabilities against my property, et cetera. It really doesn't help. It's just going to make it worse further down the road.

Mr. Kevin Lamoureux (Inkster): Just—more so for clarity, and I appreciate your comments. If you were to—if there was no education tax on your cottage, are you saying, then, you wouldn't in the near future or distant future have to give any consideration to selling the cottage? It is strictly the education tax that's really causing you to reconsider the value of having a cottage?

Mr. Baker: Education tax, I guess taxes in general, municipal. The education portion would really help. Currently, the way I pay my taxes is I take \$5,000 out of my RRSPs every fall, so outside of that I can't afford to pay it out of my pension.

Mr. Lamoureux: It's a personal question, you don't have to answer it, is—just out of curiosity, you own your principal residence plus your cottage. What's your total that you pay towards education tax?

Mr. Baker: Well, it's \$1,200 on this and—actually, I have my tax forms here for Rockwood. Rockwood, the total is 1773 and then you get your 650 off of that.

Hon. Rosann Wowchuk (Minister of Finance): Thank you for coming this evening and sharing your thoughts. I just wanted to ask, you were talking about your taxes increasing, and—so is—have your taxes increased because your cottage has been reassessed at a higher value, or have your taxes increased because there is a higher level of taxes from the local school division?

Mr. Baker: A combination of both.

Ms. Wowchuk: Could you—on the reassessment, what has happened to the value? We hear about cottages. What has happened since—you talked of going back to 2005. From 2005 to the tax year now,

what would you say happened to the value of your cottage? Would it have doubled? Would it have gone it up by 50 percent?

Floor Comment: Yes.

Mr. Chairperson: Mr. Baker.

Mr. Baker: The assessment has gone up tremendously.

Mr. Chairperson: Just—I have to recognize you, sir, for the folks here to turn your microphone on, so.

Mr. Baker: Yes, the assessment has increased tremendously.

Ms. Wowchuk: Thank you very much.

Mr. Chairperson: Any further questions for the presenter? Seeing none, thank you very much for your presentation, Mr. Baker.

Mr. Baker: Quite frankly, I'm here because I'm fighting to keep my cottage, and property taxes are making that very difficult. Thank you.

* (18:20)

Mr. Chairperson: Thank you, Mr. Baker.

Next out-of-town presenter I have is Gus Wruck. Hope I pronounced your name correctly, sir.

Mr. Gus Wruck (Private Citizen): That's pretty close.

Mr. Chairperson: Do you have a written presentation, sir?

Mr. Wruck: Yes, it's right here.

Mr. Chairperson: Just give us a moment and we'll distribute it, and then I'll give you the signal to proceed.

Please proceed, Mr. Wruck.

Mr. Wruck: And just for those that don't know, it's Wruck as in truck. Some people were asking questions how do you pronounce it.

Anyway, Bill 5, I think the most important thing is right in the very beginning. It acknowledges the issue of the increase in tax load for cottagers as a result of reassessment, and that's probably the bottom line issue. However, I also note several other points. There's no relief from the top property tax obligation. All there is is a deferral of the actual payment. It does not address many of the major issues around property taxes which Mr. Baker has already alluded to and has identified to, so I really don't want to get

into those in any deep detail. I will note, and he has noted, that there is inequity of ownership costs within parks and outside of parks. It's an issue that probably needs to be addressed. The question of land, land ownership, land lease and so forth are these issues, and I'll probably cover that a little bit later.

The education taxes issues have not been addressed. There's also need for allowing people to actually vote for the school board members that are not resident in the municipality, and there's many others. It applies only to cottage owners. While I'm not a cottage owner, I was one, and I'm following the same trend that exists throughout much of my municipality, which is the R.M. of Lac du Bonnet. It's not applicable to property on the principal residence; it only applies to the amount of the increase. Only Manitoba residents are eligible, and the impact on retirees has not been considered. And I think that we all know that pensions are not always indexed as well as they could be for increased living costs. We don't know what's going to happen in the future, but it could be an issue.

There's no deferral offered for permanent residents in municipalities, and consequently, it's unlikely that most people will utilize this. In Lac du Bonnet the trend is from cottage lot to cottage built as a permanent residence, to a retirement dwelling, and this is extremely common in our area in Lac du Bonnet. And they're not building cottages; they're building houses, full-service types of houses. And, in fact, as I will show a little later on, this retirement population is the largest portion of the increase in the population in Lac du Bonnet. They are the ones that are driving the population increase.

In terms of parks versus municipalities, there's a far different tax in ownership costs for private land in municipalities as compared to land in parks. Land lease cost does not reflect fair market value for land. The land assessment itself is some 30 years old and should be updated. That's not true in the municipalities which only two years old.

The service fees are very modest as compared to municipal taxes, but that's probably allowed because in some areas, the parks are rather remote from anywhere and they don't always get the services right throughout the winter. The permanent residence fee in lieu of a school tax is paid only if he does not own a principal residence. That same principle could be applied to the cottage owners as well.

Population trends, as on that small graphed, in the orange and red you'll see the totals for Manitoba, and over to a five-year period, the peak to the left for the age 35 to 45 is the baby boomers that are gradually getting older and older. And everybody talks about them, but here's the graph to show that for Manitoba and the impact, and that's going to have an impact on into the future. Now, I realize that with government it is having an impact for all kinds of costs, including health care and all the other stuff that goes with it.

On the next graph, I showed how that works in Lac du Bonnet for our population over time. The blue line is 1996. The red one is 2001, and the yellow one is 2006. For our population under 35, the population is largely static, but once we get past 45, there's been tremendous increase over the last five to 10 years, and it's all largely because of the boomers in Winnipeg and elsewhere coming out to Lac du Bonnet to build their retirement nest, and then we have issues out there as well.

The next graph, on the first column, shows about 48 percent. Those are the numbers of houses in Lac du Bonnet that are actually occupied. All the rest are empty. Those are the cottages, but they probably will get to be occupied on into the future.

So this has implications of the population increases in Lac du Bonnet. The education is not the major need, but senior services are, and over half the dwellings are not occupied, as I noted, but, in Lac du Bonnet, we have a real shortage of seniors housing, as well as health care has been problematic over the years. The issue is it's not necessarily school tax, but housing.

In conclusion, it appears to me to assume that cottage owners—the act that's proposed appears to assume that cottage owners are selling soon. The bill has no ability to address major issues that have been identified by myself, as well as Mr. Baker. There are still inequitable treatment of properties inside and outside of parks. All properties should get the same treatment, and there is an opportunity to make the tax more equitable, from the parks as well as the properties, as possible. Assess and lease or tax at a fair market value for properties inside parks as well as outside is an essential requirement.

For people like myself, as a retiree, I get no benefit from this bill.

I cannot nor will I oppose the bill. The bill does not appear to have any real merit in terms of

addressing major issues. Why would someone take out a loan against a property, when he has to pay it in the end anyway? And a person would have to be very desperate to utilize this loan feature, I would guess, in my estimation.

Anyway, thank you very much for time.

Mr. Chairperson: Thank you, Mr. Wruck, for your presentation this evening.

Questions for the presenter?

Mrs. Stefanson: Thank you very much, Mr. Wruck, for coming out and presenting at committee this evening.

And you mentioned that this is not something that would have a positive impact on you. How many people do you think that this will have a—this bill will have positive impact on in Manitoba?

Mr. Wruck: Because it's only addressed to cottagers who are affected by this impact—or this increase in taxes, cottaging is always an optional expense, and the only thing it's going to do is delay the eventual outcome anyway.

Mrs. Stefanson: So in your—are you saying then that really it won't have a positive impact on anyone?

Mr. Wruck: Probably not, because if you can't pay the taxes or you need a loan to pay those taxes, you're only deferring the eventual outcome which is a sale.

Mrs. Stefanson: I thank you for that.

Then, would it not—would it be your opinion that perhaps the government is really not getting at the root of the real issue here and that this bill really does nothing for people out there? Should we—should they, perhaps, or should we call on them, perhaps, to set this bill aside and get various stakeholders from the community together to discuss what the real issues are and then come forward with another piece of legislation later on.

* (18:30)

Mr. Wruck: Yes, I alluded to many of these options as possible ways of addressing some of these issues.

Ms. Wowchuk: Thank you very much for your presentation. I have two questions that I want to ask you.

When you talk about parks versus municipalities, you said you look about a permanent resident fee in lieu of school taxes, and that's what

they have in the parks. Have—are you suggesting that something similar apply for cottage properties in a municipality?

Mr. Wruck: That would be an option. That'd be one way to look at this, particularly when we know that cottagers who do not live in their cottages permanently cannot vote in the school board elections either.

Ms. Wowchuk: And I have one other question.

On your chart about Lac du Bonnet you say over half of dwellings are not occupied. I'm not quite understanding the chart. Are you saying that half of the residents in—half of the homes in Lac du Bonnet are not occupied?

Mr. Wruck: By the usual owner. This is the information I pulled off from the Statistics Canada Web site, and it told us how many properties were actually occupied on a year-round basis by the owner. The one that's the lowest is actually Victoria Beach and it's only about 10 percent. Or, well, just 19 percent is what it is.

Ms. Wowchuk: Thank you very much.

Mr. Wruck: Okay.

Mr. Chairperson: Any further questions for the presenter? Seeing none, thank you very much, Mr. Wruck, for your presentation this evening.

Are there any additional out-of-town presenters to any of the bills we have indicated that wish to make a presentation at this time? For out-of-town presenters?

Floor Comment: There's one.

Mr. Chairperson: Please come up, sir, and identify yourself and tell us which bill you wish to speak to.

Mr. Dave Crabb (Manitoba Association of Cottage Owners): My name is Dave Crabb. I was registered as the Manitoba Association of Cottage Owners.

Mr. Chairperson: Do you have a written presentation, Mr. Crabb?

Mr. Crabb: No, I don't. I just have a few notes. I wasn't able to prepare one.

Mr. Chairperson: Okay, that's fine. Thank you, sir. Please proceed when you're ready.

Mr. Crabb: Thank you very much for this opportunity.

I'm Dave Crabb, president of the Manitoba Association of Cottage Owners. We have over 3,000 members in Manitoba that voluntarily pay their membership to our organization. Since 1992, we have lobbied to remove education tax from property, as it continues to impose on cottagers and people living in cottage country. For the record, I live in cottage country permanently; I do not have another residence. Also for the record, my property taxes are now only 30 percent of my property tax bill. The other 70 percent was education and that was last year. We'll see how this year's bill comes out when I receive it.

Regarding Bill 5, this bill is another example in our eyes of tinkering and unfairness. Rebates, refunds, credits and deferrals all point to the real problem, which is that education tax must be removed from property tax bills. The only way that property—or education can be fairly funded in this province off the backs of the people of Manitoba is from general revenue, where it used to be. Under the Constitution, the Province of Manitoba is required to fund education for the people of Manitoba, not certain groups, people or types of property owners, but the Province of Manitoba, which means that it should be on general revenue.

In our May meeting, MACO passed a resolution with regards to Bill 5. Gus Wruck moved that whereas Bill 5 of the Manitoba Legislature does not address the overall issue of school taxes by providing tax relief to all property owners, the Manitoba Association of Cottage Owners cannot support Bill 5; therefore the Manitoba Association of Cottage Owners urges the Manitoba Legislature to address the overall issue of school taxes on property in a more equitable manner. Seconded by Marian Jones and carried.

It was a unanimous vote. We all agree with that.

I represent a number of cottagers, and rather than me pass on my own comments for the full time, I just want to read a couple of comments that were sent to us on our Web site, www.macomman.com, and these are specifically to do with Bill 5.

Number 1: If I read this correctly, it seems the government knows they have overtaxed cottage owners, and to help out they will lend the owner the money at an interest rate that will be paid when the owner dies. Seems to me they have decided to steal from the cottage owners' kids.

The next comment: I cannot believe that Bill 5 was even born. It is another trick to make people think they are getting some benefit from their taxes while they are really accumulating a lifetime of interest. We do not even offer this kind of benefit to students on their education loans, so why would we do this for cottagers who are obviously overtaxed or this would not be happening? This is also tying up money at a time we can least afford it, with downturns in the dollar and the economy still to affect Manitobans.

Another comment: In our opinion, this is the biggest smoke screen. Do they actually think we are gullible enough to think this is a good way to reduce school and property taxes? Wow, let me out of here.

And the final one I'll read: It does nothing to reduce the school tax burden. It just tries to hide it. Anyone using this deferral clause will wind up paying more, not less, as the tax will still have to be paid at some point and will be subject to interest for the period it was deferred.

If school tax is taken back to general revenue, as it mostly was back in the '70s and '80s, we will all pay once. We will all pay as we can afford, and we will all support the education system, as we should as Manitobans. Thank you.

Mr. Chairperson: Thank you very much for your presentation, Mr. Crabb. Questions for the presenter?

Mrs. Stefanson: Yes, thank you very much, Mr. Crabb, for your presentation this evening. And you mentioned that MACO has about 3,000 members, I believe, in your presentation this evening. And is your organization—do you represent—are you the largest organized group of cottage owners in Manitoba?

Mr. Crabb: We are the largest group of cottage organizations—I think I have to say, outside of the Whiteshell Park. They have their own group and there's several thousand cottages in there. So I'd have to say, outside of the Whiteshell, yes.

Mrs. Stefanson: And, of course, this would mostly affect those outside of that area anyway, this bill which is before us. And if you represent the largest number of cottage owners outside of that and your organization is opposed to this bill and is saying that, really, it does nothing for cottage owners, why do you think this bill was brought forward? Like, if it doesn't do anything, should—what should the government do at this stage?

Mr. Crabb: I'm not sure how this bill was brought forward. I haven't really been able to get any straight answers on that. We have asked a number of people.

I do hope they reconsider it and focus their efforts more on a fiscal plan to reduce the reliance on education taxes on property, as opposed to leaving it the way it is or allowing the problem to fester and become even worse. I mean, in the '80s we had over 80 percent of the education taxes funded on general revenue. How are we down to almost 50 percent? Where will it stop?

* (18:40)

Ms. Wowchuk: Thank you very much for coming out and making your presentation and sharing your views.

I want—you had said that the—I feel what you're lobbying for is for all education taxes to be removed, as I understand it, from all properties, and that it should go to general revenue. I guess I would ask you, you know, if you get that from general revenue, it's got to be—the money has to be raised somehow.

So do you have any suggestions if—how money would be raised for this general revenue? Where would you say government could look to raise that money? And then that would be taking the responsibility away from school boards. I'm just wondering what your thoughts—I know you've given this a lot of thought, and I wonder if you have any advice.

Mr. Crabb: Well, I—the Province is already raising money, and I would expect my income tax to increase if we are to be removing it from property. That's a given. But if we're all paying as we can afford to, and it's done appropriately on that basis, and phased in, and perhaps we need to reflect back to how we funded this province back in the '70s and '80s before we allowed education taxes to be dropped from the budget.

There's only two things important on this provincial budget: one, health; two, education. If we don't have healthy citizens and we don't have educated citizens, there's no need for any of us to be here, and we are in big trouble. So we need to place our priority on education and funding it before a lot of other things, I think.

Ms. Wowchuk: Thank you very much.

Mr. Chairperson: Any further questions for the presenter? Seeing none, thank you very much, Mr. Crabb, for your presentation this evening.

Mr. Crabb: Thank you for having me.

Mr. Chairperson: Are there any further presentations on any of the bills listed for out-of-town presenters?

Bill 3—The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property)

Mr. Chairperson: Seeing none, we'll resume the sequence that previously identified, and we'll proceed with Bill 3, and we have the—it's The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property).

And the person I have listed is Ed Ackerman, private citizen. Mr. Ackerman?

Good evening, Mr. Ackerman. Welcome. Do you have a written presentation, sir?

Mr. Ed Ackerman (Private Citizen): I have a paper handout.

Mr. Chairperson: Okay. Give us a moment to hand out your presentation to committee members, then I'll give you the signal to proceed—[interjection]. No, the clerk will hand it out for you, sir.

Thank you, Mr. Ackerman. If you could just speak into the microphone, sir, and then you can proceed when you're ready with your presentation.

Mr. Ackerman: All right. I am arriving here knowing yesterday at 5 o'clock that I was going to speak. It took this morning to put together this paperwork and I got it done just in time. So I'm speaking right now without a prepared speech, and I'm going to make it blunt and to the point, and then maybe I'll answer questions.

What this is about is the taking away of a private property. This bill is a version of the Winnipeg Vacant and Derelict Buildings By-law. It was passed in 2004. My son and I have been fighting the City on this. They're attempting to take our property, and this is before the courts right now. We've been in court with the City on this for two years, and there will be a full trial which involves the Charter, February 14th to 18th. That's a five-day trial. We've been in court 16 times so far, and what I've given you is the court transcripts of what it's like to actually be in court based on one of these orders. The appeal process, and there's two appeal processes, one is with the City Hall itself, which is a \$250 appeal against an order, and there's also a transcript from that appeal.

What is a—I got a copy of Bill 3, and what is not attached to the bill is actually schedule A, which is the very last part of the handout that I've given. And schedule A lists all of the things that can make a property derelict. Derelict itself is not the English definition of derelict. A derelict building is a building that is not in compliance with anything within the by-law which can include tall grass, level porch, drain spouts.

What's also not mentioned on Bill 3 at the top is that this is actually a bill to establish a process to take title. I have a problem with this by-law and that is it's vague. You can be accused of having a pile of wood in your backyard that's an unreasonable level, but it does not find what—define what reasonable is and you don't find out what reasonable is until you're actually in court.

I am appealing to the members of the Legislature here to not pass this bill or at least to put it through a rigorous committee process to prevent thousands of people from appealing like we've been through if this is passed.

I don't think this bill will pass, like the Vacant and Derelict Buildings By-law of the City of Winnipeg. I do not think it'll pass through the court process and it certainly hasn't passed yet. And I don't think it will pass the Charter issues within it, and these Charter issues are passed on the law itself. And if a by-law is in contravention of the Canada Charter, the 1982 act, then it has no force. And I think we have to be very careful to make sure that any law that is passed, to go to the entire province, is a law that will actually make it through the court process, and this law that is—been tabled has not been making it through the court process.

I think that's summing it up very briefly. I will ask—answer any questions if someone has a specific question. My intention of putting up so much paperwork is for people to have the opportunity to see actually how the process works. So these are transcripts from court. There are transcripts of appeal. I think almost all of them are actually sworn affidavits. They're taken out of our court process, so they are true. And I know it's too much to read now, but I would like it to be on record.

So I'm available for any questions that people have either now or in the future.

Mr. Chairperson: Thank you very much, Mr. Ackerman. I need—before I open the floor to questions from committee members, I need to have

you give us some understanding if there are proceedings currently before the courts that we should be aware of.

Mr. Ackerman: Yes, there are proceedings before the court. There's two different—two separate court cases. One is specifically under the vacant derelict building by-law and that's—the date for that court is July 22nd.

And this is from the original order that is on the top of this pile. That's gone through a trial, a conviction, an appeal. The charges are quashed, and the judge ordered a new trial. The new trial is July 22nd. The only evidence that the City had against us was an inspector that lied under oath. We have a complete new trial July 22nd. So that's the one case.

The other is about the City doing an additional process to demolish our house, and that is the week-long case of February 14th to 18th. So we're under two processes at the same time, through the City, on the same house. And this has been going on since 2008.

Mr. Chairperson: Thank you, Mr. Ackerman for that clarification. I just want to—before I proceed to questions—caution ministers and committee members with respect to the questions that will be asked considering that there are court proceedings currently pending, and there is no obligation now on either the part of our witness before us here or on the part of committee members or ministers with respect to obligation towards answering or asking any of the questions.

* (18:50)

Just wanted to give that guidance to this committee with respect to that, due to the pending court proceedings.

Are there questions of this presenter?

Hon. Ron Lemieux (Minister of Local Government): Thank you, Mr. Ackerman. I just want to take this opportunity to thank you for taking time out of your day to give a brief presentation to us, so thank you for that.

Mr. Ackerman: You're welcome. I just flew in from Reno. I married my daughter off on the weekend.

Mr. Chairperson: Seeing no further questions, thank you very much, Mr. Ackerman, for your presentation this evening.

Mr. Ackerman: Can I ask a question of you?

Mr. Chairperson: No, sir, that's not normal practice here. It's for presentations only.

Mr. Ackerman: That was the question then.

Mr. Chairperson: Thank you.

Are there any further members of the public with us here this evening that would like to make a presentation to Bill 3, The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property)?

Do you have a presentation, ma'am? No.

Bill 5—The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended)

(Continued)

Mr. Chairperson: Then we'll proceed with Bill 5, The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended). And the next presenter we have—and call Pat Dunlop.

Pat Dunlop, good evening, ma'am. Welcome.

Ms. Pat Dunlop (Private Citizen): Yes, good evening.

Mr. Chairperson: Do you have a written presentation?

Ms. Dunlop: No, I don't.

Mr. Chairperson: Please proceed when you're ready.

Ms. Dunlop: My husband and I bought our cottage about 23 years ago. Prior to that time we camped for our holidays and spent most of our time travelling throughout Manitoba, Canada and the United States. We made a choice at that time to buy a cottage and spend summers, weekends and holidays there with our children and now our grandchildren. By doing this, we keep our money within the province. We spent most of our recreation money in Manitoba. Had we continued to camp we would have not had property taxes. Should we have bought a motor home or a large trailer instead of a cottage, we would not have had double the school taxes.

When we purchased our cottage, our taxes were a little less than \$300. Our taxes for 2010 are now over 2,200, over 50 percent of that being school taxes. We are both retired, and as time goes on and as taxes continue to rise, it is getting more difficult. It is not true that if you can afford a cottage, you can afford to pay taxes.

Property taxes relating to the home and cottage are reasonable and are related to the needs of the property. School taxes continue to rise, and although we do understand that schools need to be supported because education is the future, this is not related to property needs such as roads, lights, water, garbage collection, et cetera.

By deferring the tax increases, we are only avoiding what needs to be paid in the end, and delaying this will only cause future problems. Will this have any impact on our credit rating? Will this have impact on future sales? Will people want to buy a cottage when there's a lien there because we couldn't afford to pay our taxes? Pause for thought for a future purchaser. Will our kids be able to afford the taxes should they inherit the property?

The forms to apply for this deferral have been passed out in our rural municipality. There is no interest rate on the form, only the statement that, quote: "Interest at a prescribed rate will be calculated on the deferred property tax amount and will be added to the deferred amount." It seems to me that it would be inappropriate to be signing such a form without any knowledge as to the amount and method of calculation.

How many people will be interested in this? Is it a benefit to cottagers? Maybe. Will it be of benefit to many cottagers? I doubt it. It would also appear that the government doesn't think so either. From what I understand, there's been no allocation for either staffing or budget for management of this program.

Where did the legislation come from? Maybe British Columbia's deferral? What type of consultation took place with cottagers? If none, why not?

I sent a copy of Bill 5 out to members of our cottage area. A copy was also sent out to MACO members, as you've heard from Dave Crabb. There's not one positive comment back on this bill.

Here's some more comments that I received: We would not be interested in deferring taxes. We think the government has our kids in enough debt as it is.

My understanding of Bill 5 is that it's been designed to dilute the anger and public outcry, window dressing at best, as it delays payment, but it doesn't address the real problem. If the government is passing this bill, it is acknowledging that something is wrong with the system. I see this bill as a tax deferral loan program meant to appease cottage owners by reducing the immediate impact of unfair

and higher taxes but which will, in actuality, result in the cottage owners paying interest on top of the higher taxes. Bill 5 simply hides the symptom with a short-term, expensive Band-Aid.

Manitoba schools require proper funding. Should a school in a wealthy area of Winnipeg have an advantage in funding over a poorer area of Manitoba because of the high values of property? Deferring cottage tax increases doesn't help the senior or retiree, who may have homes that continue to increase in value, thus increasing their taxes. Will they be able to keep this asset as expenses increase?

What about the younger people? Taxes on their property more than likely mean taxes on their debt, being their mortgage.

I was recently told by a gentleman about his neighbours, one house with four working adults. Next door, a widow, who is a senior living on her share of her husband's pension. Again, can this lady continue to keep her home? Should she have to leave her home because her asset is going to be costing her more than she can afford?

Is it a fair tax? Why not support schools out of general revenue, where the people who earn the money can afford to pay, a much more equitable method, I would think.

In question period, while the Conservatives were in power, both Minister Ashton and the former Premier Doer criticized the offloading of the responsibility for funding education. Nothing has changed: School taxes continue to increase. Tax deferral is not the answer. Thank you.

Mr. Chairperson: Thank you very much, Ms. Dunlop, for your presentation. Questions for the presenter?

Mrs. Heather Stefanson (Tuxedo): Thank you very much, Ms. Dunlop, for being here tonight. I don't really have a question, but I just wanted to thank you for being here. I think you articulated your stand very well this evening and how it affects you and others in your area, and I just want to thank you for coming forward and expressing your opinion.

And, especially, I wanted to say that what I liked about your presentation is that the government is essentially encouraging people to take on more debt through this bill, and I think that might be their way of managing things, but it's not right to do that to our young people. So I just wanted—I just want to thank you for making that point this evening.

Mr. Leonard Derkach (Russell): Maybe there was a response from Ms. Dunlop.

Mr. Chairperson: No.

Mr. Derkach: Okay. Again, thank you for your presentation.

This bill had to come from somewhere, and I'm assuming that expressions of concern have been raised by the cottage association to the—either the Minister of Conservation (Mr. Blaikie) or the Minister of Finance (Ms. Wowchuk) over the course of a few years, and this is the response.

Have you ever had any discussions as an association with either the Minister of Conservation or the Minister of Finance with regard to solutions to the growing concern about education taxes and cottage properties?

Ms. Dunlop: No, we've never been invited to give any opinions or any solutions or anything.

Mr. Derkach: Do you know if any other organizations or associations that are involved with cottage country have ever had the opportunity to express their issues and concerns with either of the ministers and to government?

Ms. Dunlop: Not that I'm aware of. I do know from the different responses that came back and the cottagers in my particular association, everyone is absolutely shocked and frustrated and just can't believe that this bill came out.

Hon. Rosann Wowchuk (Minister of Finance): Thank you. I have a couple of questions, Ms. Dunlop.

First of all, you said that the—your taxes went from 300 to 2,200, and so is that because—that the assessment of your cottage went up, or is it because there was additional education taxes on your property?

* (19:00)

Ms. Dunlop: I did a quick calculation when we were sitting there and, of course, I'm not sure what the total sale value—the assessment was increased by about, say, three and a half percent. The taxes, in total, went up seven times the amount—not three and a half percent—three times, three and a half times. *[interjection]* Yeah, and the taxes went up seven times as much.

Ms. Wowchuk: Just one more question. You talk about taxes on your property, and there are other

solutions. Do you have other suggestions with how this could be addressed? I've heard—we've heard from Mr. Crabb on this, and I just wonder what your thoughts are on that.

Ms. Dunlop: Well, I was—just happened to be sitting with Larry Baker and Larry has several solutions, which I happen to have. The first thing would be to scrip—strip school divisions of their taxing power and keeping the responsibility within the government. The Province could set a province-wide mill rate, and then reduce the reliance on the school taxes.

You could consult with the other jurisdictions who have already done this, to see how they did it, because there's New Brunswick, Nova Scotia, P.E.I. and Newfoundland, for sure. Yukon, Nunavut. So, perhaps, maybe they could give some suggestions.

Perhaps paying down the provincial debt would be saving money, which could be put into the schools. Perhaps monitoring some corporations—like the example that Larry had given me before was Aiyawin Housing, the non-profit housing agency that took more than a million dollars from its reserves without approval. Hydra House spent more than 1.5 million on questionable items, such as furnishing a big Florida vacation home.

Maybe efficiencies in government, and I know that change as it happens all the time. Perhaps hiring more Crown attorneys, rather than paying out to private lawyers for representing clients, but I think Finance, the Department of Finance, should be the expert. It shouldn't be someone else trying to tell you how to run your business, just that your business needs to run differently.

Mr. Derkach: Well, thank you for your comments.

And I just want to pick up from where the minister left off because she asked the question: What would your solutions be?

And it seems strange that she's asking the question at this point in time, when the bill is in committee. And I'm wondering whether your association, and perhaps MACO, would be prepared to meet with the minister if she were willing to withdraw this bill and find a different solution to the serious dilemma that is facing cottage owners across Manitoba.

Ms. Dunlop: Yes, I'm certain we would.

Mr. Chairperson: Any further comments or questions for the presenter? Seeing none—

Ms. Wowchuk: I just want to thank you for your comments, and this bill is just dealing with another option, putting another option on the table that cottage owners may use. The issue that you have raised, that many of you have spoken about with regard to taxes, is much bigger than this, and this one is just creating a small option. So if it works for some cottage producers—cottage owners, I hope that it will help some people and some will take advantage of it. So I thank you.

Ms. Dunlop: Like I said, will it help many? I doubt. Some? Perhaps.

Mr. Chairperson: Thank you, Ms. Dunlop, for your presentation this evening.

The next presenter I call is Lorne Weiss, the Manitoba Real Estate Association.

Good evening, Mr. Weiss. Do you have a written presentation, sir?

Mr. Lorne Weiss (Manitoba Real Estate Association): No, I don't; just some comments.

Mr. Chairperson: Please proceed when you're ready, sir.

Mr. Weiss: Mr. Chairman, I'm here today, as you know, on behalf of the Manitoba Real Estate Association. We represent in excess of 1,900 realtors across the province of Manitoba and, with all deference to everybody else in this room, I can say, unequivocally, that we're the experts when it comes to how people feel about the property taxes. That's what our members do. They meet with people day in and day out, in terms of buying and selling property.

And one of the things that we've noticed, Mr. Chairman, is the fact that, years ago, when we met with people and we talked about property taxes, there was always a philosophical argument: nobody likes to pay taxes. But it's changing. It's now becoming an issue of affordability, and that is a serious consideration.

In government, there's a causal relationship between good policy—good legislation and good policy. There's also a cause-and-effect relationship between bad policy which gets bad legislation and creates more bad policy. Unfortunately, Bill 5 is an example of the latter.

The underlying problem here is the policy of funding education through property taxes. Rather than dealing with the root inequities caused by this policy, this government has been applying Band-Aid

solutions all along. Let me just illustrate a few of them.

Let's talk about the farmers' rebates on production land. In order to get the rebate, they had to pay the taxes first. Many farmers who were facing insolvency had to scramble to try and borrow money to pay their taxes.

Homeowners: We've been the benefits of years of rebates, and those are proving to be no longer viable. This government didn't meet their election promise of \$700 per home in terms of tax rebate. Last year the ceiling was 650 instead of the 700, and we're waiting to see what's going to happen this year, Mr. Chairman. So it's obvious that homeowner rebates are no longer sustainable and a long-term solution.

Now we come to the cottage owners. So they've got a promise of deferment for 2010 and 2011 on the increases in their taxes. In return, they're going to get a lien on their property. What will happen after the next reassessment in 2012? The values aren't going to go down, and the shift of the tax base in cottage communities from commercial to residential will likely continue. Will the liens continue? And at what interest rate? Where will the money come from to compensate for the loss of operating revenue from these deferments? At the end of the day, when these cottage properties are sold, Manitobans will have to pay capital gains taxes and clear those liens. At the end, the end result of this will be those cottage owners will end up with no property and no money.

It's time to end this charade of ill-advised legislation that is attempting to compensate for bad policy. We must cease to attempt to prop up bad policy through a confusing array of rebates and deferments. Municipal governments throughout the province are unable to provide proper services and infrastructure because of the effect that the onerous education tax is having on their ability to raise needed operating revenue through their own taxation.

Years ago—not that many years ago—the City of Winnipeg asked the Province to establish a stand-alone assessment department for the entire province. This would have provided a defensible and transparent assessment process.

Let me remind you that property is in itself not an indicator of wealth. Many properties carry very, very substantial mortgages. Property is not a liquid investment, unlike other investments such as bonds or equities. An owner cannot sell a small portion of

their piece of property in order to raise funds to meet financial obligations the same as an owner who owns some stocks or some bonds. With real estate, it's all or nothing.

We don't need Bill 5. What we do need is to standardize and change the assessment process. In the short term we need to establish a province-wide mill rate for education, and, ultimately, we need to move forward to fund education through general revenues.

I'd also like to remind this committee that both the City of Brandon and the City of Winnipeg in recent years have passed motions asking this government to take property taxes—to take education taxes off of property. I'd also like to remind this committee that the education funding coalition, which represents over 200,000 Manitobans and includes groups like MACO, the Winnipeg Realtors, the Manitoba Real Estate Association, the Manitoba Chambers of Commerce, the Winnipeg Chamber of Commerce, the Keystone Agricultural Producers and a number of other organizations are solidly in favour of changing the funding model for education.

Thank you, Mr. Chairman.

*(19:10)

Mr. Chairperson: Thank you, Mr. Weiss, for your presentation. Questions for the presenter?

Mrs. Stefanson: Well, thank you very much, Mr. Weiss, for your presentation this evening. And I did want to ask you, was your organization ever called for any sort of consultation to do with this bill, Bill 5? Were you aware of it beforehand? Were there discussions that took place that resulted in this bill?

Mr. Weiss: Neither our organization nor the education funding coalition was asked for input into this bill.

Mr. Derkach: Thank you for that presentation, Mr. Weiss. This initiative has been around for a long time and I'm wondering, when you talk about taking education taxes off property, in most circumstances this amounts to a significant amount of money for the province. Has your association—or in consultation with others, have you discussed how this could be achieved over a period of time and what kind of financial shift there would be from property tax to general revenue and how that could be achieved?

Mr. Weiss: First and foremost, one of the things that we're looking at is we recognize you can't change

this in one fell swoop. This is a continuing process, but the process has to begin and one of the ways is there has to be confidence amongst the people of Manitoba that, in fact, they're being treated fairly. And you've heard from other presenters earlier tonight that, in fact, assessments vary from one area to the other. The way the assessments are done varies from one area to another. Mill rates are all over the place. There is no standard mill rate. Education is a provincial responsibility. Every child in this province should have the opportunity for the best education that we can afford, and when we allow different divisions to set mill rates based on whether they have or have not, we're short-changing our children.

So those are two of the first steps we need to do. We have to standardize the assessment process. We have to standardize the mill rate across the province. Once we've done that, we should be looking towards paying for taxes on the ability to pay, and we've heard from people that certain parts of our Manitoba—certain numbers within Manitoba are not in ability to pay. They've held these properties for a long time. They're not liquid. They don't have the money. We've heard of somebody cashing in their RRSPs to pay their taxes. Is that the message that we want to give to Manitobans?

Mr. Derkach: Mr. Weiss, in your professional opinion, if education taxes were taken off property, what impact would that have on property ownership issues in Manitoba? Would you see a significant increase in the personally held properties in Manitoba as a result of that?

Mr. Weiss: I think where we see—we see young families who cannot afford to buy homes because the occupancy cost of starter home is often as great as their equity. We have young families, for the most part, are buying starter homes with 5 and 10 percent down. If you look at—and I'm familiar with the city of Winnipeg—if you look at an assessment bill for the City of Winnipeg most of those—most of the homes are taxed at the rate of about 1.75 to 2 percent of their assessed value. Well, what we're doing is we're taxing 40 percent of their equity every year. We're taxing them on their debt, and many of them can't afford to stay here and they can't afford to invest in the province, and that's a bad message that we're sending to young people.

Mr. Kevin Lamoureux (Inkster): I appreciate the presentation, Mr. Weiss. You know, this has been an issue that has been there for many, many years, and I appreciate the fact that you've come up with a

short-term solution—a province-wide mill rate—and some suggestions in terms of how it ultimately might be addressed. Two thoughts come to my mind. One is you haven't commented in terms of the possibility of some sort of a time frame. How, if we wanted to move towards eventually getting rid of the school tax on property—have any concept in terms of what sort of a time frame. Maybe you establish a goal, let's say 80-20, and do you see something of this nature taking place over a two-year span, three-year span? Maybe if you can just quickly comment on that.

Mr. Weiss: I can speak for the education funding coalition, where we believe that we could—that this should be able to be doable within five to seven years.

Mr. Lamoureux: And then finally—and it's just more so just to emphasize the point: The only stakeholder that I've ever heard that's been in favour of this is the Department of Finance over the years, of having a school tax on property. Are you aware of any other stakeholder that actually supports financing public education through property tax?

Mr. Weiss: The school trustees.

Ms. Wowchuk: And, Mr. Weiss, thank you very much for the work that you've done with the coalition and for your presentation this evening.

Mr. Chairperson: Thank you, Mr. Weiss.

Next presenter I have on the list for Bill 5 is Peter Squire, Winnipeg Realtors. Good evening, Mr. Squire. Welcome, sir.

Mr. Peter Squire (Winnipeg Realtors): I have nothing to hand out, just some brief comments, I think a lot of them being covered already.

My name's Peter Squire. I'm director of public affairs for Winnipeg Realtors. I'm also the residential market analyst, and I think that's what I'm going to add to the table tonight more than some of the other comments which I'm certainly well—pretty much behind in terms of MACO and the Manitoba Real Estate Association.

Just to let you know for the record, our association represents over 1,600 members, and we cover the entire Capital Region which includes lake country, includes Gimli, includes up to Victoria Beach and down to Steinbach and southeastern Manitoba.

We also have on record—we have an issue card that we update every year, and I'd love to see it

changed at some point on this file, on education taxes, but our current position under provincial is reduction of the heavy burden and ultimate removal of education taxes on property owners, and, of course, there's no reference to anything to do with deferral.

My first point—and I will get into a few comments—it's just on the actual bill itself, the title. And I'll use my example of Victoria Beach, which I'm well familiar with and did get an update on the change in taxes from 2009 to 2010. But, really, if you did some—and I haven't had a chance to obviously cut across other school divisions where, you know, where cottage properties are prevalent, but at least in the Victoria Beach area, if you look at the changes from 2009 to 2010—and that's really the purpose of your deferral. It's based on the change in increases which I understand.

The—if I look at the change in the rates or the differences—and I did get—I haven't received our bill, but I did get it from the municipality, the R.M.—it's essentially all education increase. So, I guess to be really honest—and I'm sure that's the case in a lot of other situations—maybe the title should be the cottage property education tax increase deferral act because I think, quite frankly, in a lot of cases it's to do with the education tax. And that's probably what you've heard today from some of the presenters, that the inequities when in different school divisions and what they need to raise across the province, that that's where some of the inequities lie, and that's where the mill rates are being adjusted higher or not being adjusted low enough based on those increases in assessments. So what's happened essentially at Victoria Beach is the municipality has lowered their mill rate lower than what the school division has. So they've kept their increase in check despite the increases in assessment values, whereas the school division has had to raise it higher.

But if you look at the increase, pretty much the school taxes for that area are nearly—for this cottage, it's nearly \$2,000 where it was 1,500 prior and where the municipal taxes are staying even, close to about 14, 1,500. They haven't changed hardly one iota from one assessment period to the other. And so that's something just to pass on.

The other piece I want to mention on the market side—and I'll do one more philosophical thing which I feel strongly about in terms of how we're trying to track people here, but I want to talk about the market first. I did look at the Victoria Beach area, which is

one of the MLS areas that we track as we track a lot of other MLS areas throughout our entire region, including a number of more hot neighbourhoods—as the media likes to refer to them in Winnipeg—where they're selling more than they can provide or put on the market.

* (19:20)

In Victoria Beach on Highway 59—cottage area—currently this year our conversion rate is running at 17 percent. I have to admit that's very woeful. That's something I don't want to report to the media too often because, generally, our overall rate is about 65 percent in that same period. We only—we've had 91 listings, only 16 sales. The average days on market for sale in that area—and these are primarily cottages—I can't say they're all cottages, but most of them are when you start going through these listings—is 97 days. And to compare that to what we're seeing in other residential properties and other property types, it's more—it's in the 20s, so it's significantly higher. So we are definitely seeing a slowdown.

If you just look at May, where things start to come up a bit within cottage country, we have 75 active listings and we only had seven sales. So that only represents a conversion of 9 percent, where our overall market conversion in May was 54 percent for all of our properties, and the days on market was only 21 days.

So, I guess what I'm saying to you, I think there is some taxpayer fatigue that is starting to set in, so we can never take for granted that these taxes don't have an impact on people. They do. Not all cottages are—cottagers are wealthy. There's a lot of people, whether they've inherited them or scraped and scratched to come up with a cottage, and chosen to invest in that, as opposed to other things, whether it be travel or other disposable things that they would do with their income.

But the fact of the matter is, on schools, you're—their tax rate as in Victoria Beach is, a lot of times, twice as much as it is on the municipal side. There's no property tax rebate and it seems to be ever increasing; it just keeps going up and up. And there is a point where that tipping point, I think, is starting to happen.

And the thing that concerns me—this is kind of how I'll finish off—and it does worry me, and as a Manitoban—is that we've always held up—and I've certainly worked closely with Economic

Development Winnipeg, and we obviously want to promote our city and our province, and we're proud of that, with this 2010 Homecoming, where we just had people come back to renew acquaintances with their former province. But, what we're seeing, I think, in places like Victoria Beach or others, is that—and I've heard this from a realtor that's very active down there. I called her, you know, in anticipation of presenting here tonight. And, basically, we are seeing people unable to hold on to their cottages.

And, I've also heard—and this isn't just anecdotal. And I know from some people that you're seeing some more out-of-province investors that, whether it be Alberta or other provinces, that are starting to look at Manitoba as an attractive place for a second property. But the problem I have—and I actually wrote about this in the column and I think it is becoming more truer than I would have wanted it to be. And this is a few years ago when I wrote this, that we're seeing more out-of-province people buying cottages off what were Manitobans that owned them, because they're unable to keep them. And I think what's going to happen, we're going to become more renters to the owners outside of the province. And I think that's a sad statement of where we want to go as a province.

I think we've always held out, here, at least my belief, was that part of the beauty of Manitoba was our wonderful lake country. And you know—and there was still that affordability question that I think we held true, that maybe, you know, manage your money well and you may be able to afford a cottage and hold on to it.

Well, I think, with the increases we're now seeing in cottages and how that's—and no relief that's in sight from the Province—we are now seeing that. And you're seeing that in the market. Just the fact that those increase in listings and the slowdown in sales—and, quite frankly, there probably will be some take-up, on that bill, just for the fact that they may have trouble selling their cottage, or—for the price they want to get for it, they may realize they're not going to get whatever price they had in mind, given the added supply and less demand, with those increases in taxes. So they may just say, look, we'll hold on to it and we're—and maybe we will take you up on the deferral, and then pass and worry about it later because we're not prepared to give up our cottage.

So that's just a concern I really have. And again, I'm just using Victoria Beach; I know the area well

and it is a special place. But it is a sad statement if you see more of those cottages coming on the market when people don't choose to do that and their—the only means to go back down there will probably be as renters.

And, that's all I really have to say in terms of my comments. I really don't think this bill is going to have much impact, and we really do need to get to the root of the problem, that's been well explained by previous speakers.

Mr. Chairperson: Thank you very much for your presentation, Mr. Squire. Questions for the presenter?

Mr. Derkach: Thank you, Mr. Squire. I have a question for you.

The minister, in a comment, in a previous presentation, made a statement about this particular bill being only one of the options, providing another option for cottage owners to defer, or to, I guess, offset taxes in some way. And I don't know what other options there are out there, if there are any. But do you have any suggestions for the minister as to what other options would probably work better than the tax deferral that she has put before the committee?

Mr. Squire: Well, I think a lot of them have been stated which I would support lowering, and MACO, that, I think, one thing that maybe hasn't been mentioned is that I think that property tax credit, quite frankly—my wife's a good example, why am I paying twice? Now, I don't know if it's realistic, you're not going to—but that's certainly one option, that if you're already paying significant taxes as a property owner, then why are you being charged twice again? And if, obviously, that's too expensive a solution, then, at least, minimally, you should be offering that same property tax credit to cottage owners. Because, as indicated, in Victoria Beach, they're actually going up a higher rate than the municipal taxes, so those are the ones that need to be offset more than the—in many cases, municipality, similarly even in Winnipeg, but that's—and part of that's what Lorne brought up that we need one provincial mill rate because we have so many inequities within the different school divisions and their ability to raise money based on their tax base. If they don't have a strong commercial base, then they are reliant on that one large grouping of owners. In the case of Victoria Beach, it's a small R.M. and they primarily are cottage owners.

Mr. Derkach: Mr. Squire, many times when we as an opposition bring forward questions as they relate to issues like this, we're often told that Manitobans aren't concerned because there have been no major presentations on issues like that and so we're just, sort of, blowing in the wind.

My question to you is, has you—has your organization, or organizations that you're associated with, made any direct representation to the Minister of Finance or to the government, or have you been invited by the government to express your views because of your position or because of your organization?

Mr. Squire: Not specifically on this bill, but certainly in the past we've had a number of meetings over a number of years with the Education Minister and the Finance to bring forward our concerns about the fact that the education funding formula does not work, it's broken. You can't keep tinkering with it like they have done and, at some point, you really have to reform the system, and that will make for a much more sustainable solution long term for—and will be better off for all of us. Again, like was said, it's really got to be based on the ability to pay, and we're now seeing some of the cracks just through this recent hike in cottage taxes on places like Victoria Beach, and I'm sure that's in other areas too that you're hearing from, whether it be Gimli or other cottage locations outside of the parks.

Ms. Wowchuk: Thank you, Mr. Squire, for your presentation. You talked about Victoria Beach, and I'm not familiar with Victoria Beach, I'm from another part of the province, but you talked about—and I didn't quite understand you, you had said—did you say that the taxes went up from \$1,500 to \$3,200, and that that increase was because of education, or was it because—and I'm wanting to know whether it was a reassessment that raised all of the taxes, the value of the building and then what the impact was—but whether it was just education or a whole reassessment, okay?

Mr. Squire: Sure, I'll be glad to explain it again. I've got the numbers right in front of me. In 2009, the taxes were just under 3,000, 2,977, and that split was 1,575 for education, 1,402 for municipal. And just so I can add, on municipal there's a \$326 water treatment plant assessment every year. That will expire in 2017. They've had to replace their water treatment plant. So that's a special levy that's added on to the municipal, so if you actually remove that it would be a little more around 1,100-something. If

you look at 2010, it's now 3,370, and the education taxes are now 1,933, where the municipal taxes are 1,437, so they've gone up about \$30 where school taxes have gone up nearly 400 or 350. So, basically, it was primarily at the education—and that's to do with the mill rate. The mill rate adjustment was obviously adjusted lower to cover what they needed for the municipality, but they needed more money on the school side, so it's a higher mill rate. I think it's around 16.

Mr. Chairperson: Any further questions for Mr. Squire. Seeing none, thank you very much, Mr. Squire, for your presentation this evening, sir.

* (19:30)

Canvass the audience with us here this evening. Are there any additional presentations to Bill 5, The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended)?

Bill 227— The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ)

Mr. Chairperson: Seeing no further presentations on Bill 5, we'll proceed with Bill 227, The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ).

First presenter we call is Ryan Johnson, private citizen.

Good evening, sir. Welcome.

Floor Comment: No, it's—must be somebody before me, I apologize.

Mr. Chairperson: Perhaps you can identify yourself, with the leave of the audience.

Mr. Henry Horner (Kidney Foundation): My name is Henry Horner, and I'm with the Kidney Foundation as a volunteer and a helper.

Mr. Chairperson: Just give me one second, sir. Is there leave for Mr. Horner to continue the presentation? *[Agreed]*

Thank you. Please proceed, Mr. Horner.

Mr. Horner: Thank you, Mr. Chairman, ladies and gentlemen, and good evening.

My name's Henry Horner and I've been on hemodialysis at Seven Oaks Hospital for the past six years and have been waiting—and have been on the transplant ever since.

I'm very pleased to see that Bill 227, concerning The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ), has been passed. And I thank you so much, and I could give you a thousand other people that would like to say thank you as well.

I also would like to encourage Bill 226 and make available education on donating kidneys to all students, rather than just biological students, and to be—to make aware that organ donation is important for all students to know about this.

I would like at this time to mention organ donor cards. I strongly feel it should be done away with and it's time to change the donor cards. I strongly feel, rather than the donor cards, we should have an asterisk, either red or blue, added on to the driver's licence, blue meaning that you are an organ donor or would like to be, red meaning that you have absolutely no interest in donating any parts of the organ.

I would also recommend that a red or blue sticker be placed on the front licence plate in the top corner—one of the top corners. This would let emergency paramedics or police know that this is a donor person okay for organ donation. I also believe that we'd be probably the first people in all of Manitoba to have this, and it's a complete open thing and I think it's very important. I also feel this would be an efficient way of receiving donor organs.

I want to thank everyone for giving me this time to speak and, again, say what I feel is important.

Mr. Chairperson: Thank you, Mr. Horner, for your presentation. Questions for the presenter?

Mr. Kevin Lamoureux (Inkster): Mr. Horner, I just wanted to express my appreciation to you in terms of—I know you were there for the second reading, but more importantly, I've had the opportunity to know you for many years, and I've always thought you were a man of great courage in terms of sharing your story in regards to the need for organ donors. And whether it's on CJOB or going out into rural communities and speaking about the importance of this issue, I just want to express my appreciation, and I'm sure many members would share in that appreciation, for all of your efforts in regards to it, and it's one of the reasons why I feel fairly enthusiastic about this particular bill. And thank you for coming out this evening.

Mr. Chairperson: Mr. Horner, did you wish to comment, sir? No? Any further questions for the presenter?

Seeing none, thank you very much, Mr. Horner, for your presentation this evening and your patience.

Next presenter I have on the list for Bill 227 is Ryan Johnson, private citizen. Good evening, sir. Welcome. Do you have a written presentation?

Mr. Ryan Johnson (Private Citizen): It's a scramble of notes, so—

Mr. Chairperson: All right. Please proceed when you're ready, sir.

Mr. Johnson: I'm a lawyer at Smith Neufeld Jodoin in Steinbach, and I feel honoured to speak today about Bill 227, which is The Employment Standards Code Amendment Act for unpaid leave relating to donating of an organ.

Currently, the Employment Standards Code of Manitoba provides leave for certain circumstances. That's in division 9 of the act, which provides leave for maternity leave, parental leave, compassionate care, family leave, bereavement leave and unpaid leave for reservists. And I'd say the common theme behind these leaves is that they all benefit society and that they have sort of a noble cause to them. And Bill 227 provides another category of leave under the act, and that would be to those who donate an organ.

A similar bill was previously introduced in 2009 in Ontario by MPP Peter Fonseca. So you may ask yourself, well, why should I support Bill 227? And let me answer—I would say that organ and tissue donation is a personal issue, and I can't imagine why it would actually be decided along party lines or anything like that as to why anyone would vote or not vote for this issue. The fact is that there are NDP voters, PC voters, Liberal voters, non-voters in Manitoba who are waiting for an organ right now.

How many would be waiting for an organ right now? One hundred and fifty Canadians die waiting for an organ transplant. That's 150 people—lives lost. That's 150 families that are in pain and sorrow for long periods of time depending on how long someone has to wait for an organ. Across Canada there are over 3,500 Canadians waiting for an organ transplant, and today is a chance to introduce a bill that can help reduce that.

Our government should be doing everything possible to prevent Manitobans from dying while waiting for transplants, and our government should

be doing everything possible to support family members who wish to help donate. It's an altruistic act of humanity and compassion. Organ donation would mean the difference between life and death for many Manitobans.

We fall short every year because too few Manitobans become organ and tissue donors, and Bill 227 is a protection and reassurance to encourage Manitobans to donate organs. It would be a shame that if this bill didn't pass because individuals would be disinclined to donate and—for fear that they would have reprimand or lose their job if they took off time to donate. Organ donation rates in Manitoba are very successful. Nearly 90 percent of kidney transplants, 90 percent of liver transplants and 80 percent of heart transplants are successful, and I would like to see 100 percent of MLAs supporting organ donation.

Now, with Bill 227, there's also Bill 226, which promotes organ donation education in Manitoba schools. Currently, only biology students get organ donation education or information about organ donation while they are in school. My wife took chemistry and not biology in high school, and she is one of the many people that would have not gotten any information about organ donation while they were in high school. So I would love to see all political parties support Bill 226 and Bill 227.

Our government should be doing everything possible to prevent Manitobans from dying while waiting for transplants. As the government, your long-term goals should be to have informed—an informed public as possible and narrow the donor/recipient gap to increase the availability of organ and tissues.

Before I conclude, let me commend the many workers of Transplant Manitoba and the Lung Association, kidney care, Heart and Stroke, Blood Services, who all promote organ donation in Manitoba right now.

And in conclusion, I would ask that, you know, if it was your son or daughter that needed an organ, what would you do to help donate? And if there wasn't a match, would you do—I would personally do everything possible to help this bill pass.

And if you ask yourselves, would—if this short and simple bill, these two short and simple bills, cause one more person to donate and if this caused one more person to have better health, have better health for their family, would it be worth the effort in

passing this bill. That concludes my submissions and—subject to any questions.

Mr. Chairperson: Thank you very much, Mr. Johnson, for your presentation this evening, sir. Questions for the presenter?

* (19:40)

Mr. Lamoureux: Yeah, again, it's more just a comment than a question, Mr. Johnson. I appreciate the sincerity of your presentation, and I would just make a comment in terms of just specifically on this particular bill, as opposed to the two of them, in just recognizing that when the idea came through our research and having the opportunity to talk to individuals in regards to it, one of the encouraging things that I have experienced at times is the sense of co-operation from all political parties. As you yourself say, individuals of all political parties are recipients, and I think when you see an idea such as this, it's not necessarily who should get any sort of credit for it because there's a number of people that very, very quickly, the different stakeholders that saw the value to it, and that's the reason why we're here this evening.

And I think your assessment is right, in terms of the need, and I suspect that in the future that there hopefully will be other things that will be done, just to highlight the importance of what it is that you actually have said, and I do appreciate you taking the time to come here this evening to make your points. Thank you.

Mr. Chairperson: Mr. Johnson, did you wish to comment, sir?

Mr. Johnson: No, that's fine.

Mr. Chairperson: Any further comments or questions for the presenter? Seeing none, thank you very much, Mr. Johnson, once again.

That concludes the names on the list I have before me for presentations on Bill 227.

I'm going to canvass the audience here to see if there are additional members of the public with us here this evening that may wish to make a presentation to the bills under consideration, and they are: Bill 3, The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property); Bill 5, The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended); Bill 16, The Order of

Manitoba Amendment Act; Bill 20, The University College of the North Amendment Act; Bill 23, The Public Schools Amendment Act; Bill 26, The Addictions Foundation Amendment Act; Bill 29, The Advanced Education Administration Act and Amendments to the Council on Post-Secondary Education Act and the Education Administration Act; and Bill 227, The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ).

Seeing no further public presentations, that will close public presentations on the bills.

We'll now proceed to clause-by-clause consideration of the bills. In what order does this committee wish to proceed with clause-by-clause consideration?

An Honourable Member: As printed.

Mr. Chairperson: In the—as printed, for the bills? So, numerical sequence.

Bill 3—The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property)
(continued)

Mr. Chairperson: We'll now proceed with Bill 3, clause-by-clause consideration of The City of Winnipeg Charter Amendment and Municipal Amendment Act (Derelict Property).

Does the minister responsible for Bill 3 have an opening statement?

An Honourable Member: Just briefly, Mr. Chair.

Mr. Chairperson: Oh, one sec. Sorry, I misspoke myself here; I have to read into the record this business dealing with clause by clause.

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. Also, if there's agreement from this committee, I will call clauses in blocks that conform to pages 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? *[Agreed]* Thank you.

Now we'll proceed with the minister's opening statement.

Hon. Ron Lemieux (Minister of Local Government): Just a couple of brief comments

dealing with Bill 3. It really enhances the City of Winnipeg's existing ability to deal with problem vacant and derelict properties that can cause neighbourhoods to decline over time. It also extends the authority to municipalities throughout Manitoba. AMM is one organization that certainly wants and is wanting us to proceed with this.

The bill continues to balance the interests of property owners, neighbourhoods and those with a registered interest in a property, and the bill maintains requirements for two notices and the ability to appeal, recognizing the significance—sorry—of this revitalization tool. As I mentioned, AMM's request, we've extended the authority to take ownership of vacant and derelict properties to municipalities.

A couple of questions that were raised in a number of briefings dealt with notice of requirements are a key component in taking title process, assurance that property owners and registered interests like banks and credit unions are given sufficient notice. I believe that a key part is also that the bill requires the City to give two personal notices to property owners and those with interests in the property, such as banks and credit unions, an opportunity to bring the property into compliance, and only when the attempts at personal service have failed, will the City be able to apply to the Land Titles Office. So substitutional service of sections at 192 and 193 address this, and Mr. Gerrard raised this question, and the legislation deals with that specifically, at least I've been advised by the department.

So let me just conclude just by saying, I thank the critic for some of the comments he's made, being a former member of AMM, and I know there are many communities that are certainly wanting this process to go through, and it just adds another tool for them to expedite the process that, for many of them, they already have, in particular the City of Winnipeg.

So with that, I just want to conclude my remarks.

Thank you, Mr. Chair.

Mr. Chairperson: We thank the honourable minister for the opening statement. Does the critic for the official opposition have an opening statement?

Mr. Stuart Briese (Ste. Rose): And I'll echo the minister's remarks a little bit here—that I certainly have been in contact with the City and with the

Association of Manitoba Municipalities, and they're quite in favour of this bill. All it does is take what the City of Winnipeg already had and speed up the process a little bit.

The rural municipalities were—or the municipalities outside the City, urban and rural, were both probably dealing with these kind of issues with an unsightly property by-law, and this will extend that right to them that the City of Winnipeg had under their charter already. I understand that it's not something that, even though it's been in place in Winnipeg for quite some time, it's something that has not been used very often. Usually, when the notices are given, in most cases, the properties will be brought into compliance, and I think that's as much a goal here as doing—taking any other action on the properties. It's to have them come into compliance.

So, with those few words, I'll turn it back to you, Mr. Chair.

Mr. Chairperson: We thank the critic for the official opposition for the opening statement.

We'll now proceed with clause by clause consideration of Bill 3.

Clauses 1 and 2—pass; clauses 3 and 4—pass; clause 5—pass; clauses 6 and 7—pass; clause 8—pass; clauses 9 through 11—pass; clause 12—pass; clause 13—pass; clauses 14 and 15—pass; enacting clause—pass; title—pass. Bill be reported.

Thank you to members of our committee for that work.

Bill 5—The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended)

(continued)

Mr. Chairperson: We'll now proceed with Bill 5, The Cottage Property Tax Increase Deferral Act (Property Tax and Insulation Assistance Act Amended).

Does the minister responsible for Bill 5 have an opening statement?

Hon. Rosann Wowchuk (Minister of Finance): Yes, just briefly, Mr. Chairperson, I would like to make a few comments and indicate that the 2009–2010 general reassessment has resulted in property tax increases for many cottage owners. And what this bill—there was a recognition that there could be hardship for some people with these increases. So

this bill establishes a tax deferral program for cottage owners that are affected by these increases.

And what it does is it allows eligible cottage owners to defer payment of the property tax increase for 2010 and 2011 until the property is transferred or until the owner dies. And this, again, this is—this was a recognition that there was—that there would be some people that would take advantage of this deferral to help with the increase in taxes as a result of general reassessment.

But so under the proposed program, an eligible cottage owner may apply for deferral of the property tax increase before the tax is due. If the owner and the property are eligible, the government will pay the tax increase to the municipality on behalf of the owner and the owner will be indebted to the government. Interest will occur—accrue on the deferred amount at the rate to be prescribed by regulation. And to secure payments of the—for the deferred amount, the government may register a lien against the cottage property.

* (19:50)

So, Mr. Chairperson, I'm hopeful that this legislation will allow for those people who are facing pressures because of increases in the reassessment of their properties.

Mr. Chairperson: I thank the honourable minister for the opening statement.

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

Mrs. Heather Stefanson (Tuxedo): I just want to say that we have had the opportunity to meet with several stakeholders, which we always do. We do our due diligence when bills come forward in the Manitoba Legislature, and we know that we met with most of the stakeholders that would be affected by this piece of legislation. And, unfortunately, we were actually quite shocked that none of them (a) knew about it, and (b) certainly none of them agreed with it. Nobody asked for it. Nobody wanted this. And so we're quite surprised that a bill like this is before us in the Manitoba Legislature today.

It says—and the title says it's The Cottage Property Tax Increase Deferral Act, which implies that it would be helping cottage owners out there. But in actual fact, what we heard from presentations this evening is that this does nothing for anybody out there. And so I think it's unfortunate when they're trying—when a government is trying to supposedly do

something for an organization or a group of people in our society, you would think that it would at least help, you know, a few people or the majority, certainly, of people out there, which is why the government is there, to bring forward legislation which is supposed to be in the best interest of all Manitobans. And, of course, what we saw from presentations tonight is that that is not actually, in fact, the case.

We heard from Mr. David Crabb tonight, who is the head of the Manitoba Association of Cottage Owners. They represent some 3,000 members, cottage owners in Manitoba. They're the largest organization outside the parks. They represent the majority of cottage owners outside of the parks, and we heard from Mr. Crabb tonight that he not only had not been consulted with respect to Bill 5, he—in fact, the very group that I believe the government is trying to help out there, they say it doesn't help them at all, and so—and they never asked for this and clearly this is not a piece of legislation that they want.

And I think we also heard from a number of other presenters tonight. Mr. Larry Baker, who opposed the bill as well, and as a matter of fact, he had some suggestions as to maybe some alternatives.

As the minister stated in one of her questions or her comments to one of the presenters this evening, she said that this is one idea. Well, it's an idea—usually when a government puts forward an idea, it's after putting—it's after getting together with a group of various stakeholders and having some or at least one stakeholder out there actually agree with it.

But this is, to me, obviously just a piece of legislation coming forward to say that we're actually doing—that this government is doing something for cottage owners in Manitoba, when in actual fact it's nothing more than window dressing. And I think what they wanted to do, really, was just get something out there to say, okay, we want these cottage owners off our back. We don't want them talking about education taxes to us any more. So it was really to try and shut the people up out there who are—who have been coming forward and offering, as Mr. Larry Baker did this evening, some alternatives and some suggestions for this government to consider.

But rather than getting together with the Larry Bakers of the world and the David Crabbs and the Lorne Weisses and the Peter Squires and the Gus Wrucks and the Pat Dunlops and the hundreds of

others who were on the front steps of the Manitoba Legislature protesting last Thursday, of course, this government just chose to shut its doors and say, quickly, we got to come up with some piece of legislation that will deal with these people protesting. And rather than coming out to the rally and actually speaking to the rally and listening at the rally as to what the members of MACO and others out there had to say, here was a government that chose not to even show up. Not to address the crowd is one thing, but not to even show up and to listen to what the stakeholders were saying out there.

And I think it's extremely unfortunate that people take the time out of their schedules to come out to the Manitoba Legislature to protest what this government is doing. Had they done their homework in the first place, had they sat around a table, had they invited various stakeholders to come forward and to be a part of what could be—what could've been a very positive bill for cottage owners and for other property owners in Manitoba—it could've been a very well thought out bill.

Unfortunately, when you don't invite various stakeholders that it's supposed to affect, that it's supposed to help, you know, then you're not going to end up with a piece of legislation that people like. And, clearly, that's what we heard tonight.

And we also heard from Pat Dunlop, who's also with the Manitoba Association of Cottage Owners but as we heard, a property owner herself, and what she said—and she actually—when the minister asked her, well, can you come up with some ideas as to how we might maybe make this bill better or some other ideas as to what we can do to alleviate property taxes and the education portion of property taxes, she came up with a whole list of ideas that should at least be considered and well thought out.

They were well thought out by this cottage owner, and I think that it's incumbent upon a government not to be asking across a table at committee, you know, what are the sorts of ideas that people at committee would like to see. They should be having those consultations beforehand and not at committee.

So we heard from—also from Lorne Weiss of the Manitoba Real Estate Association and he, of course, talked about his organization where he represents about 1,900 realtors. But what he also represents and he spoke for tonight is the education funding coalition that he said represents over 200,000 Manitobans.

And certainly when we—when there is a person that represents over 200,000 Manitobans, then it's obviously incumbent upon at least the minister to give them a call to say, you know what, what do you think of this piece of legislation, or, you know, how could we put together a piece of legislation that would benefit all Manitobans that could be affected. We're trying to help people out there. Will this, in fact, help people, or what do you think?

Unfortunately, none of that took place. What we saw tonight was a number of people coming forward, obviously frustrated with the process, obviously frustrated with the fact that the government hasn't done anything to provide real education property tax relief. And so had the government done its homework in the first place, I would suggest that this would not have happened this evening. Last Thursday, the big protest on the front steps of the legislation—Legislature would not have happened and we could have been having a very different discussion tonight.

So, Mr. Chair, I will leave my comments at that and I thank you for the opportunity to put just a few words on the record with respect to this bill this evening.

Mr. Chairperson: We thank the critic for the official opposition for the opening statement.

We'll now proceed with clause-by-clause consideration of Bill 5.

Clauses 1 and 2—pass; clause 3—pass; enacting clause—pass. Shall the title pass?

Some Honourable Members: Pass.

Mrs. Stefanson: I move

THAT the title of the Bill be replaced with the following:

THE LOANS FOR COTTAGE EDUCATION
PROPERTY TAX INCREASES ACT
(PROPERTY TAX AND INSULATION
ASSISTANCE ACT AMENDED)

Mr. Chairperson: It has been moved by Mrs. Stefanson

THAT the title of the Bill be replaced with the following:

THE LOANS FOR COTTAGE EDUCATION
PROPERTY TAX INCREASES ACT
(PROPERTY TAX AND INSULATION
assistant ACT AMENDED)

The motion is in order. The floor is open for comments or questions.

* (20:00)

Mrs. Stefanson: Well, and I just felt compelled. I know one of our presenters this evening came forward with a slight amendment, and I think it more accurately reflects what is in the bill itself, and it is a loan and it is on education taxes. So we believe that it more accurately reflects what is actually in the bill. So we would hope that all members of this committee would support this amendment.

Ms. Wowchuk: Mr. Chairman, I can't support the amendment because the amendment is wrong.

It says, the loan for cottage education property tax, and when, in reality, it is for all property taxes. So the original title better reflects what we are trying to implement here and that is to defer the increase in property taxes, not the education taxes.

Mr. Leonard Derkach (Russell): Well, Mr. Chair, just assessing the minister's comment a moment ago. She is clearly trying to convince Manitobans that this smoke screen that she's presenting to them is going to elude them from the reality of property tax increases.

And as has been presented tonight, I think it's very clear that cottage owners have identified that the increase that they're experiencing is a result of the education property taxes that are going up. And when they have indicated to the minister, by example, that municipal taxes have basically remained constant while education property taxes have increased threefold and more, it seems to me that the member from Tuxedo is correct in her assessment and her assessment of the—Mr. Chair, that, in fact, her take on the title for this bill is more appropriate than what the minister has put forward.

And I think we should all consider this seriously because it, indeed, is a loan for cottage owners who are now going to experience yet another debt.

We heard tonight that people have to take money out of their RRSPs to pay their taxes. But where are they going to find this extra money when they have to pay back not only the deferral, but, indeed, the interest on the deferral as well?

So, Mr. Chair, with those comments I would have to support the member from Tuxedo for the amendment that she has brought forward tonight.

Mr. Chairperson: Any further comments, questions.

Mr. Stuart Briese (Ste. Rose): I certainly agree with the change in the title that my colleague from Tuxedo brought forward. This certainly is—these property tax increases are certainly being driven by education tax increases.

And I served many years on a municipal council and we struggled at all times to try and keep the municipal portion of the taxes within reason and watched the education taxes skyrocket because the Province was not picking up their share of the education tax increases.

I have a assessment in my office of three properties in my own municipality, one being a residence, one being a commercial and one being farm land, and a five-year assessment on it. And in spite what is being said, the properties have all gone up—whether it's a five-year assessment, every property has went up over the last year, and most of it's been driven by school taxes. I have the breakdown on that and that's what's happening here.

We heard some other solutions offered here tonight. Some that I think should have been checked with. I think the Province would have been far better off—would have made more people or had more—less unhappy people, if they had brought forward no legislation at all at this point. But now they've succeeded in irritating quite a number of people out there with this proposed piece of legislation. You'd still be a lot better off if they just pulled the bill right off the table and forgot about it.

There are options. There are ways. And I heard somebody tonight at the mike refer to possibly five to seven years, develop a plan that would start a shift on the taxes off—of education tax off property.

And I know back when I was with the municipality—the municipal association, that was what we were proposing too, is to start the process that—we know it's not all going to happen in one year or two years or three years, but start a process that can start moving it that way. And along with that comes the need for, probably, an assessment of the responsibilities of property taxes and what property taxes should actually be paying in this province. And the heavy reliance on them for education funding is probably not the best way to go.

It's interesting to me from two directions on this. A number of years ago, there was quite a considerable change in the assessment on farmland.

At that time, the Province did a shift in the portioning. And I think there was probably an opportunity here, if there was a real concern on these cottage properties, to do a shift on portioning again. Now, shifts on portioning do shift school tax—they don't take school tax away, they do shift them onto other properties, but it keeps a more equitable balance in the picture if one type of assessment goes up far more than another.

The other point that I'd like to make that I find also interesting was when I was the president of the association of municipalities, the Province, with one stroke of the pen, took all the property taxes off university properties and certainly created a massive shift of taxes onto other properties in those school divisions especially. Not so much on the municipal side because the municipalities were somewhat larger, but certainly on the school tax side, whatever school division it was in, they saw a major increase on all the other properties in that school division by shifting the property taxes off universities. They announced it as saving universities \$20 million, but they didn't put a cent into it; it cost the other property owners \$20 million to cover it up. So it was quite an impact in those areas at that time.

With those few comments, I'll turn it back to you, Mr. Chair.

Mr. Derkach: Mr. Chair, in speaking to the title of the bill, I have to, I guess, appeal to the minister perhaps to do what I think would reflect the wishes of the people who presented tonight.

And when we look at the list of presenters that we had this evening, one would have to acknowledge that these are just not people who have come along for the ride to present at a whim. They are here presenting because they are either property owners of cottages or they represent organizations that have a direct association and a direct influence on people who are involved in the cottage and the real estate industry.

And, Mr. Chair, I think we should listen to these people very carefully, because they are Manitobans who are telling us that this bill is not going to have the positive impact that I think perhaps the minister may have thought it might have and that, in fact, it will do nothing to assist cottage owners in their dilemma.

* (20:10)

What struck me this evening, Mr. Chair, was a presenter who told us that, in fact, they—she and her

husband are both retired and they have had to go into their RRSPs to be able to pay their taxes on their cottage. And this can only go on for a short period of time before they are going to be faced with having to dispose of their property because they can no longer afford to keep it. And I don't believe that the minister or anybody around this table wants to see that happen in our society, where Manitobans who have worked all their lives in this province, have put a nest egg away, and now, because of draconian and old—an old method of taxation in our province, of property, that these people are going to be subjected to having to dispose of their property because they can no longer keep it.

I think there are better solutions out there, and I think that we need to have some direct dialogue, not only with the Cottage Owners Association but also with the Manitoba Real Estate Association and come up with a plan that is going to better reflect what it is that is needed out there. We want people in Manitoba to be able to purchase cottages, purchase property and hold onto it and to be able to enjoy it in our province and thus add to the economy of our province.

This does nothing for that, Mr. Chair, and so I'm appealing to the minister to give this second thought. I know it's always with some trepidation that a minister would have to withdraw a bill and that doesn't happen often, but it, in fact, does happen, and I think this is one of those times when a piece of legislation has been hurried, it has not had the proper consultation that it should have with stakeholders and that the minister should do the right thing. I think she would do herself a lot of credit and her government some credit by indicating that perhaps this isn't the right approach and that perhaps between now and the sitting of the Legislature next year there is time to consult and to do what is right for the long term and for the betterment of cottage owners in our province.

With that, I thank you, Mr. Chair.

Mr. Chairperson: Any further comment?

Ms. Wowchuk: And I thank the members opposite for their comments on the issue, but, in fact, the issue that they are talking about and important issues that were raised here this evening was on education tax on properties. This specific bill deals with the reassessment of properties of many cottages and the impact that it has had and that gives the people the ability to defer part of their—defer their increases in their taxes as a result of the reassessment.

Now, the members opposite talk about the increase on—that this is only about increasing education tax on properties, and many members of the community that were here talked about that, but, in reality, if you look at the reassessment, there—if you look at the total municipal level and the education special levy, in some cases they are just about the same percentages. There are some areas where the education levy is higher and is a higher portion than the municipal level, and the—one of the presenters talked about Victoria Beach, and, indeed, in Victoria Beach, the—there is—the education special levy is way higher than the total municipal levy, as well as in Winnipeg Beach. But if you look at another one, if you look at the R.M. of Winchester, the total municipal levy and the education levy are very close together. They've very similar. So it varies from municipality to municipality as to how the—and that is—the changes are as a result of the reassessment in value of these properties.

This bill—the amendment that the member opposite has put forward is talking about education property tax. The bill is to deal with the cottage property tax increase that is as a result of reassessment. So I would have to say to the member that I would not support her amendment and I would not withdraw the bill because this bill will be a tool for some people to address their increase in property taxes. It may not work for everyone, but we want to have another option, another tool there for those people who are feeling pressure because of the increase in their taxes because of reassessment.

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

Some Honourable Members: Question.

Mr. Chairperson: The question before the committee is the motion

THAT the title of the Bill be replaced with the following:

THE LOANS FOR COTTAGE EDUCATION
PROPERTY TAX INCREASES ACT
(PROPERTY TAX AND INSULATION
ASSISTANCE ACT AMENDED)

Shall the motion pass?

Some Honourable Members: No.

Some Honourable Members: Yes.

Mr. Chairperson: The Chair hears a no.

Voice Vote

Mr. Chairperson: All those in favour of the motion, please signify by saying aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, signify by saying nay.

Some Honourable Members: Nay.

Mr. Chairperson: In the opinion of the Chair, the Nays have it.

Formal Vote

Mrs. Stefanson: A recorded vote.

Mr. Chairperson: A recorded vote having been requested.

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

Mr. Chairperson: The motion is accordingly defeated.

* * *

Mr. Chairperson: Now, title—pass.

Shall the bill be reported?

Mrs. Stefanson: No.

Mr. Chairperson: The Chair hears a no. All those in favour of reporting—[interjection] Do you have a motion? I'm sorry I didn't know that.

Mrs. Stefanson: I do have a motion

THAT the Bill not be reported back to the House until proper consultation has taken place with stakeholders.

Mr. Chairperson: It's been moved by—order, please. It's been moved by Mrs. Stefanson,

THAT the Bill not be reported back to the House until proper consultation has taken place with the stakeholders.

The motion is in order. Comments?

Mrs. Stefanson: Well, I think many of the comments have already been stated and certainly they have been stated by members on our side of the House. But, more importantly, they've been stated time and time again by presenters here at committee this evening. In various they've been—it's been stated in various consultation meetings that we've had with

stakeholders throughout the course of our due diligence with respect to Bill 5 and certainly out on the front steps of the Legislature where there was over a hundred cottage owners out protesting this bill and what the government is doing with respect to the—their property taxes, and so I think it would be incumbent upon this government to vote in favour of this motion. If they are really concerned about stakeholders in the community, then they wouldn't mind taking the time to actually properly consult them and not allow this bill to be reported back to the Legislature but, in fact, take the time to properly consult stakeholders in the community before doing so. So I would encourage all members to support this motion.

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

Some Honourable Members: Question.

Mr. Chairperson: Do you wish to have the motion reread.

Some Honourable Members: No.

Mr. Chairperson: Dispense?

Some Honourable Members: Dispense.

Mr. Chairperson: Shall the motion pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: The Chair hears a no.

Voice Vote

Mr. Chairperson: All those in favour of the motion, please signify by saying aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, signify by saying nay.

Some Honourable Members: Nay.

Mr. Chairperson: In the opinion of the Chair, the Nays have it.

Formal Vote

Mrs. Stefanson: A recorded vote, please.

Mr. Chairperson: A recorded vote having been requested.

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

Mr. Chairperson: The amendment is accordingly defeated.

* * *

Mr. Chairperson: Shall the bill be reported?
[Agreed]

Thank you to members of the committee.

That concludes the business relating to Bill 5.

Bill 16—The Order of Manitoba Amendment Act

Mr. Chairperson: We'll now proceed with Bill 16, The Order of Manitoba Amendment Act.

Does the minister responsible for Bill 16 have an opening statement?

* (20:20)

Hon. Rosann Wowchuk (Deputy Premier): Mr. Chairperson, I'm going to move this—sponsor this bill for my—for the Premier, and I would just like to make a few comments that—on the Order of Manitoba, which is the Province's highest honour recognizing individuals who have demonstrated excellence in public life, be it artists, elders, community leaders, health-care professionals, educators, advocates of women, youth, Aboriginal communities or the environment, the Order of Manitoba confers both recognition and congratulations to those who have sought to make the lives of Manitobans better.

Mr. Chairman, currently, there are 12 people—12 people are granted the award each year by the Chancellor of the Order, the Lieutenant-Governor of Manitoba. Selections are made on an annual basis by the advisory council, comprised of the Chief Justice of Manitoba, the Clerk of Executive Council, a president of one of Manitoba's three universities and up to four appointees from the—by the provincial Cabinet for a three-year term.

This amendment will allow that the presidents of the College of St.—College University of St. Boniface or the University College of the North could also be part of the two-year university rotation cycle. And the amendment to the act allows for the government option of increasing the number of members on the advisory council.

The intent of this amendment is to expand and broaden the scope of expertise on the advisory council, thereby ensuring that a range of candidates considered for the Order of Manitoba is broader and more—covers a wider scope.

So, with those few comments, I want to say that this amendment allows greater flexibility for the Order of Manitoba Advisory Council to increase the number of recipients, and the advisory council has at times heard remarks that there are too few people recognized. And this amendment to the act will help ensure that those numbers, if necessary, can be increased to recognize more potential recipients throughout the province. So with those two—few comments, I hope we can pass this bill.

Mr. Chairperson: We thank the honourable minister for the opening statement.

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

Mr. David Faurshou (Portage la Prairie): Mr. Chair, I do appreciate the minister's remarks, and it's very supportive of the initiative behind the bill. I do look at the Minister, though, of Advanced Education and I believe that the amendment, which speaks to the addition of the College of the North and the St. Boniface college, that we consider all degree-granting institutions in the province for participation within this clause.

And to be selective of only the ones named and mentioned in amendment and in legislation, I believe, it should be considered that all degree-granting institutions be eligible for participation within the advisory council, for the selection of individuals for appointment to the Order of Manitoba. Thank you.

Mr. Chairperson: We thank the critic for the official opposition for the opening comments. We'll now proceed with clause by clause of Bill 16.

Clauses 1 and 2—pass; clauses 3 and 4—pass; enacting clause—pass; title—pass. Bill be reported.

Thank you to members of the committee. That concludes the business with Bill 16.

Bill 20—The University College of the North Amendment Act

Mr. Chairperson: We'll now proceed with Bill 20, The University College of the North Amendment Act.

Does the minister responsible for Bill 20 have an opening statement?

Hon. Diane McGifford (Minister of Advanced Education and Literacy): Well, thank you very much, Mr. Chair. I have a short opening statement.

As I've said when speaking about the bill before and when briefing the critic opposite, this is really a housekeeping bill with some—which does the following: it causes academic matters to fall under the auspices of the learning council as opposed to the governing council, as was previously the case; it changes University College's—College of the North's physical year to March 31st and brings it in keeping with other universities in Manitoba; it makes the chancellor a voting member of the governing council, which brings the act in accordance with the other acts in Manitoba; and, basically, it ensures consistency between the University College of the North and other provincial universities.

So those are my opening remarks, Mr. Chairperson.

Mr. Chairperson: We thank the minister for the opening statement. Does the critic for the official opposition have an opening statement?

Seeing no opening statement, we'll now proceed to clause-by-clause consideration of Bill 20.

Clauses 1 through 3—pass; clauses 4 and 5—pass; clauses 6 through 8—pass; enacting clause—pass; title—pass. Bill be reported.

Thank you to members of the committee for work on Bill 20.

Bill 23—The Public Schools Amendment Act

Mr. Chairperson: We'll now proceed to Bill 23, The Public Schools Amendment Act.

Does the minister responsible for Bill 23 have an opening statement?

Hon. Nancy Allan (Minister of Education): Yes, I'm pleased to present my first piece of legislation as the Minister of Education.

This legislation clarifies the ability of the Board of Reference to transfer, add or remove minor amounts of land from a school division or a school district without the consent of the divisions or districts that may be affected. However, changes that result in rights, property, debts, obligations, liability or employees of a school division or school district being transferred continue to require consent.

It also changes—actually, it clarifies some wording around accumulated deficit in relationship to the operating fund of a school division.

It also changes the tendering limit for school divisions. And we have discovered that the tendering

limit right now is \$20,000; that was set in 1996. And we have done some consultation on this and we are recommending \$50,000 for that tender limit, and that is the recommendation from the FRAME committee as well as the recommendation from the Manitoba Association of School Business Officials.

And we are most pleased—as well, there is a change in the legislation—in the spring of 2007, the Department of Education introduced a certificate of completion, and this is a certificate for students who receive special needs funding at Level III. And they will be able to cross the stage upon graduation and receive a certificate of completion, and I think that means a lot to them. So we're very pleased with this legislation.

Mr. Chairperson: We thank the honourable minister for the opening statement.

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

Seeing no opening statement, we'll now proceed to clause-by-clause consideration of Bill 23.

Shall clauses 1 and 2 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Clauses 1 and 2 are accordingly passed. Shall—

An Honourable Member: No.

Mr. Chairperson: Oh, sorry. Mr. Derkach?

Mr. Leonard Derkach (Russell): I have a question of the minister on—sorry—clause 2. This is with regard to the transfer of property from one school division to the other—or to another district without having to notify the school division.

And I was just wondering whether the minister has been in consultation with municipalities about this particular piece of legislation and whether or not municipalities and school boards are on the same page when it comes to the transfer of property.

* (20:30)

Ms. Allan: Yes, this legislation does—the Board of Reference is a public hearing, and municipalities and school divisions would be notified of that. And, basically, what this legislation does, this change in the legislation, is it just clarifies the language around assets or liabilities that are transferred out of school divisions, if it's a private individual and it doesn't affect that school division.

Mr. Derkach: Yes, I'm aware of that. So is the minister saying that there is no actual change in process except for some changes in language?

Ms. Allan: That's correct.

Mr. Chairperson: Any further questions?

Seeing none, clauses 1 and 2—pass; clauses 3 through 7—pass; enacting clause—pass; title—pass. Bill be reported.

Thank you to members of the committee for your work on Bill 23.

Bill 26—The Addictions Foundation Amendment Act

Mr. Chairperson: We'll now proceed with clause-by-clause consideration of Bill 26, The Addictions Foundation Amendment Act.

Does the minister responsible for Bill 26 have an opening statement?

Hon. Jim Rondeau (Minister of Healthy Living, Youth and Seniors): The Bill 26, The Addictions Foundation Amendment Act, will amend The Addictions Foundation Act to provide the health-care system with better clarity and consistency in relationship to the role and expectations of the addiction foundation of Manitoba.

The bill will strengthen the accountability and, in the operating structure of the foundation, it will make it consistent with the framework in which regional health authorities and CancerCare Manitoba operate. It will facilitate a more effective co-ordination of the foundation's activities with that of the regional health authorities and other entities to optimize efficient use of the resources. It enables streamlining of access to services. It will facilitate continuity in renewal of the board by limiting the number of consecutive years in which a board member can serve to six years.

And the addiction foundation of Manitoba was consulted on this legislation and is in agreement with the changes, and I'm very pleased to present the bill for—to this committee and urge all members to support it.

Mr. Chairperson: I thank the honourable minister for the opening statement.

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

Seeing none, we'll proceed with clause-by-clause consideration of Bill 26.

Clauses 1 and 2—pass; clause 3—pass; clauses 4 and 5—pass; clauses 6 and 7—pass; clauses 8 and 9—pass; enacting clause—pass; title—pass. Bill be reported.

Thank you to members of the committee for your work on Bill 26.

Bill 29—The Advanced Education Administration Act and Amendments to The Council on Post-Secondary Education Act and The Education Administration Act

Mr. Chairperson: We'll now proceed with clause-by-clause consideration of Bill 29, The Advanced Education Administration Act and Amendments to The Council on Post-Secondary Education Act and The Education Administration Act.

Does the minister responsible for Bill 29 have an opening statement?

Hon. Diane McGifford (Minister of Advanced Education and Literacy): I do have a statement, again a brief statement.

This bill would allow data collection which, in turn, would guide further improvements to our adult-learning and post-secondary education systems. Student privacy in this legislation is protected as the bill remains bound by FIPPA and PHIA and, indeed, students will be required to give consent for their information to be used for the designed educational purposes.

I might add that Stats Canada is already collecting the information we wish to collect as a means of improving our systems. As well, the data will be collected by number and not by name.

As stated, this bill is designed to assist our systems' design. It is very similar to legislation in B.C., Alberta, Ontario and Québec. Moreover, it would allow us to collect the kind of information collected by EU nations and so assist us in creating a competitive, accountable system.

Thank you, Mr. Chairperson.

Mr. Chairperson: I thank the honourable minister for the opening statement.

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

Mrs. Mavis Taillieu (Morris): In regard to Bill 29, as I did say in the House, we are supportive of the collection of statistical information which may be

used in education or advanced education for changes in demographics or changes in societal needs or changes in curriculum, that kind of thing. But what I'm concerned about is this bill is a very convoluted and roundabout way of collecting personal information, instead of being up front through the FIPPA and PHIA acts that would be better utilized for these purposes and it provides the potential for information.

The minister indicates that it's only a number, but this is data that is able to be linked to personal information and could be used for political purposes. There doesn't really appear to be a need for the minister to have access to information. She's a policy setter, not an administrative person; this is administrative function and, therefore, I would argue that this is information that need not flow to a minister. It's a bill that should've sought the advice of the Ombudsman before it was drafted and that did not happen.

The Ombudsman's role and part of her mandate is to be proactive in any legislation where there's issues of information and privacy, and the Ombudsman was not consulted in the bill, neither did they consult any privacy experts. And I just want to also add that Mr. Brian Bowman, who's a well-renowned privacy lawyer in Manitoba and in Canada, would have loved to have been able to present here tonight, but he was at an AGM and he could not get out of that. And it's unfortunate this—that he's not—that he's unable to be here, but he did provide some comments, which I did put on the record in the House.

So, with that, I'd just like to say that we don't support this bill.

Mr. Chairperson: We thank the critic for the official opposition, for their opening statement.

Due to the structure of this bill, the Chair would like to propose the following order of consideration for the committee's consideration, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Therefore, I propose that we call the bill in the following order: Schedule A, pages 5 to 11, called in blocks conforming to pages; schedule B, pages 13 to 16, called in blocks conforming to pages; schedule C, pages 17 to 20, conforming—called in blocks conforming to pages; the table of contents for schedule A, page 3; clauses 1 through 4 of this bill,

pages 1 and 2, called in blocks conforming to pages; the enacting clause, page 1; the bill title. Is that agreed? *[Agreed]*

We will then begin with schedule A, pages 5 through 11. Clause 1 in schedule A—pass; clause 2 in schedule A—pass; clause 3 in schedule A—pass; clauses 4 and 5 in schedule A—pass; clauses 6 and 7 in schedule A—pass; clauses 8 through 10 in schedule A—pass; clauses 11 through 14 in schedule A—pass.

We will now consider schedule B, pages 13 to 16. Clauses 1 through 4 in schedule B—pass; clauses 5 and 6 in schedule B—pass.

We will now consider Schedule C, pages 17 to 20. Clauses 1 through 3 in schedule C—pass; Clauses 4 and 5 in schedule C—pass.

We will now consider the remaining items in the bill. Page 3, table of contents in schedule A—pass; page 1, clauses 1 through 3—pass; page 2, clause 4—pass; enacting clause—pass; title—

* (20:40)

An Honourable Member: No.

Mr. Chairperson: Mrs. Taillieu?

Mrs. Taillieu: And I just want to also say that I don't believe that any amount of amendments are going to improve this bill. I just don't think that this bill has been brought forward in a very transparent way and I just can't support the bill the way it is. And I believe it should have been done very transparently through the privacy legislation that we have, because that way Manitobans would be able to understand what's happening here and this way it's so convoluted that they—it's very non-transparent. So I can't support the bill.

Ms. McGifford: I just wanted to make the point that this legislation does honour FIPPA and PHIA. That the—excuse me—that FIPPA is broad in its application and what the legislation does is allow—give the Department of Advanced Education and Literacy the ability to collect data whilst at the same time honouring the concepts and, indeed, the letter of FIPPA.

Mr. Leonard Derkach (Russell): I have a question for the minister from me.

I would like to ask the Minister of Advanced Education, within this bill, it provides for the minister having access to the information that is gathered. And although it may be appropriate for the administrative side of the department to have access

to this information, why is it that the policy side, which is the ministerial side, would want to have access to this information if it were not for political reasons?

Ms. McGifford: Well, I think the member has a misunderstanding because, of course, the information can only be used for the purpose for which—pardon me—you're not the minister. Mr. Derkach—I'm afraid Mr. Derkach has a misunderstanding because the information collected, and this is in keeping with FIPPA, can only be used for the purposes for which it is collected. And, indeed, as the member well knows from his experience as a minister, this isn't information that will come directly to the minister. It's information that will be used by the department for the purposes of planning our system.

Mr. Derkach: I have a question then for the minister with regard to protection of the individual. What protection is there from the policy arm of any government having access to the individual's information, since now this information can be tracked by a number right from the earliest stage right through the entire career of a student, and to graduation and beyond. Yeah, it's a lifelong ability to track.

What protection is there of the individual that information will not be shared with the minister's office or any political or policy arm of government?

Ms. McGifford: Mr. Chair, as I have stated already, the information that we wish to collect is currently being collected by Stats Canada. I just put that out for the member's information. And I think that our federal colleagues can be trusted to use this information respectfully.

I also want to make the point once again that the information collected will be used by the department for the purposes of planning and that the information can only be used, and this is according to the legislation, can only be used for the purposes for which it is collected.

I'd also like to direct the attention of the member to page 7 of the bill, limit on individual student information, 3(3). And the member may wish to peruse that section because it gives—I think it responds to the member's concern.

Mr. Derkach: Well, no, that section does not address the entire concern, because what protection is there of the individual's information being accessed by a minister upon demand?

Ms. McGifford: Yeah, well, again, I want to make the point that this information doesn't come to the minister personally, and any information is—doesn't—there's no personal information attached to a name. The only information that flows—and I repeat, to the department—the information that comes to the department is the minimum information needed for the purposes—needed for a purpose. And it comes by way of a number, which I believe was introduced by members opposite in 1996.

Mrs. Taillieu: I'd like to ask the minister, then, if the information is already available, why is the minister then legislating this? And why would she be changing three pieces of legislation to get this information? Is it because they're already collecting the information and doing it illegally?

Ms. McGifford: No. My—the information is available, but we don't have the authority to collect it at this time, and so—from the universities. And so this piece of legislation will give Advanced Education and Learning and the Council on Post-Secondary Education the mandate to collect the information, which is available, which is being collected by Stats Canada, but which is not—but which we do not currently have the legislative authority to collect, although it is available at the institutions.

Mrs. Taillieu: Well, what I was asking is, if the minister said the information was available from Stats Canada and that's an administrative—so, she just said it was available from Stats Canada. So if it's available, then why would she change the statutes in Manitoba? Why would she amend three different statutes to get this information?

Ms. McGifford: While the information is available, is with Stats Canada, there's two big factors in the way, and one is collecting the information in a timely way and the second one is the cost. Stats Canada aren't willing to give us our—this information, although they'd be willing to sell it. But the path that we wish to take will allow us to get the information in a timely way and will allow us not to pay for our own Manitoba information.

So it's about accountability, too, I want to point out.

Mr. Derkach: Accountability is a good term that has been used by the minister. And I want to know what accountability there is to the individual under The Privacy Act or under an act of the Legislature of Manitoba that protects that information from getting

into hands that are perhaps untoward or where the information should not be.

Ms. McGifford: Well, the protection, Mr. Chair, is that we have to apply with PHIA and FIPPA, and we have to apply with the limitations that are also spelled out in this bill, namely that information can only be used for the purposes for which it is collected.

I point out again to the—I point out to the member that the information will only be collected by number, that Stats Canada are collecting the information. And there's one more thing that I'm missing: we won't be collecting names. And students will have to agree for their information to be collected.

Mr. Derkach: The issue here is not a minister's statement. The comfort isn't in a minister's statement to say, well, the information will only be used for certain purposes and it complies with PHIA and FIPPA.

My question is—I guess, because of the information that is going to be collected, and basically through the number of that individual from basically birth till death do them part, the information is going to be there and available.

* (20:50)

My question is: How is the individual, an ordinary Manitoba citizen, protected from that information getting into the wrong hands or being accessed by individuals who have no direct interest in the issues but rather some untoward interests? And we've seen this kind of thing before, where information has slipped out and where it has been gathered by individuals and resold, for that matter, by individuals when they shouldn't have even had access to it. How do we protect the individual from that information getting into the hands of people who should not have access to it?

Ms. McGifford: We'll protect individuals in Manitoba the same ways in which B.C., Alberta and Québec are protecting their populations and that is through privacy legislation. That is FIPPA and PHIA, and I refer the member to page 10 of the act, section 8: The duty to adopt security safeguards are very clear and safeguards for sensitive information are—these are clear in the legislation itself.

Indeed, Mr. Chairperson, this act is very clear and very restrictive in its spelling out the uses to

which information can be put and the ways in which it is collected.

Mrs. Taillieu: The MET number is included in the definition of personal information under FIPPA. So there doesn't appear to be a need to change anything there if you want to collect that number.

The change is in how the information is going to be used and how it's going to be shared across departments. It has to be shared by—through the ministers. The ministers have to agree to share the information between their departments which appears to me as to why this is a very convoluted bill.

But I, again, don't understand why it wouldn't just be brought through the FIPPA legislation if it could be addressed very simply with one amendment to FIPPA. It doesn't really make sense. I mean, already the MET number is included in personal information.

So it's not the collection, unless you need to get consent, and maybe you have to go back and get consent for collecting information that you've already collected but you have to use—you're going to use it for a different purpose so you have to get consent for that. Is that the issue?

Ms. McGifford: What—FIPPA clarifies that an identifying number, symbol or other particular assigned to an individual is considered a piece of personal information, but it doesn't address the ME number specifically. So what this bill does is establish specifically in legislation the collection of—*[interjection]*

Yes, Mr. Chairperson, it specifically creates limitations so that there can't be any kind of creep of information.

Mr. Chairperson: Any further—Mr. Derkach.

Mr. Derkach: Well—*[interjection]* Oh, I'm sorry, go ahead. *[interjection]*

You know, I'm not getting any comfort from the minister with her answers, and it still doesn't tell me how my son's or grandchild's information is going to be held very confidential and who the keeper of that information is going to be.

That information can now be shared under this legislation, as I understand it, by any department of government, and once it goes from one department to another, I don't know what safeguards there are and neither does any citizen of Manitoba know what

safeguards there are in protecting that information for being used for untoward purposes or for purposes that perhaps are questionable by that individual or could breach the confidentiality of that individual.

And, in today's world, the privacy legislation federally is very strict in terms of how information can be shared with individuals, and I'm wondering whether or not the minister can, in any way, give any comfort to Manitobans that, indeed, breaches are not going to take place under this legislation.

Ms. McGifford: Well, once again, I point to the FIPPA legislation which the member's government brought in when they were in power, but I also want to make the point for the member that the K-to-12 and the post-secondary and adult education systems will be separate. They will only be accessed for specific purposes and then the minimum of the information required and with no name attached with—merely by number, will be transferred.

Furthermore, the number could be used to link data and then the number could be eliminated so there would be no number attached to the information.

Mrs. Taillieu: Well, the minister just said the—what they have to do here is they have to pass legislation so they can get access to information that they can't get access to now. So that sounds like if they aren't allowed the access that that would be in contravention of FIPPA, and so they have to get around FIPPA to get the information.

But I'd like to ask the minister: Has she had a chance to consult with the Ombudsman now?

Ms. McGifford: Thank you for the question, Mr. Chairperson. Yes, we have communicated with the Ombudsman, and I believe we've had very satisfactory deliberations with the Ombudsman, so I thank the member for her question.

Mrs. Taillieu: Did the Ombudsman express any concerns in regard to the legislation?

Ms. McGifford: Yes, the Ombudsman recommended that we put in our annual report records of when we link data so that it will be transparent and available to the public, and we found that a very valuable addition, and we will do that and we will also continue to work with the Ombudsman as we go forward.

Mrs. Taillieu: I'd like to ask the minister then: Is she going to propose an amendment at third reading on this?

Ms. McGifford: The annual report isn't prescribed in legislation, Mr. Chairperson.

Mr. Chairperson: Seeing no further questions, the committee ready to proceed?

Title—pass.

Shall the bill be—

Mr. Derkach: May we have a vote on that, sir? A recorded vote, sir?

Mr. Chairperson: On the bill being reported? Okay.

I'll call the question first. Shall the bill be reported?

Some Honourable Members: Yes.

Some Honourable Members: No.

Mr. Chairperson: The Chair hears a no.

Voice Vote

Mr. Chairperson: All those in favour of reporting, please signify by saying aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed to reporting the bill, please signify by saying nay.

Some Honourable Members: Nay.

Mr. Chairperson: In the opinion of the Chair, the Ayes have it.

Formal Vote

Mr. Derkach: Yeas and Nays.

Mr. Chairperson: Recorded vote having been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: The bill shall be reported.

Mr. Chairperson: That concludes the work of clause by clause consideration of Bill 29. Thank you to members of the committee.

Bill 227—The Employment Standards Code Amendment Act (Unpaid Leave Related to Donating an Organ) (continued)

Mr. Chairperson: We'll now proceed with clause by clause consideration of Bill 227, The Employment Standards Code Amendment Act (Unpaid Leave Relating to Donating an Organ).

Does the bill sponsor, the honourable member have a—for Bill 227, have an opening statement?

* (21:00)

Mr. Kevin Lamoureux (Inkster): I do, very, very briefly, just want to indicate to members that I truly appreciate the apolitical fashion in terms of the discussion and debate on this bill. I look forward to it ultimately, I understand, being—it's going to be amended and, ultimately, passing through committee. Thank you.

Mr. Chairperson: I thank the honourable member for the opening statement.

Does any other member wish to make an opening statement?

Hon. Nancy Allan (Acting Minister of Labour and Immigration): On behalf of the Minister of Labour and Immigration (Ms. Howard), I would just like to make a few comments in regards to the legislation. The legislation was referred to the Labour Management Review Committee, and I'd like to thank them for the quick turnaround that they did in regards to the changes on this legislation. We will actually be providing members of the committee tonight a copy of the LMRC report. So if I could have that distributed, that'd be great.

An Honourable Member: The what?

Ms. Allan: The LMRC report, the Labour Management Review Committee.

And they—there is going to be some changes made to the legislation. The first change—and the MLA for Inkster (Mr. Lamoureux) has been consulted in regards to these changes. The first change that has been made, and it was a unanimous recommendation from LMRC, that the employee has been employed by the employer for at least 90 days. LMRC suggested that that 90 days be moved to 30 days because of the emergent nature of an organ being donated.

And the other recommendation that was made by the LMRC is—that first recommendation was in 59.6(2) in the MLA's legislation—and the second recommendation from LMRC was that the employee provide medical documentation with a start and end date. That is consistent with the legislation that was done for compassionate care legislation and reservists' legislation.

The rest of the bill that we are going to be presenting this evening has been rewritten to make

the language consistent with those two pieces of legislation that have already been done around leaves and the Employment Standards Code. The language has changed but the substance is identical to the MLA for Inkster's bill.

So, with all due respect, I'd like to thank the MLA for Inkster for bringing this legislation forward.

Mr. Chairperson: I just want to confirm from Minister Allan, if you will, please, the Labour Management Review Committee, do you wish to have this as a part of the record of these committee proceedings?

Ms. Allan: Yes.

Mr. Chairperson: Or are you just tabling it for information of committee members?

Ms. Allan: No, I was just tabling it as information for committee members, so that they have it.

Mr. Leonard Derkach (Russell): I'm just—not questioning the content of what the minister has just put on the table, but it's a little bit confusing in terms of her comments. Is she proposing an amendment to the bill?

Ms. Allan: We are proposing an amendment to the subsection 2 of the bill.

Mr. Derkach: Then, isn't it appropriate for the minister to, first of all, move the amendment and then to speak to the amendment, rather than the other way around. It's a little confusing to try to decipher what the amendment might be when the minister is speaking to the amendment but hasn't moved it yet. So I'm just asking that perhaps we could move ahead with the moving of the amendment, and then perhaps the minister can make her explanatory comments with regard to that.

Mr. Chairperson: I thank committee members for the advice. The Chair was giving some latitude to allow for some opening comments at that point in time and then, with consideration, that as we move into clause by clause where there are amendments that were going to be proposed and the Chair would recognize the mover of the amendment. So I was giving some latitude during the opening comments.

We'll now proceed—is there a will of the committee to proceed with clause by clause, then?

Some Honourable Members: Agreed.

Mr. Chairperson: Okay. Then shall clauses 1 and 2 of Bill 227 pass? *[interjection]*

Clause 1—pass.

Clause 2?

Ms. Allan: I move

THAT Clause 2 of the Bill be amended by replacing the proposed clauses 59.6(1) to (11) with the following:

Interpretation

59.6(1) For the purpose of this section, an employee donates an organ when he or she undergoes a surgical procedure that involves the removal of an organ or tissue from the employee for the purpose of it being transplanted into another individual.

Unpaid leave for donating an organ

59.6(2) An employee who has been employed by the same employer for at least 30 days is entitled to unpaid leave of up to 13 weeks for the purpose of donating an organ.

Notice and medical certificate to be given to employer

59.6(3) An employee who wishes to take a leave under this section must give the employer

(a) in writing, as much notice as is reasonable and practical in the circumstances; and

(b) a medical certificate stating the start date and end date of the period necessary for the employee to donate the organ and recover from the procedure.

Length of leave

59.6(4) The employee is entitled to take leave for the period set out in the medical certificate.

Extending leave

59.6(5) The employee is entitled to extend his or her leave if, in respect of the period certified under clause (3)(b) coming to an end, the employee gives the employer a medical certificate stating that the employee requires an additional specified period to recover from donating an organ.

Extensions not to total more than 13 weeks

59.6(6) A leave may be extended more than once, but the total extension period must not exceed 13 weeks.

Notice to Employer—minimum period

59.6(7) An employee who wishes to extend a leave must give the employer written notice at least one

pay period before extending the leave, if reasonable and practical in the circumstances.

When extended leave ends

59.6(8) An extended leave ends on the day specified in the most recent medical certificate given to the employer.

Ending leave early

59.6(9) The employee may end the leave earlier than provided in subsections (4) or (8) by giving the employer written notice at least one pay period before the day he or she wishes to end the leave.

Mr. Chairperson: It's been moved by the honourable Ms. Allan

THAT Clause 2 of the Bill be amended—dispense?

Some Honourable Members: Dispense.

Mr. Chairperson: Dispense.

The amendment is in order. Any further comment or questions?

Is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: *[inaudible]* to have the motion reread?

Some Honourable Members: No.

An Honourable Member: Dispense.

Mr. Chairperson: Dispense?

Amendment—pass; Clause 2 as amended—pass; clause 3—pass; *[interjection]*

We have to go over that again, folks. Thank you for your patience.

Clause 2 as amended—pass; Clause 3—pass; enacting clause—pass; title—pass. Bill as amended be reported.

Thank you to members of the committee.

I believe that concludes the work of this committee and thank you to members of our staff for your support here this evening.

The hour being 9:08 p.m., what's the will of committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 9:08 p.m.

**WRITTEN SUBMISSIONS PRESENTED
BUT NOT READ**

Re: Bill 5

June 14, 2010

Members of the Social & Economic Development Committee,

Please accept this written submission as the position of the Canadian Taxpayers Federation on *Bill 5, THE COTTAGE PROPERTY TAX INCREASE DEFERRAL ACT*.

To begin, we accept the government's efforts as well-intentioned, but Bill 5 does nothing to address a very serious and growing problem—rising school taxes and skyrocketing education spending.

By allowing cottage owners to defer tax increases, all Bill 5 will do is delay the inevitable and put the government in the inappropriate position of playing financier.

Instead, what the government needs to do is move forward with significant reform.

If you sit down and pour through the Province of Manitoba's Enrolment Reports, you will notice that K-12 enrolment dropped from 199,419 students in 1999/00 to 179,802 students in 2009/10—a 10% decrease.

If you then look at annual K-12 expenditures in provincial FRAME reports, you will see spending has risen from \$1.201 billion in 199/00 to \$1.816 billion in 2008/09—a 51% increase.

Enrolment down 10%, costs up by 51%. Clearly, this is unsustainable.

Make no mistake, if our education system's outcomes were top of the class in Canada, it would be easier to justify the expenditures, but they don't appear to be.

If you look back to Statistics Canada data from 2001/02, you will see that Manitoba had the second-highest per pupil spending levels in Canada, but was last in the country for graduation rates. For 2007/08, the most recent year that data is available, we again had the lowest graduation rates and the second-highest per pupil spending levels. In fact, our graduation rates are down 2.2% from 2004/05.

If you review the most recent international test scores, the 2006 PISA tests, you will see a similar story. Overall, the 2006 PISA report on math, science and reading, noted Manitoba performed below the national average.

Despite throwing boatloads of money at the system, we're not getting bang for our buck. The spending binge cannot continue as taxpayers are tapped out.

Unfortunately, the bill before the houses does nothing to address the spending problem. It is the equivalent of someone fixing a slightly crooked picture on a wall while a white elephant sits awkwardly in the middle of the same room.

What we need is fundamental reform, not tinkering around the edges. After all, our funding model for the public school system is archaic and the system's costs are out of control.

Despite the decline in enrolment, annual spending has now increased by more than **\$328 million above the rate of inflation** since 1999/00.

When one considers that \$715 million will be raised in school taxes this year, by merely controlling costs, the province could have reduced the average school tax bill by 46%.

For the other half of the solution, the government needs to make school tax relief a priority. After all, school taxes are an archaic form of taxation that should be phased out. Instead, school funding should come from general revenues.

As you know, school taxes do not take into account one's ability to pay. If a taxpayer loses his or her job, they stop paying income taxes.

However, unlike income taxes, the school tax bill will still be waiting there for those that have been laid off.

The same can said for businesses. Income insensitive school taxes can be the nail in the coffin for a company on the brink of bankruptcy or the final barrier that prevents entrepreneurs from pursuing ventures in this province.

Clearly, just because someone owns a house, cottage or business property does not mean they can afford to pay their school tax bill.

We recognize that school taxes cannot be eliminated over night. That is why we called for a multi-year plan to phase out school taxes. The first step is to make the issue a priority and develop that plan.

If the archaic and unfair aspects of school taxes are not enough for the government to act, then I encourage all parties to consider the upcoming situation.

Over the next decade, more and more baby boomers will be retiring. As the government knows, many of them do not have pensions. In fact, according to Statistics Canada, more than two thirds of Manitobans do not have private pension plans; they will have to rely on fixed income, government assistance programs to make ends meet.

While living on fixed incomes, Manitoba will not be able to afford rising school tax bills.

In conclusion, we hope you withdraw this legislation and focus on broader education reform to address the problem.

Sincerely,

Colin Craig
Prairie Director—Canadian Taxpayers Federation

**WRITTEN SUBMISSIONS PRESENTED
FOLLOWING ADJOURNMENT**

Re: Bill 3

The AMM would like to take this opportunity to offer support for Bill 3—The City of Winnipeg

Charter Amendment and Municipal Amendment Act (Derelict Buildings). Derelict buildings are a real concern in many municipalities and the AMM is supportive of any measure that will increase the authority of municipalities to deal with this community blight.

By granting municipalities the authority to regulate the condition and maintenance of vacant dwellings and non-residential buildings, municipalities can now act proactively to remove these buildings which act as both an eye sore and a safety hazard.

While the process for municipalities to take title of property that is derelict is onerous, we understand that this is a serious issue and steps must be taken to ensure the owner of the property is aware the municipality had initiated this process. Because of the serious nature of this issue, municipalities are prepared to follow this process if in the end they can take action to deal with these buildings in their communities.

The AMM is pleased to see Bill 3 has received second reading and urges the Legislative Assembly to pass this bill quickly to allow municipalities to take action immediately.

Sincerely

Doug Dobrowolski
President
Association of Manitoba Municipalities

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/index.html>