

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

*Chairperson*  
*Mr. Tom Nevakshonoff*  
*Constituency of Interlake*

**Vol. LXI No. 8 - 6 p.m., Monday, September 28, 2009**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS**

**Monday, September 28, 2009**

**TIME – 6 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Tom Nevakshonoff**  
**(Interlake)**

**VICE-CHAIRPERSON – Mr. Drew Caldwell**  
**(Brandon East)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

*Hon. Messrs. Bjornson, Chomiak, Lemieux, Hon.  
Ms. Wowchuk*

*Messrs. Borotsik, Caldwell, Dewar, Graydon,  
Nevakshonoff, Pedersen, Schuler*

**WITNESSES:**

*Bill 8–The Civil Service Superannuation  
Amendment Act (Enhanced Manitoba Hydro  
Employee Benefits and Other Amendments)*

*Ms. Pat Bowslaugh, Private Citizen  
Mr. Richard Benoit, Retired Teachers'  
Association of Manitoba  
Ms. Anne Monk, Private Citizen  
Ms. Peggy Prendergast, Private Citizen  
Mr. Dick Marshall, Private Citizen  
Mr. Wayne Hughes, Private Citizen*

*Bill 35–The Municipal Conflict of Interest and  
Campaign Financing Act (Various Acts  
Amended)*

*Mr. Ross Martin, Private Citizen  
Mr. Doug Dobrowolski, Association of Manitoba  
Municipalities  
Mr. Kevin Rebeck, CUPE Manitoba  
Mr. Gord Steeves, Councillor, City of Winnipeg  
Mr. Harvey Smith, Councillor, City of Winnipeg  
Mr. Jae Eadie, Private Citizen  
Mr. George Fraser, Private Citizen*

*Bill 36–The Manitoba Public Insurance  
Corporation Amendment Act (Enhanced  
Compensation for Catastrophic Injuries)*

*Ms. Jan Stevens, Private Citizen  
Ms. Cherise Griffin, Private Citizen*

**WRITTEN SUBMISSIONS:**

*Bill 35–The Municipal Conflict of Interest and  
Campaign Financing Act (Various Acts  
Amended)*

*Errol Black, Private Citizen  
Nick Ternette, Private Citizen  
Audra Ludwig, CUPE 500*

*Bill 36–The Manitoba Public Insurance  
Corporation Amendment Act (Enhanced  
Compensation for Catastrophic Injuries)*

*Steven David Bowley, Creator of  
NoFaultVictims.com*

**MATTERS UNDER CONSIDERATION:**

*Bill 8–The Civil Service Superannuation  
Amendment Act (Enhanced Manitoba Hydro  
Employee Benefits and Other Amendments)*

*Bill 35–The Municipal Conflict of Interest and  
Campaign Financing Act (Various Acts  
Amended)*

*Bill 36–The Manitoba Public Insurance  
Corporation Amendment Act (Enhanced  
Compensation for Catastrophic Injuries)*

*Bill 37–The Public Schools Amendment Act  
(Limited At Large Elections of Trustees)*

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**Clerk Assistant (Mr. Greg Recksiedler):** Good evening. Will the Standing Committee on Legislative Affairs please come to order.

The first item of business is the election of a Chairperson. Are there any nominations for this position?

**Mr. Gregory Dewar (Selkirk):** It's my pleasure to nominate Mr. Nevakshonoff.

**Clerk Assistant:** Mr. Nevakshonoff has been nominated. Are there any other nominations? Seeing none, no other nominations, Mr. Nevakshonoff, will you please take the Chair.

**Mr. Chairperson:** Good evening. Thank you for your confidence in me. Our next item of business is

the election of a Vice-Chairperson. Are there any nominations?

**Mr. Dewar:** Yes, I nominate Mr. Caldwell.

**Mr. Chairperson:** Mr. Caldwell has been nominated. Are there any other nominations? Seeing none, Mr. Caldwell is elected Vice-Chairperson.

This meeting has been called to consider the following bills: Bill No. 8, The Civil Service Superannuation Amendment Act (Enhanced Manitoba Hydro Employee Benefits and Other Amendments); Bill No. 35, The Municipal Conflict of Interest and Campaign Financing Act; Bill No. 36, The Manitoba Public Insurance Corporation Amendment Act (Enhanced Compensation for Catastrophic Injuries); Bill No. 37, The Public Schools Amendment Act (Limited At Large Elections of Trustees).

We have a number of presenters registered to speak this evening, as noted on the presenters' lists.

We have one addition to the list for the information of committee members. They are—that individual is Audra Ludwig, CUPE 500, on Bill 35.

Before we proceed with the presentations, we do have a number of other items and points of information to consider. First of all, if there is anyone else in the audience who would like to make a presentation this evening, please register with staff at the entrance of the room.

Also, for the information of all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak with our staff.

As well, I would like to inform presenters that, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations with another five minutes allowed for questions from committee members.

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

A written submission on Bill 36 from Steven David Bowley has been received and distributed to

committee members. Does the committee agree to have this document appear in the *Hansard* transcript of this meeting? *[Agreed]*

Order of presentations. On the topic of determining the order of public presentations, I will note that we do have out-of-town presenters in attendance marked with an asterisk on the list. With these considerations in mind then, in what order does the committee wish to hear presentations?

**Mr. Cliff Graydon (Emerson):** I would make a motion that we start with Bill 36 as we have two out-of-town presenters.

**Mr. Chairperson:** Committee's heard. Agreed? *[Agreed]*

We will start with Bill 36 then.

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

The Clerk has raised an interesting point. After we do Bill 36 and go into other bills, we want to maintain the order of out-of-town presenters first. Is that acceptable? *[Agreed]* Okay.

As of 6 p.m. this evening there were 19 persons registered to speak to these bills. Therefore, according to our rules, this committee may sit past midnight to hear presentations.

How late does the committee wish to sit tonight?

**Some Honourable Members:** Until we're done.

**Mr. Chairperson:** Would somebody like to make it a motion?

**Mr. Dewar:** I suggest we sit here until all the business of this committee is concluded.

**Some Honourable Members:** Agreed.

**Mr. Chairperson:** Agreed as moved? *[Agreed]*

Speaking in committee. Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's

name. This is the signal for the *Hansard* recorder to turn microphones on and off.

Thank you for your patience. We will now proceed with public presentations.

**Bill 36—The Manitoba Public Insurance Corporation Amendment Act  
(Enhanced Compensation for Catastrophic Injuries)**

**Mr. Chairperson:** Okay, we begin with Bill 36. The first presenter I have registered is Jan Stevens, private citizen.

Good evening, Ms. Stevens. Do you have a written presentation? I see you do. Our assistants will distribute them. You may begin when ready.

**Ms. Jan Stevens (Private Citizen):** Mr. Chairman, I may run a minute or two past my time limit if I have difficulty up here. Would that be all right?

**Mr. Chairperson:** We'll address that when you come to it. I have to put that to the committee.

**Ms. Stevens:** All right.

Dear committee members. My name is Jan Stevens and I have concerns about the proposed catastrophic definition, particularly relating to brain injury.

\* (18:10)

Do you know how MPI determines a degree of impairment? They don't. My husband suffered a severe brain injury in an accident six years ago, and I can tell you for certain, they do not. The most that has been done in regards to this is a psychological assessment that his treating physician requested, which stresses areas of impairment caused by his brain injury and includes therapy suggestions.

I first had to fight with MPI a long time to have them pay for this assessment to be done. When it was completed, MPI sent the report to their independent psychologist for him to decide if the assessment has merit. A year and a half has passed and nothing more has happened.

Setting out a definition of catastrophic to allow increased benefits seems like a great idea, but if no fair procedures are followed to evaluate the existing permanent impairments, the catastrophic definitions will follow the same fate. The proposed catastrophic definition that describes impairments due to brain injury are not in line with the impairments that a

catastrophically impaired brain injured claimant experiences.

I would like you to know how Ontario describes—determines catastrophic. They ask the claimant's treating physician to specifically identify if their patient suffers a catastrophic impairment. On the doctor's form, the criteria includes a 55 percent or more impairment of the brain injured claimant based on an evaluation of the whole person, and that two years has elapsed since the accident and that the patient is not expected to improve. Once this form is completed, the catastrophic determination is made based on the treating physician's certification.

Compare that to MPI's existing procedure to determine brain injury impairments. Communication with the treating physicians is non-existent. MPI's procedure is to do whatever they can to get the claimant rehabbed and back to work. They force them to attend their rehab centre and be seen by their independent assessment doctors, where a mirage of injustices begin.

The word "independent" is very scary. The reports that come from them are full of misconception of the facts, downplaying serious symptoms of an injury and outright lying, all of which will be a benefit to MPI. This is a fact. I have seen it first-hand several times—*[interjection]*

There's no Kleenex up here, though. I need—I need a Kleenex. Thank you.

Years go by and they have exhausted their attempts to get this person off of income replacement. Have they paid any amount for cognitive impairment due to their severe brain injury, or—excuse me, okay—or made a determination that a psychiatric syndrome exists, or addressed what brain functions have been altered? Not at all.

How do they get away with it? They first off have their hired independent doctors state that the person's brain is functioning normally, that there are no impairments and that he is able to work. It seems it is their internal policy to have that in place early, so that when a true assessment is done they have a base to reject the issues quite easily. Now do you see why there's such a fight to have a real psychological assessment done? If the claimant has no spouse or guardian to fight on their behalf, they have no hope of receiving the compensation they're entitled to.

In my opinion, almost all brain injury cases would result in a permanent impairment of some sort, especially for moderate and severe brain injury.

So I wonder, of all the bodily injury claims that included a brain injury, how many of those have actually received a permanent impairment amount under the existing definitions for brain injury impairments?

Please refer to catastrophic definitions (d), (e), g(v) and g(vii). There is a problem in having an alteration of the higher cognitive or integrative mental functions be limited to ability to eat, bathe and go to the bathroom, which is defined as activities of daily living and whether or not a caregiver is required, which is defined as requiring supervision.

In reality, there is so much affected besides those activities of daily living. Many, if not all of life activities will be altered, yet they may still be able to eat, bathe and go to the bathroom on their own, and not require supervision. Limiting brain injury to only those activities of daily living is absurd and simply not fair. For brain injury, you need to consider how the whole person is affected, like Ontario does.

Many individuals with brain injuries experience impairments that manifest themselves in various symptoms of their body. They can have a sleep disturbance; pain disorder; difficulty with awareness, memory, communication, concentration, organization, information processing and comprehension; motor disturbances to do with weakness, gait and manual dexterity; social problems due to slowed information processing; impaired judgement, impulse control, irritability, outbursts of rage or panic, aggression or withdrawal; depression and isolation due to socially unacceptable behaviour and inability to effectively interact with others; deficits in vision, hearing, taste and smell; vertigo, nausea, headache or tinnitus; seizure disorders; sexual dysfunction and bladder-control problems; inability to get along with others, outbursts, inappropriateness, lack of awareness of others; forgetfulness and lack of diplomacy can all be symptoms of brain injury.

Each one of these deficits may not be significant taken alone, but the combination of deficits taken together can be so profound and limiting on every aspect of living that it can very well constitute a 55 percent impairment of the whole person.

Before the accident, my husband could do anything, from supervising a construction site to proposing business plans and public speaking. He could sing and dance; he was a social butterfly. He had great organizational skills. He was a go-getter.

He could fix and build anything. He was my Mr. Tool Man. He can't do any of that now.

He is just a prisoner in his own body, inflicted with many deficits from his brain injury, and as Ontario describes it, and I quote, in the case of catastrophically impaired persons, their injuries seriously and continuously impair their functioning and quality of life.

Even without the catastrophic proposal, it is an atrocity that MPI does not consider the treating physician's input. Here is one example of a claimant's injury to shoulder and bicep: The treating orthopedic surgeon assessed and provided MPI with the required measurements for loss of range of motion. That was almost three years ago. No payment made to date.

They want it to be done by their hired independent who says he can't obtain accurate readings due to variables on the claimant's pain limitations. As a licensed, qualified practitioner, under the College of Physicians and Surgeons, the treating physician's measurements should have been used in the first place. Why would an independent's input be required?

Don't you think it's odd that the treating physician can obtain an accurate reading, but the independent cannot? Don't you think it's odd that when the claimant has three treating physicians and specialists, and they all explain that the claimant is unable to return to work, yet the independent says he can? Don't you think it's odd that the treating psychologist finds massive amounts of brain injury impairments, yet the independent says he's normal?

Consider this: The treating physicians are paid by Manitoba Health to diagnose and treat the patients. They are not paid by the claimant, nor by MPI. The independents are contracted and paid by MPI.

Regarding the proposed catastrophic definition for brain injury, No. (d)(ii), and I am addressing this question to the minister, a person has a brain injury that has caused a pain disorder so severe that he would have to be highly medicated and sedated in order for that pain to be alleviated. Being that medicated would put the person in a constant stupor and would qualify for catastrophic under (d)(ii), including adverse effects of medication. But what if the person chooses not to be that highly medicated and, instead, takes multi daily doses of morphine that only dull the pain slightly and chooses to live with

the constant pain, rather than be in a complete stupor, so that he has some sort of level of functioning?

Mr. Chomiak, would this person qualify for a catastrophic determination?

I have explained how the definitions do not consider the multitude of symptoms and deficits that the brain-injured person must now live with permanently, and how the definitions in no way recognize the whole person, and how every aspect of their life likely has changed. I have explained how permanent impairment decisions are made, if at all, in a most untimely manner. A catastrophic determination would be treated no differently using the same procedures.

In Ontario, when a catastrophic determination is requested, their time frame is 30 days to evaluate whole-person impairment and make the decision.

I have explained how the independent, so-called doctors are only in place to benefit MPI. They need to disappear. They create months and years of unnecessary delay and their conclusions are not accurate or truthful; they are a waste of time and money. There is no reason why the treating physicians and specialists need to be second guessed.

\* (18:20)

Suggestion: there needs to be changes made to the procedures at MPI's bodily injury department. But since tonight is only about the catastrophic definition itself, the suggestion I have is to add another definition for catastrophic due to brain injury, incorporating the idea of whole-person impairment, the description being that their symptoms and deficits are so severe and disabling as to seriously and continuously impair their functioning and quality of life, and attach a procedure to this definition, asking the treating physicians to certify this with the criteria that two years have passed since the accident and that they are not expected to improve. It needs to be that simple, an automatic decision without MPI referring it back to their independents. Otherwise, this new definition is useless. Thank you.

**Mr. Chairperson:** Thank you, Ms. Stevens. Because you had some difficulty, I allowed you to go a little long there.

**Ms. Stevens:** Thank you.

**Mr. Chairperson:** I'll open the floor to questions.

**Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Public Insurance Corporation Act):** Thank you for taking the time and the difficulty. I know it must be hard to have to express publicly some of the difficulties you're having.

I wanted to ask: your definition of Ontario that you mentioned a couple of times, I'm not quite sure where that's from. Where did you obtain that definition?

**Ms. Stevens:** The definition of—being which? What do you mean, the definition?

**Mr. Chomiak:** The several references made throughout in Ontario, catastrophic determination.

**Floor Comment:** Yes, they have an actual—

**Mr. Chairperson:** Mrs. Stevens—I'm sorry, I have to recognize the speaker before the microphone goes over to you. Proceed, please.

**Ms. Stevens:** Okay. Ontario has a form that the doctors fill out. It's called an OCF-19, and they use that form. They get the doctor, the treating physician, to complete it and they base a catastrophic determination on that form. Is that what you mean?

**Mr. Chomiak:** Yeah, I think that captures what—because I was trying to determine where, because the insurance companies obviously, in Ontario, make the determination based on something, and your argument is that it's based on that form that's filled out by the treating physician. So, what I intend to do is, I'm going to, later on in the evening when we have officials here from MPI, I will pose some of your points to MPI, and I just want to add a comment that is my own personal opinion in the area of both psychological damage and what in the case of brain injury would be called physiological damage. I think that we're quite behind in recognizing symptoms, et cetera, as a society in whole, and obviously, as this—we can and should do better across the spectrum and that has been my experience in having been involved with that for a number of years, but I will pass on all of those comments that you have made to MPI when the officials are here tonight and when we go through the review of the bill. Thank you.

**Mr. Chairperson:** Any comment, Ms. Stevens?

**Ms. Stevens:** Thanks for having me.

**Mr. Cliff Graydon (Emerson):** Thank you very much, Mrs. Stevens, for your presentation tonight. I know it was very difficult for you and we really

appreciate the courage that it took for you to come and do this presentation, and the fact that you've lived through this whole situation makes it a lot more personal here when you are here instead of having it read into or sending a letter in.

The interesting term that you used was the whole-person impairment, and it's obvious that the bill doesn't address that, and I take encouragement from what the minister said tonight that perhaps that there can be some amendments brought forward that would possibly deal with this. So, again, I thank you for being so courageous tonight. You did a wonderful job. Thank you.

**Mr. Chairperson:** Any comment, Ms. Stevens?

**Ms. Stevens:** Thank you very much.

**Mr. Chairperson:** Seeing no further questions, I thank you for your presentation.

I call Cherise Griffin, private citizen. Good evening, Ms. Griffin. Do you have any written copies of your presentation?

**Ms. Cherise Griffin (Private Citizen):** Yes, I do.

**Mr. Chairperson:** You do. Our assistants will distribute them. You may begin when you're ready.

**Ms. Griffin:** Thank you for having me here tonight to speak.

My name is Cherise Griffin and I was involved in a car accident in October 2001. At the time of the accident I had an 18-month-old daughter and was six months pregnant. As a result of the accident, I became a high-level quadriplegic paralyzed from the chest down with limited use of my hands and arms. Amazingly, two months after the accident I gave birth to a healthy baby boy, and my daughter, who was also in the accident, was miraculously unharmed physically, but emotionally the trauma still lingers.

I'm here today to address you all regarding Bill 36, The MPIC Amendment Act. I've had time to review the bill in length. I would like to comment on additions to the act, as well as some omissions. Regarding the minimum income replacement, as well as the lump sum indemnity, I'd like to applaud the government for increasing these benefits, and I'm sure they will greatly benefit us victims of catastrophic injuries.

Regarding the reimbursement with injury—sorry—reimbursement when injury is catastrophic, basically increasing the amount by \$800 per month. For myself this amount is sufficient but, realistically, this

amount doesn't even touch the amount it would cost to care for a more severely disabled person like a ventilator-dependent quadriplegic or a person with severe head injury or even a person in a coma. To cover care for these individuals it costs a minimum of \$17 an hour for a trained aide to take care of these people. All of these injuries require 24-hour care, and if you do the math that works out to be \$11,400 per month to care for them and sustain life. Presently, the cap is \$4,085, and with the \$800 increase there will still be a shortfall of \$6,515. I feel that for these injuries there should be no cap, as it is life sustaining. Nor do I think that the remainder of this should fall back on the Manitoba taxpayer. MPI seems to be just passing the buck.

Regarding the payment for certain expenses for catastrophic injured victims, this section states that it's up to MPI's discretion to approve claims for certain expenses, basically meaning that MPI doesn't necessarily have to do anything. It's all words on a piece of paper, and really they—really, it means nothing. I feel this statement is too vague. This gives all the power to MPI and takes it away from the victim, the victim who really needs it. From past history, I know that what's best for the victim is not what's best for Manitoba Public Insurance. In the end MPI has all the power, because all they care about is the bottom line in saving money to give it back in big rebates at the end of the year. Leaving it up to MPI to decide who gets what is a very scary thing, and how does this benefit us, the victim? It doesn't.

\* (18:30)

Regarding the lifetime maximum of \$1 million, I have one question as to what expenses that includes. This may sound like a lot of money, but in medical terms it's nothing if it includes wheelchairs, shower chairs, special mattresses, medical supplies, vehicle conversions, the list goes on. If you're injured when you're very young, say a child, a million dollars isn't gonna last 80 years. Again, it doesn't sound like it benefits us and that needs to be changed. Regarding both the facilitation of claims and the co-operation of other agencies and organizations, this means that MPI is, again, just passing the buck to the Manitoba taxpayer, and I don't feel that it is acceptable.

Regarding the non-application of subsection 2 and the non-application of decisions under section 137(1), as well as the non-appeal of decisions under subsection 31 found on page 7 of the amended agreement, these three sections regarding the victim's right—these sections regarding the victim's right to



appeal decisions made by MPI under 137, the first one, the non-application of subsection 2 states that MPI doesn't need to notify the victim in writing about decisions made under this section which deals with these unnamed expenses that are by MPI's discretion.

Under the next two sections the non-application of decisions as well as the no-appeal on the decisions, I feel that this is a loophole of section 137 as it takes away the victim's right to appeal all decisions made by MPI. How does this benefit the victim? It doesn't. It only benefits MPI's bottom line. Basically, if I were to request something under this, MPI would say no, and I would have no other recourse.

It is imperative that these three sections be deleted from the amendment act as it gives all the power to MPI and leaves the victims helpless.

One huge omission in the amended act is with respect to child care for a severely disabled parent. In the news release of May 26th, Mr. Chomiak states that these proposed enhancements would ensure that MPI continues to offer one of the most comprehensive auto injury compensation plans in Canada. For this to be truly one of the most comprehensive auto injury plans in Canada, it is imperative to include more funding for child-care expenses.

Presently, as a severely disabled single mother of two children, I receive \$266 bi-weekly to care full time for my children. This amount doesn't come close to what it realistically costs to help parent-to help parent for a catastrophically injured person. As a result of being a single mom, I've had to hire a live-in caregiver to be my arms and my legs. If I don't have her I'd have to deal with the possibility of losing custody of my children all because it's not legislated by MPI.

It is imperative to include these amendments regarding MPI's responsibility to assist in child care resulting in a mother's inability to care for the children because of an accident. Not only do you deal with mourning the loss of part of you and the life you knew, you also now have to deal with the possibility of losing your children. It's just not fair and not acceptable.

I call on all of you to put yourself into a catastrophically injured person's shoes. Think about you and your loved ones. You don't realize how it

affects not only you, but your family and your loved ones.

Another issue that I'd like included would be for family counselling. Presently, family counselling is not addressed in either of the acts. Like I said, catastrophic injuries don't only affect the victim, but also their families, and they need help coping, coping with the loss. At present, my daughter, who was in the accident with me, who saw me ejected from the car, waited in fear for who knows how long until someone found us—was refused counselling by MPI, as they quoted, she wasn't physically hurt in the accident, and we don't cover emotional trauma. To me, this is disgusting and needs to be changed.

As a catastrophically injured person who has had first-hand—who knows first-hand how MPI works, I plead with you to fully consider what I've said here today. Who knows, maybe you or one of your loved ones will be faced with the same nightmare I have. This bill is supposed to benefit us, but in part—but in parts, it actually is taking away our rights, now even taking away our right to appeal MPI's decisions. So please reconsider passing this bill until some changes have been made. This bill will be life-altering for us, and you should pay careful attention to the decisions you make, because you never know when your life will change. Any of you could leave here tonight and end up in my position but, maybe then, you would now truly see how important the decisions you make really are. Thank you.

**Mr. Chairperson:** Thank you for your presentation, Ms. Griffin. Open the floor to questions.

**Mr. Graydon:** Thank you, Ms. Griffin, for your—for your courage to come here tonight and explain the bill—or explain how the bill would affect you personally, and because of your personal experiences.

When you say that MPI is passing the buck, can you maybe elaborate on that a little bit?

**Ms. Griffin:** In my past experience, regarding the child care, as an example, I was notified by Manitoba Public Insurance basically that my cheque didn't come in my bank account, that they were going to be taking away money that I had been using for child care, they were taking it away, so then I was left with no money to pay for my caregiver who basically does everything that I can't. She's basically my sidekick in parenting. And I wrote many letters to some of you; didn't get very far. It was about a year later that I finally, after pressing Child and Family

Services for help, that they finally agreed, begrudgingly, to help me.

And I just feel that it shouldn't be the taxpayers of Manitoba's responsibility to take care of me. That's what we pay insurance for. That's what Manitoba Public Insurance is for, the way I see it, and it just shouldn't be the taxpayers, who don't necessarily have vehicles, that should be responsible for that.

**Mr. Graydon:** Thank you for that answer, Ms. Griffin. You've made mention in here about some of the things that you wonder whether the million dollars would cover, and one of them is the conversion of vehicles and, in your case, you have a conversion vehicle, I assume. And so, at present time, is there any problem with MPI getting a conversion vehicle?

**Ms. Griffin:** No, I've never had problems with getting any of that. Basically, they have provisions that it's a certain amount of kilometres and five years that they will pay for a conversion of a van that I purchase.

\* (18:40)

**Mr. Chomiak:** Again, thank you for coming and making the presentation. I will also pass on to MPI some of the comments, the issue of child care in particular, and the issue of counselling in terms of new concepts that have—may have been brought to my attention before, but I don't recall. Members of the committee will know I sometimes have trouble recalling what I said the day before, but that's my occupational hazard, but they are significant.

I think that one of the problems, one of—when we passed the act unanimously in the Legislature, I think it was unanimous to go to a no-fault insurance system. There was a recognition that the health-care system would pay for a cost, as it does for everyone, as would the child and family care system pay for everybody, and I think that's a philosophical—that's a point that you're disputing. I recognize that, and I think that's one of the matters that, I think, we'll have to probably agree to disagree on in terms of how one approaches. Thanks for acknowledging that we are increasing the cap and—but I also recognize the scenario that you laid out. You know, basically we consider that the health-care system, who covers everyone, plays a part in it.

But the final point that I wanted to make was I believe that the million dollars was provided for in this act to act as a provision for consequences

actually, as you've raised that may have not been anticipated, or may have not been intended in terms of coverage that might arise.

So, if I recall correctly from the information that I was provided, and I—it may seem arbitrary, but I think the intention, in fact clearly the intention, was to provide a sum of money for perhaps unrecognized circumstances, and I—the only qualification I put on that is because—and it's somewhat similar to what I said to the previous speaker. In the last 20 years or 30 years that I've been involved, there's been extraordinary changes in terms of health care and provisions in—that can be provided so that one can't, one can almost pray and hope that there'll be significant changes that will—that may allow for a repair, spinal repair, et cetera.

But—so I—it's a long way of saying the intention was to make it a positive sum of money for unanticipated circumstances.

**Ms. Griffin:** That sounds good. I'm just worried about the discretionary at MPI, which is a load of crap.

**An Honourable Member:** One question, one very short question, because he's got—

**Mr. Chairperson:** Okay, we're at six minutes. Leave for one more brief question by Mr. Borotsik.

**Mr. Rick Borotsik (Brandon West):** Very brief question. I know the minister was doing a great job of speaking in the time, but thank you, thank you, thank you for coming here and giving us your personal experience, and I know how difficult it was. I have one very quick question.

You talked about payments for certain expenses, for catastrophic injured victims, and it says it's left up to MPI's discretion to approve the claims and certain expenses, and I appreciate the fact that it's their discretion. Have you been refused any of those expenses, and is there any appeal process for you at that point in time, 'cause I find it very difficult to have somebody making a judgmental call and not having the ability to at least question that call or go to someone else.

Have you had been refused any of those expenses?

**Ms. Griffin:** Not the ones that I've mentioned, but I have been denied lots.

**An Honourable Member:** Explain which ones.

**Ms. Griffin:** Oh, where do I start? Now you've—

**An Honourable Member:** Your child's been, been—

**Ms. Griffin:** Oh, my child, yeah—like say the child-care amount or counselling—and presently I would be, I would request it. I would be then given a determination letter, and I'd have 60 days to then appeal that, and then it would go to the Manitoba—like, MPI appeals. Once it's—if it's denied again, then I can take it to the AICAC, which is the automobile compensation injury protection something.

Yeah, so there's the process. So at least if MPI says no, the next step is appealing to MPI, which is, you know. And then you know—at least there's the—you have some hope that you can maybe get it, but with this, you—you don't have any hope 'cause MPI, they could just be a bad day, and that's—like past history, you could talk to one guy, adjuster, you made the same injury, and I could ask for something, and then Joe Blow, exactly the same, could ask for something. I'll get it; they won't. He had a fight with his wife that morning and he's kind of, you know, ticked, and he says no. And that's basically the way it is.

And that is no joke. And you have to be in the situation to believe the way it is because you're just giving it up to these people that are just in their desk and you're No. 15324, and they don't have to look at you or come and see your family or see anything that happens. So at least presently, you have an appeals process.

**Mr. Chairperson:** Thank you for your presentation.

**Bill 8—The Civil Service Superannuation Amendment Act (Enhanced Manitoba Hydro Employee Benefits and Other Amendments)**

**Mr. Chairperson:** Okay, we're going to move to Bill 8, The Civil Service Superannuation Amendment Act (Enhanced Manitoba Hydro Employee Benefits and Other Amendments), and I've been rather lenient with time of late, but this last presentation was 20 minutes or more, so at this point I'm gonna warn presenters at nine minutes and I'm gonna call order at 10 minutes, and we'll take it from there, so.

We're sticking with the out-of-town presenters. I call Pat Bowslaugh, private citizen.

Ms. Bowslaugh, do you have written copies of your presentation?

**Ms. Pat Bowslaugh (Private Citizen):** I do.

**Mr. Chairperson:** I see you do. Then staff will distribute them. You may begin.

**Ms. Bowslaugh:** Learning curve.

**Mr. Chairperson:** You have the floor, ma'am. The clock begins when you start speaking, so at your discretion.

**Ms. Bowslaugh:** Thank you, Mr. Chair, and good evening members of government and of the opposition. I am pleased to have this opportunity to be here with you tonight.

My name is Pat Bowslaugh, and tonight I am presenting as a private citizen but, as some of you know, I was a teacher and a principal in the public school system for a period of over 39 years. Please allow me to present just one poignant example of scenes from my past, and I need a little prop.

Teacher, teacher, that's not fair. Jason said he can make up new rules for our game, and I don't like new rules. How come he thinks he can change the rules? You said that we must play by the rules.

Johnnie, you are right. As a class, we went over the rules, and we all agreed that those would be the rules we would use on the playground. Not everyone liked the rules at the time, but those were the rules that we have to live with. But sometimes people think they can change the rules without including everyone in the plan. You are right; it is not fair.

\*(18:50)

So why do I bring this example tonight? The answer is simple. Bill 8 is in reference to the Civil Service Superannuation Fund. I understand, from going through the bill off the Internet, that part of the bill addresses the plan of transferring \$145 million from the reserve account into the COLA account. And, further, I have some information that I guess it might be rumour because I didn't find it exactly printed in here, but I have it on fair authority that the bill plans to guarantee a two-thirds COLA, with the potential of up to full COLA based on CPI, if funds are available.

How strange it is that I stood here just one year ago, representing over 7,000 retired persons from a different plan, asking for fair and equitable attention, according to The Teachers' Pensions Act. I ask you what justifies the difference between the civil servants' plan and the TRAF plan? Technically, are we not all under the mandate of the government of the day?

As a representative at the Teachers' Pension Task Force, the information that I heard indicated that no transfer would ever be made from account A of the TRAF plan in order to support the pension adjustment account.

Here we are, exactly one year later, and the very government which implemented a limping, inadequate-to-somewhat-disgraceful plan for retired teachers, appears to be providing, in comparison, a Cadillac plan for our civil service colleagues. Transfer? Guaranteed two-thirds? Possible 100 percent COLA? Unbelievable.

I urge the government, sincerely, I urge the government to pass this bill. At least it will be a great move towards supporting retirees in the civil servants' retirement plan. I am very pleased that the government is at least looking after the needs of one segment of our retired citizens.

Please remember the logic, that using surplus was created through the long-standing contributions of employees whose monies contributed to the surplus, and that is fair. The monies in pension accounts are not there solely on the backs of current employees.

But I also urge you to reflect on the TRAF plan, in which this year retirees received a COLA increase of not 66 and two-thirds, not a 100 percent, but a pathetic 37 percent. Wow. Did you know that 37 percent COLA equates to an average COLA for over 11,500 retirees this year, amounting to \$6.78 a month? Average, remember the word average, it means that there were many hundreds that received \$2 or less. So I ask you, what would you do personally with an extra \$2 for the whole month?

So, back to the schoolyard. Johnny was concerned about the changing of the rules. Johnny had a valid concern. There is a process when the rules are changed. Will you include the members of the Retired Teachers' Association of Manitoba in the process of changing the rules? That would be the right and honourable thing to do. That would be fair.

**Mr. Chairperson:** Thank you, Ms. Bowslaugh. Open the floor to questions, comments.

**Mr. Rick Borotsik (Brandon West):** Thank you, Ms. Bowslaugh, once again, for making your presentation.

I did, at the last part of this, and I believe it was sincere, where you suggested that this bill pass. I would take it from that comment that you're not

wishing to do harm to other retirees, but just simply, from your own organization and your own individuals, would like to be treated fair. Is that—is that a fair comment? That you're not, as I say, suggesting that others be treated unfairly; you'd just like to be treated fairly. Is that correct?

**Ms. Bowslaugh:** Thank you, Mr. Borotsik. Yes, that is entirely correct.

I think that when the government of the day has the foresight to put a bill such as this on the floor, that it is a landmark move, and just because TRAF, at the current moment, doesn't have it, we wouldn't want to deprive any other group of not having it either. I think that that would be unfair of us. It would be selfish and unkind and mean-spirited. And I don't think that we want to be, as an organization, seen to be any one of those descriptors that I just used.

**Mr. Borotsik:** Yeah, and I can't recall, but I'm sure you'll remind me. Did TRAF wish to transfer funds from their plan A account or their basic pension fund into the COLA account? Did you wish to move some of those funds over to the COLA account so that the COLA account could have a larger fund to draw on the COLA on an annual basis? Did you ask for that?

**Ms. Bowslaugh:** In response: actually, as you know, the markets have dropped. But prior to the markets dropping, we have, in the TRAF reports over the years, been told when there is a surplus. However, you'll remember that the Retired Teachers' Association of Manitoba do not have an official voice in the TRAF plan and, therefore, we were not able to negotiate and point out that the monies in the TRAF plan account A were put there in the amount that we were told to pay at the time and that the monies there, over the many years—and, like, I'm an example, I was—you know, I contributed over 39 years. And you know the formula that how often money doubles when it's invested from an early age, I was 18 when I started making contributions, and that that surplus, when there was surpluses, was evolved on the backs of those of us who had put in over those long periods of time.

At the Pension Task Force in the course of the dialogue—and you have to bear in mind that some of us here were invited to sit on the Pension Task Force, but not allowed to speak, until honourable Minister Bjornson changed that, for which we were very grateful. And Minister Bjornson said that we, the RTAM members, could have two representatives, we could speak and we could disagree with the rest

without admonishment, and that was a gigantic step forward.

But, at the time, when we asked for a consideration for transfer, we're not the power bodies at the Pension Task Force, and we were flatly refused. In fact, the word, if I recall correctly from the speaker was, I will never agree for any transfer from account A. Never.

**Mr. Chairperson:** Seeing no further questions, I thank you for your presentation, ma'am.

**Ms. Bowslaugh:** Thank you, I appreciate this opportunity.

**Bill 35—The Municipal Conflict of Interest  
and Campaign Financing Act  
(Various Acts Amended)**

**Mr. Chairperson:** Continuing with the out-of-town presenters, we'll now move to Bill 35, The Municipal Conflict of Interest and Campaign Financing Act, various acts amendment.

I call Mr. Errol Black, private citizen.

**Mr. Drew Caldwell (Brandon East):** I do have the presentation by Mr. Black. He was unable to be here this evening because of a personal matter in Brandon. But I do have, in fact, his submission for Bill 35 in which he has asked me to submit this presentation to the committee for inclusion in its entirety in *Hansard*. And I would request that that in fact occur.

**Mr. Chairperson:** Is what Mr. Caldwell proposed agreeable? *[Agreed]*

**Mr. Caldwell:** Thank you very much, Mr. Chair. I will submit this to the Clerk for inclusion in *Hansard*.

\* (19:00)

**Mr. Chairperson:** Okay, the written presentation will be included in *Hansard*.

We'll move on to Darlene Dziewit, Manitoba Federation of Labour. Darlene Dziewit? Okay, Darlene Dziewit's name will be dropped to the bottom of the list.

Call Mr. Ross Martin, private citizen.

Good evening, Mr. Martin. Do you have any written materials for the committee?

**Mr. Ross Martin (Private Citizen):** No, Mr. Chair, I do not have a written submission. It'll be verbal. It'd

take me quite a while to write out anything right now.

**Mr. Chairperson:** Okay, sir, you may proceed.

**Mr. Martin:** Thank you, Mr. Chair, members of the committee.

I notice that we have a previous mayor that I served under, Mr. Borotsik, and a fellow councillor, Mr. Caldwell. So it's like going to a council meeting of days of old, but at least they'll be able to verify some of what I will briefly talk upon.

**An Honourable Member:** You're not going to ask for his resignation, are you?

**An Honourable Member:** That was my line. Leave it alone.

**Mr. Martin:** Well, that's a good start.

**Mr. Chairperson:** Order. Please proceed.

**Mr. Martin:** Thank you, Mr. Chair. I served 18 years on the Brandon City Council as councillor for Riverview ward, and many of those years were served with Mr. Borotsik as the mayor, and Mr. Caldwell was, of course, a fellow councillor.

Of course, going through that, there were six elections that I had to go through, and one of the things that this bill I think does address is that it does level the playing field, because even though the elections, many of them weren't very expensive to actually carry, there was an expense there and a lot of it depended on how deep your pockets were, and a lot also depended on how deep the pockets of your friends were. And, unfortunately, being from the working area, my pockets weren't very deep and neither were my friends pockets very deep, and there was that imbalance, and I think that that is being addressed in this bill. In fact, I'm surprised that this bill hasn't been brought forward much, much earlier.

I fully support this—that this bill—that it levels out the playing field in that it makes it much more difficult to buy an election in the municipal government, and I don't say that with any malice against anyone. But, it—the perception is always there, that if you have the money, then you can buy a seat, and that hasn't always been true, but the perception's certainly there, and I think that this would keep everything above board such that even the perception would no longer be valid.

The donations, I believe, are quite reasonable, where you can make a contribution to the candidate of your choice up to a certain limit, and I think those

limits are very reasonable for municipal government. I think that they'll go a long ways—as I said previously—to levelling out the field. The—a lot of the—a lot of issues regarding—as I've previously mentioned—the personal fundraising is, some people have very deep pockets and they could do it on their own, or they could shuffle money through the family and do it that way, and I also noticed that this also addresses that issue of the financing.

The one—the other point is, of course, the conflict of interest and the codes of conduct, and we, of course, had to declare what our assets were and what we had investments in, and I always thought they were public and I was surprised that they weren't, and I'm very pleased that they are going to be public. It's not that I think anything—anyone has anything to hide. It's just the perception that they may have something to hide.

Most people that I've seen on the—on councils, on the municipal councils, I can't believe that anybody would have a problem with this because they were probably the most honest people you could meet, and most of the people I have met on council were certainly, certainly not in it for any personal gain, but as a dedication to their, to their area. And I think this just takes off one more layer of perception that they may have some interests in something else.

This would clear it up, and certainly make it a lot better for everyone, because, as you may well be aware, the perceived conflict of interest can sometimes be worse than what a conflict may even be.

So it's excellent that these are being brought forward in this bill. The transparency will make it, will make it better, I think, for all municipal councillors and make it much better for the governance of the municipalities.

The only—the only concern I did have, and I don't know how you can address that, but the—if you make a donation, can any part of it be tax deductible? So, if you're donating, as you do, you know, perhaps to a provincial party or a federal party, is any of this, could it be, tax deductible, and that's the only item I saw that might be of some concern. It might be something that you wish to—wish to actually look at.

And, having said that, I thank you very much for allowing me to make a brief presentation to this august committee. Thank you very much.

**Mr. Chairperson:** Thank you, Mr. Martin, for your presentation.

**Mr. Rick Borotsik (Brandon West):** Thank you, Mr. Martin, for making that wonderful presentation. I echo councillor—Councillor Caldwell—the member from Brandon East, in his comments that the last time that I saw you at a podium, you did ask for my resignation then. You asked for my resignation about a hundred times, if I recall correctly, and I'm disappointed that you didn't do it this time, just for old times' sake.

Mr. Martin, I have a lot of respect for you and your opinions as we go back an awful long way.

You did indicate that you were a councillor for a number of terms. How many elections did you win?

**Mr. Martin:** Six.

**Mr. Borotsik:** And do you believe that the lack of funding regulations, or funding rules, caused you any great discomfort or any difficulty in winning any of those six elections?

**Mr. Martin:** Yes, I believe it did in one instance where it was—it almost came down to a battle of who had the bigger pocket, and—and would it help if I asked for your resignation right now?

**Mr. Borotsik:** No, it wouldn't, Mr. Martin. You don't have any tonight, and you didn't have any influence at that time. You certainly don't have any now.

The conflict of interest—the conflict of interest, as you're well aware, the City of Brandon had a fairly restrictive by-law. It was a conflict of interest by-law and you, along with others, had to file a statement of assets and that was kept and it certainly served the purposes and served the purposes very well, not only from, not only from councillors, but from employees.

Do you not see that that in itself would be sufficient from a conflict of interest standpoint, whereby the municipality, the City or, for this matter, any of the municipalities would be responsible for the maintaining of their conflict of interest legislations and by-laws and enforce those conflict of interest legislation and by-laws?

**Mr. Martin:** My preference, Mr. Borotsik, is to have it uniform province-wide. I see no problem with what is presented in the bill. If it's good enough for the Legislature, I think it should be good enough for the municipal sector.

\* (19:10)

Just having the uniformity is one item. The other is, I don't believe any municipal councillor has

anything to hide, and they shouldn't be afraid of having open and transparent conflict of interest guidelines. So I see nothing wrong with putting this in, and I see it as being no obstacle to anyone running. As I mentioned prior, that people are there to serve the community, and my experience has been that these people are there to serve the community, and this will not stop them from doing so. It would also have the transparency so people will know right up front whether or not they have a conflict and they will know enough to excuse themselves if there is any conflict. So, no, I don't have any problem with this.

**Hon. Ron Lemieux (Minister of Intergovernmental Affairs):** I'd just like to take the opportunity, Mr. Martin, to thank you for making the presentation. It's well thought out, and you raised some very, very good points. So, once again, just thank you very much for taking the time to come out tonight, much appreciated, and at this time I would just like to thank Errol Black as well for submitting his views with regard to this piece of legislation.

**Mr. Chairperson:** Any comments, sir?

**Mr. Martin:** No.

**Mr. Chairperson:** No. I'll go to Mr. Caldwell.

**Mr. Caldwell:** I just want to echo what the minister said, Ross, in Brandon—and Errol and yourself has been very—folks in my constituents have been very vocal about this over the years, as a matter of fact. So it's nice to see you presenting on your experience in Brandon, because it has the same degree of relevance in that community as it does in every other community around Manitoba in terms of enhancing democracy in this province. Thank you.

**Mr. Chairperson:** Any final comments, sir?

**Mr. Martin:** No, thank you very much for your time. I do appreciate it.

**Mr. Chairperson:** Seeing no further questions, sir, I thank you for your presentation.

Mr. Doug Dobrowolski, Association of Manitoba Municipalities. Good evening, sir, do you have any written materials for the committee?

**Mr. Doug Dobrowolski (Association of Manitoba Municipalities):** Yes, I do.

**Mr. Chairperson:** The clerk will distribute them. You may begin.

**Mr. Dobrowolski:** The Association of Manitoba Municipalities, as the umbrella group for all 198 incorporated municipalities in the province of Manitoba, would like to take this opportunity to put our views forward on Bill 35, The Municipal Conflict of Interest and Campaign Financing Act, on the record.

Let me start by saying our association and our membership fully supports making all orders of government more open and transparent. As the order of government closest to the people, we fully understand the need for citizens to know what their elected representatives are doing. We see these people in the coffee shop, the grocery store and the local restaurant. Everywhere we go we are asked, what is council doing? And if a citizen doesn't see their elected official directly, council minutes and decisions are easily accessible on the municipal Web sites. In a lot of ways municipal government is an open book. However, we also understand that there is a need always for room for an improvement.

The AMM has been advocating for greater independence of municipal government including much needed new sources of funding and we understand that greater transparency comes along with this. As a result the AMM can support many of the new directions set out in Bill 35, however, there are some areas we have concern.

One of these concerns is the requirement in Bill 35 that, after November 2009, all financial disclosure statements filed must be made public. There is no doubt a councillor should be basing decisions on the best—what is best for the community and not for their own self-interest, and we fully support the right of any residents in a municipality to question whether it is, indeed, taking place. Currently, any resident has the right to ask the chief administrative officer whether an elected official is in conflict when making a decision. The CAO reviews the financial disclosure statement to see whether the elected official has declared an interest that would place him in conflict.

The AMM is unaware of any situation where a resident was not given the right to question whether an elected official was in conflict, or any case where a CAO did not provide truthful information. We are, therefore, unsure why the current system is being changed in this bill. Therefore, the AMM suggests removing this provision in Bill 35 changing how financial disclosure statements are made public, and we believe the current system is working and

provides citizens with openness and transparency in a municipal decision-making process.

We are equally concerned with the changing the rules in the middle of the current mandate. Sitting elected municipal officials put their name in for consideration based on a clear set of rules and requirements. Everyone elected gave considerable consideration to the expectations and requirements. We understand the assumption that by entering public office your life becomes more public. However, there was never a commitment to have your financial disclosure information available to anyone to review at any time. It is unjust to change the rules on this important issue in the middle of a mandate. Therefore, the AMM is strongly opposed to the changing of the financial disclosure rules in the middle of the current municipal mandate.

Another issue of concern for our association is the penalties for not filing an election finance statement within the allotted 270 days. We believe it is fair that an elected official should lose their seat if they fail to comply with the rules set out. While this is a harsh penalty, no doubt, it is important to ensure transparency in government. We are concerned, however, that the penalty for those candidates who are unsuccessful is not strict enough.

The bill currently disqualifies these candidates from being nominated for or elected as a member of council until the next general election. At most, these candidates would have to sit out one election cycle and would be eligible to run in any by-election following the next general election. Therefore, the AMM would like to support stronger penalties for unsuccessful candidates that fail to file election finance statements within the allotted time.

The final concern for the AMM is the requirement for the CAO to report any failure to file an election finance statement to the head of council. As currently constitutes, this places the CAO in a difficult position, that is entirely possible that the head of council could be the one who failed to file their statement. The AMM would therefore ask that Bill 35 be amended to require that the CAO to report in writing a failure-to-file—an election finance statement to the entire council rather than just the head of council.

Another important issue that needs to be considered is the impacts these stricter rules will have on attracting candidates to run in municipal elections. We have often heard from our members that it is difficult to get people willing to serve on

municipal councils. It is certainly a thankless job, at times, with little compensation and long hours.

It is critically important that we look at ways to make participation on municipal council more palatable, rather than more onerous. Communication will also be critical in ensuring everyone knows and follows the new rules. We believe a comprehensive public education campaign must be undertaken to let everyone know about the new rules. The AMM can certainly play a role in letting the current elected officials know about the new requirements, and we'll be making time available at our upcoming convention to update our members. However, it is equally important that citizens outside the current process, but interested in running in municipal council for the first time or perhaps, in some cases for the second or third time, are aware of the new rules.

Municipal offices can help disseminate information once people register as a candidate, but people know—need to know, sorry—but people need to know they must come forward to register first. It is also critical that all the rules in place for election expenses are clear. Issues like what should be considered as mileage, what do you claim for meal expenses and should you be—should you, sorry—and who should you—should be considered a volunteer all need to be made clear to candidates. We are happy to work with the department to prepare this material and make sure it is clear.

It is important to remember that municipal candidates do not have official agents or political parties to turn to for support. Often, these are local people who have limited exposure to public life but are willing to step up and play a greater role in their community. It is essential that they have all the support necessary to meet the requirements of the new legislation.

As I stated earlier, AMM fully supports making all orders of government more open and transparent. Citizens today expect the democratic process to be open and accessible. Municipalities have responded to these expectations, as nearly everything done is either available on-line or at the municipal office. However, we can certainly understand the desire to move further in this direction, and the AMM can certainly support many of the amendments proposed in Bill 35. However, it is critical that we do not go so far that it becomes too onerous to run for council or to serve in your community.



I would like to thank the committee for allowing the association to prevent this—to present this view on this important legislation. Thank you.

**Mr. Chairperson:** Thank you for your presentation sir. Questions, comments from the committee?

\* (19:20)

**Mr. Lemieux:** I just wanted to take this opportunity to thank you for presenting this evening. And I know that we've worked on many, many other issues very closely and we very much respect not only your office but that of AMM. And I know that you've given this careful thought and we thank you for your comments with regard to a number of the issues related, as well, to this bill, and we are always open to taking a look how to enhance or improve legislation, but this evening we'll not be making any amendments, but we'll certainly look at that going forward.

**Mr. Dobrowolski:** Thank you.

**Mr. Borotsik:** Once again, yes, thank you for AMM always representing the municipalities as well as they do. I would assume that some of this legislation has been proposed for some of the larger urban centres as opposed to some of the smaller rural centres, and I do know you represent all of the 198 municipalities. I know you've got some personal experience in a smaller constituency or smaller municipality.

Having full public disclosure, you had said that it may dissuade some people from running in municipal elections. In some of the smaller R.M.s where you have six councillors, a lot of them businessmen, a lot of them farmers, a lot of them having some fairly serious assets, do you feel that that, in fact, would have some of those people rethink their either rerunning for council or running in the first place, having a small community know and have your assets disclosed to that community?

**Floor Comment:** Yes, it's—

**Mr. Chairperson:** Mr. Dobrowolski.

**Mr. Dobrowolski:** Sorry, Mr. Chairman.

Yes, I think what we've heard is that it will detract people from running and people from rerunning. You know, and I think the issue is that somebody from the community now can just come in and want to look at their financial asset sheet for no apparent reason, where now, under the current rules, if people believe you have a conflict, you can go ask

the CAO and he or she says yes or no. So I think it's the fact that people can just come in and ask to see your asset sheet. I think that's what's going to deter people from running.

**Mr. Cliff Graydon (Emerson):** Thanks for your presentation tonight, Mr. Dobrowolski. I actually took offence to Mr. Borotsik's comment about businessmen and farmers, as if the farmers aren't exactly businessmen. But, Mr. Dobrowolski, as we in the Legislature have a conflict of interest officer, would something like that be advisable rather than what's being proposed?

**Mr. Dobrowolski:** Well, you know, we haven't heard a lot of negativity on that, but, I mean, again, you're making a simple process a little more onerous. It works very well as is, and we think it's a good system the way it works, and we'd like to stay, see it that way.

**Mr. Chairperson:** Thank you. Seeing no further questions, sir, I thank you for your presentation.

That concludes our out-of-town presenters.

#### **Bill 8—The Civil Service Superannuation Amendment Act (Enhanced Manitoba Hydro Employee Benefits and Other Amendments)**

**Mr. Chairperson:** We will now go back to Bill 8, The Civil Service Superannuation Amendment Act (Enhanced Manitoba Hydro Employee Benefits and Other Amendments), and I call Mr. Richard Benoit, Retired Teachers' Association of Manitoba.

**Mr. Richard Benoit (Retired Teachers' Association of Manitoba):** Mr. Benoit, I see you have some written materials for us.

**Mr. Benoit:** Yes, I do.

**Mr. Chairperson:** Our clerk will distribute them. You may begin.

**Mr. Benoit:** Honourable members of this legislative committee hearing, I am proud to be the president of the Retired Teachers' Association of Manitoba, RTAM, which consists of 7,613 retired teachers, and our association thanks you for the opportunity of presenting our opinions regarding the proposed changes to the civil servants superannuation act, CSSA.

Firstly, we concur with the thrust of this new legislation which would help ensure a better COLA for the civil servants of our province who have worked and work very hard to improve the life and quality of all Manitobans within the parameters of

the legislation and policies of our province. However, we are deeply disappointed with the injustice and iniquity this proposed legislation presents in regards to the treatment allotted to retired teachers of Manitoba that was contained in the infamous Bill 45 passed last fall, approximately one year and 10 days ago by this same Legislature and whose provisions are now part of the retired teachers' pension act. This act did not allow any transfers from the main account of the teachers pension plan to account A which handles the COLA fund in order to preserve the integrity of the basic plan. The injustice: one bill in 2009 proposes the transfer of funds; the other one in 2008 did not.

Bill 8 proposes to transfer \$145 million that existed in a surplus fund as of December 31st, 2007, to be transferred to the superannuation adjustment account. This amount shall then be used for future indexing during the next 30 years as determined by the CSSA board on a recommendation of its actuary. This \$145-million surplus fund consisted of monies set aside for a number of years as surplus reported in annual reports separately, and was maintained as surplus for some years.

Bill 8 is now taking that money and transferring it to the cost-to their cost-of-living account, superannuation adjustment account, which is the equivalence of our COLA account, the pension adjustment account, PAA. Years ago when these surplus funds were set aside, the CSSA did have a surplus. Now the CSSA is no longer in a surplus position, a plight similar to most pension funds, including ours. With this transfer of funds in Bill 8, the government is taking a strong stand on COLA for future and retired servants. In comes the comparability issue between the CSSA and the TPA, which were presented to and passed by this Legislature—by the Legislature—as sister acts formulated and written at the same time and passed at the same time. Naturally, they evolved over time and went into different directions, but the foundations were identical.

Then, in 2008, Bill 45 was presented to the Legislature, and we were told that the government wanted the TPA to be consistent with the CSSA in regards to COLA being capped at two-thirds, and this bill did put a two-thirds cap on COLA for teachers. In reality, however, the CSSA does reduce COLA to two-thirds—while it does reduce COLA to two-thirds, there are provisions for going above the prescribed two-thirds. Thus, at present, the CSSA

does allow to surpass the two-thirds COLA, but not the revised TPA. Once again, we must ask: Is this fair? Is it comparable? Once again, our answer is no.

Then Bill 8 proposes to transfer \$145 million from its surplus account to its COLA account, civil servants superannuation adjustment account. There were no—there was no transfer of money in regards to retired teachers. Once again, why is—why is there this obvious inequity? With retired civil servants, we transfer. With retired teachers, we do not.

The same question returns repeatedly: why the differentiation in treatment between two similar groups whose pensions are about affected by the same government? Time today does not allow us to conjecture as to the reasons, but we are perplexed and disappointed by the lack of comparability between two similar groups treated very differently just one year apart.

The Civil Service Superannuation Board is to be commended for paying particular attention to the financial hardships of retirees when faced with the impact of reduced retirement purchase dollars. Legislators, RTAM is proud of the fact that you are acting, attempting to enhance the plight of civil service retirees by transferring \$145 million for their COLA, and for this we commend the government. However, one year after the passage of Bill 45 and the denial of equal treatment for teachers, leave us struck with a dim reality for the future, one which seems to become darker yet as we live and come to understand still more the reality of our plight created by Bill 45. Are comparability and equity no longer part of this Province's vocabulary and actions? Have teacher contributions to society during the depression, the war years, as well as the better years have been forgotten? Have we not contributed to the enhancement of this province as well as civil servants?

\* (19:30)

The answers that can be gleaned from this proposed bill are that we are not as important or not important enough to be treated equally with similar groups. Thus, RTAM is forced to ask, as Robert Frost suggests, why different roads were taken for civil servants and for us. However, RTAM also wishes to remind the government, as Robert Frost did to himself that cold, snowy winter evening when he gives his harness bells a shake, that we and the government have miles to go before we sleep and we

shall not sleep until equity is attained. Respectfully submitted.

**Mr. Chairperson:** Thank you for your presentation, Mr. Benoit. Comments, questions from the committee. Oh, one second, Mr. Schuler. Mr. Benoit?

**Mr. Benoit:** Mr. Chairperson, I just wanted to say that the hearings were held for this bill on the date I said. No, not the hearings; it was passed on that date. That's fine. I thought I had to correct myself but I do not. Fine.

**Mr. Chairperson:** Okay, thank you, sir.

**Mr. Ron Schuler (Springfield):** Thank you very much and I, of course, will choose my words very carefully, that I speak proper English, seeing as two of my former teachers are in the gallery and are going to be presenting shortly.

Thank you very much for coming forward and I know that this is an issue that is very painful to you as an organization. I was there during those bitter, hot summer days. That would obviously be a summer ago; it couldn't have been this last one.

And many teachers came forward—some ill of health—and were forced to walk to their vehicles late at night. It really was an ugly time for our province. I think it's a low point, and we certainly do appreciate the fact that you're out here again and raising this very important public concern and doing it with amazing credibility. It's not that you're trying to say, you know, if not us, then not them. What you're actually saying is yes to them and then also yes to us.

Did you not just have a luncheon—and I apologize, it was a reception for the honourable Ed Schreyer, and again, I apologize; I couldn't be there. Could you tell us what his position was on the pensions for retired teachers?

**Mr. Benoit:** We were fortunate in having the Honourable Peter Bjornson attending and we thank him. So, if ever I say something wrong, Minister Bjornson, you can correct me yourself.

The Honourable Ed Schreyer did touch on the concept, on the philosophy of social democracy, and on many points of the necessity to help citizens while the government is able to help them. To say that he directly addressed this pension issue, I cannot say that I specifically recall.

**Mr. Chairperson:** Seeing no further questions, Mr. Benoit, I thank you for your presentation.

Call Ms. Anne Monk, private citizen. Ms. Monk, I see you have some written materials for us. You may begin when you're ready. You have the floor, ma'am.

**Ms. Anne Monk (Private Citizen):** Okay, thank you. Madam Chairperson—or Mr. Chairperson, honourable minister, committee members, I appreciate the opportunity to present my views related to Bill 8. I am a retired teacher and member of the teachers' pension plan. I also note that I am a director of the Retired Teachers' Association of Manitoba board and currently serve as pension committee chairperson and have also served as the RTAM representative on the teachers' pension task force. Formerly, for 10 years, from 1987 to 1997, I served on the TRAF board holding positions as vice-chairperson, investment committee member and, for a period, as acting chairperson of the board and the investment committee.

I am presenting this evening as a result of one of the proposed amendments in Bill 8. I am not speaking in support of or in opposition to Bill 8, but I am gratified to see that it is proposed to give a sister plan COLA funding support.

I wish to comment from my perspective on how Bill 8 relates to retired teachers and the COLA problem in the teachers' pension plan. The proposed amendment to which I refer is additional funding of adjustment account. It allows for a lump sum of \$145 million to be transferred from the basic benefit account, the account which finances the basic benefit, to the superannuation adjustment account, the account which finances COLA, to be used for future indexing for the next 30 years in a manner to be determined by the board. The amount from the 2004 basic benefit surplus has been earmarked as a reserve for future indexing benefits, subject to legislative approval since 2005.

Why is Bill 8 important to retired teachers? Despite similar long-standing problems and actuarial warnings, in similar conditions in the civil servants' and the teachers' pension plans, Bill 8 results in retired teachers being treated differently than the civil servants.

For Bill 45, which contained amendments to some of TRAF's COLA arrangements and was passed last fall, the government argued comparability in COLA amounts when it enacted a maximum two-thirds of CPI COLA for teachers.

Yet there is departure on the government's part in the notion of comparability for COLA funding in Bill 8. Why the different treatment? In asking this question, I have four points to make.

One: a transfer of basic benefit surplus has been agreed to at the civil service to enhance the funding of COLA, while retired teachers to date have been denied a transfer of basic benefit surplus to improve funding of the COLA account.

The Sale report arising out of the last round of the negotiations at the Teachers' Pension Task Force made no recommendation regarding use of the basic benefit account or surplus for a means of enhancing the funding of teachers' COLAs. Its funding recommendations were minimalist.

*Mr. Vice-Chairperson in the Chair*

RTAM has had a long-standing position that an option for solution to the teachers' COLA problem is a lump sum transfer from the basic benefit account, or surplus to the COLA account. That is a transfer from account A to the pension adjustment account or PAA.

At these pension task force meetings, even our request by RTAM to have actuarial modelling of the impact of \$100-million transfer from the basic benefits account to the COLA account was refused despite the fact there was an actuarial surplus for service accrued, as indicated in the actuarial valuation as at January 1st, 2006. Why the different treatment?

Two: a transfer of basic benefit surplus in the civil service fund is proposed despite the existence of a current service contribution shortfall, meaning active civil servants are not contributing sufficiently to fund their future benefit promise despite the need for a contribution increase and despite a deficit. These same conditions exist at TRAF and have been stated by both the Manitoba Teachers' Society and the government as reasons for not using the basic benefits account in surplus to enhance funding of the teachers' COLA account.

In this regard, I would note two further telling points. First, TRAF is making use of surplus to subsidize the contribution shortfall of new active teachers. Second, retired teachers, for years, have subsidized the basic benefit account because retired teachers were denied the benefit of higher equity returns earned on the PAA assets, as the PAA

formerly was credited only with fixed-income returns.

Civil servants have had the benefit of the crediting of total fund returns to their COLA account for a number of years. Why is the government supporting use of the basic benefit account for COLA funding at the civil service fund when it won't for TRAF, despite similar conditions? Why is the government treating retired civil servants as equals with active civil servant workers, but won't treat retired teachers as equals with active working teachers? Why the different treatment?

\* (19:40)

Three: the actuarial methodology in the civil service fund seems to be a methodology that enables enhancing the funding of COLA. The actuarial value of the assets has been adjusted to reflect the 2004 basic benefit surplus of \$145 million. This amount was earmarked without interest as a reserve for future indexing benefits. It was first noted in the notes to the consolidated financial statements in the 2005 CSSB annual report and has continued to be reported in each consecutive year.

Four: there seems to be a different approach and attitude regarding COLA funding for civil servants. At the civil service plan, the unions and employers have agreed to use surplus to enhance funding of the COLA account. Actuarial warnings regarding the status of the COLA account were provided to the parties responsible for negotiating changes, the employee liaison committee and the employer advisory committee, and they agreed to the transfer of surplus. In contrast, the Manitoba Teachers' Society and the government have refused such an approach at the Teachers' Pension Task Force. MTS and the government have taken the position that full funding of the basic benefits should have priority. RTAM interprets this position as meaning no use of the basic benefit and surplus for enhanced funding of the COLA account.

Government appears to be looking after its employees, while its approach to teachers has been minimalist. Why the different treatment? The respective unions appear to have a different approach.

Ms. Isaak, MTS president, made the MTS position clear in Pension Task Force negotiations and crystal clear in her presentation at the Bill 45 hearings. Quote: The surplus in account A should remain in account A. To rob the basic benefit to pay

COLA is wrong on every conceivable level, and it is something the society will never agree to. End of quote.

The civil service unions have apparently not taken this approach to use—toward the use of surplus for enhancing COLA funding. They appear to be looking after the interests of retired civil servants and have been able to obtain for civil servants what MTS has been unwilling to negotiate for retired teachers. MTS appears to be serving the interests of the active teachers, its dues paying members. Retired teachers would have been better off having MGEU representing their interests.

In conclusion, the government has argued comparability in COLA amounts and enacted this via Bill 45, yet no comparability in COLA funding is inherent in Bill 8. This appears to me to be political hypocrisy.

Retired teachers continue to be failed by the system. We have paid for inflation protection, in fact, 60 percent more than civil servants. What has the Bill 45 funding solution for retired teachers produced? A 60.4 percent of CPI COLA in the first year and a 30.8 percent of CPI COLA in the second year. The Sale report prognostication of achieving two-thirds COLA in the first three years has not been achieved.

In contrast, retired civil servants have received a two-thirds of CPI COLA in 2008, and a 64.2 percent of CPI COLA in 2009. The treatment of retired teachers remains unfair and inequitable. More significant COLA funding is still needed for retired teachers. Thank you.

**Mr. Vice-Chairperson:** Thank you very much, Ms. Monk, for your presentation.

**Mr. Schuler:** Thank you very much, Ms. Monk, for waiting all this time to have your opportunity to speak to this bill. We certainly appreciate your presentation. It's very factual. It's all there. It's all-inclusive. I don't think there's even any questions to ask. I'd just like to say thank you very much and thank you for all your contributions over the years.

**Mr. Vice-Chairperson:** Ms. Monk?

Any other questions from committee members? Seeing none, thank you very much, Ms. Monk, for your presentation.

I'd like to—committee would call Dick Marshall. [*interjection*] Oh, I'm sorry, I'm sorry—Peggy Pendergast. Peggy Pendergast.

Ms. Pendergast, do you have written material for the committee?

**Ms. Peggy Pendergast (Private Citizen):** Yes. They're going to hand it out.

**Mr. Vice-Chairperson:** Thank you, Ms. Pendergast. And the Clerk's staff will pass the written material. You might begin your remarks at your will.

**Ms. Pendergast:** Thank you, Mr. Chairman, and members of the committee. I don't think I need to introduce myself. I've been coming for many years and I would just—this is going to be a very brief presentation this evening.

I would like to make it clear right from the beginning that I am in support of Bill 8. I believe it is not only reasonable and fair for MGEU retirees; it is also, in my opinion, very appropriate considering the economic times we are experiencing.

It appears to me, after hearing some of the statistics quoted at the salute-to-Ed-Schreyer evening last week, that we are in times similar, if not worse, than the mid-1970s. When inflation hit after a very deep recession at that time, the buying power of the dollar fell by 10 cents a year for a straight five years and beyond. What a disaster that would be for my pension.

The NDP party at the time realized what a disaster it was for retired teachers of the time. Cost-of-living allowance was instituted through the establishment of the pension adjustment account. Indexing for teachers' pensions was established. The intergenerational nature of the legislation worked for many years. Today it does not work. There is not enough money generated.

It is especially difficult for those teachers 80 and over. More than 10 percent of retired teachers fall into this age bracket. There is no way they can supplement their pensions, other than something being done with their COLA. Is it fair to ask them to return to the work force? A majority of these teachers are women whose salaries, when they retired, were much smaller than the retiring teacher today, and who now are living below the poverty line. Not only are many of them invisible, they are not on boards and committees. Many of them believe their former advocate, the Manitoba Teachers' Society, and the government, especially the NDP, will do the right thing for them. Haven't they always in the past?

Many of those—of these teachers have been the backbone of volunteerism in the province for decades. Their communities and schools have benefited from hours of time donated to help children, neighbourhoods, churches and other not-for-profit organizations. Now they need help or at least a sense of fairness and hope from their government.

The Manitoba Teachers' Society has stated unequivocally that no monies from account A of the teachers' pension fund may be transferred to the pension adjustment account to support an increase in the COLA for retired teachers.

MGEU has seen fit to support their retirees by introducing Bill 8. In my mind, it would be reasonable and fair to provide the same type of legislation for the teachers' pension fund, the other legislated pension for civil servants in the province, especially in these trying and unsure times for the older pensioner. I support Bill 8. I support a reasonable and fair pension for retired teachers in our province.

And I'd like to direct your attention to the sheet that I added, which gives you some figures. It's quite obvious from the numbers of women and men 80 and beyond, the gender difference, and it's quite obvious the difference in the salaries or pensions, in other words, that these people receive. I guess the bottom paragraph of the sheet that I've given you says that Statistics Canada's low-income cutoff, in 2008, for a city the size of Winnipeg, is \$21,300. The low-income cutoff provides, at best, a minimally comfortable standard of living.

\* (19:50)

Retired women teachers over 80 years of age, even with OAS and CPP of an undetermined value are likely to find themselves very close to this low-income cutoff. The annual income is \$21,300 or \$1,775 a month before taxes. OAS and CPP are fully indexed to CPI. The TRAF portion of a retired teacher's income deteriorates exponentially with a COLA less than CPI.

There are 1,022 women over 80, over 10 percent of all retired teachers, with little or no hope of supplementing their income by working, facing living, at best a minimally comfortable standard of living, if the COLA is not fixed soon. The situation can get nothing but worse for younger teachers. Thank you.

**Mr. Vice-Chairperson:** Thank you very much, Ms. Prendergast, for your presentation.

**Mr. Schuler:** Thank you very much, Ms. Prendergast, for your presentation, and always a pleasure to see you at committee.

In particular, we'd like to thank you for the work that you've done on the spread sheet for us; I think it's important. Certainly, as legislators, we have a lot happening in this building and a lot going across our desk, and when we see numbers like this, again, it's sobering. It reminds us again of committee over a year ago when we had presentations coming forward that were sobering, to say the least, and, you know, again, we really appreciate the fact you're coming forward, and you're not saying, not us, not them. You're being very clear. You're not wanting to take away from anybody else's pension.

What you are saying is that, for all the work and effort that you've put into it and considering the kind of numbers we see here, the least you could expect is the government would live up to its commitment that was made years ago, and that would be a COLA, a reasonable COLA I think is what you were asking for a year ago, and we appreciate it. Thank you very much for coming out again.

**Ms. Prendergast:** Thank you for the opportunity to present.

**Mr. Vice-Chairperson:** And thank you for your presentation. It's always a pleasure to see you.

Mr. Dick Marshall. Thank you, sir. Do you have a written presentation for the committee?

**Mr. Dick Marshall (Private Citizen):** No, I don't.

**Mr. Vice-Chairperson:** Thank you very much. You may begin at will.

**Mr. Marshall:** Hi, my name is Dick Marshall. I taught for 37 years, and when I retired, I did not receive a full pension. To receive a full pension, I would have had to work for 43 years. Had I been an MLA, at 35 years, I would have had a full pension. Why the difference? Teachers' pensions are cheap. I see someone is shaking their head, but that's true.

Teachers receive a 1.4 percent times every year that they teach. Why the difference? Well, there are historical reasons. Personally, I'm prepared to call them hysterical, but the point is that there's enough flex in teachers' pensions that the government could, with all due conscience, do exactly the same thing

they've done for bill—for the teachers as they've done here in Bill 8.

And this has been done through other provinces across this Dominion where teachers' pensions have got into trouble, and they've gone an extra bit. In fact, if you look at the history of the teacher pension plan here in Manitoba, there was a point in time in which the Manitoba government guaranteed the rate of return that the plan would achieve just so that it would continue to be a viable plan.

I've been reading a fair bit about the Canada Pension Plan. I gather I'm older than most of you here. So perhaps I'll just burn your ears a little bit. Canada Pension Plan was invented in 1963 by a minority government, which is kind of an interesting sidelight, and one of its features was that it paid full benefits within 10 years. So, anybody who is 50 years old all of a sudden got a full Canada Pension Plan that they really hadn't paid into.

Now, why did they do this? Well, because most of the people, who were 50 in 1963, most likely were earning during the 1930s, in the Dirty Thirties, and the Depression that they had there, where people's incomes were drastically reduced. There was five years when, on average, the Canadian's average wage declined 25 percent, and just at 1939, when they had got back that 25 percent that they'd lost on average, along comes the Second World War, and so they have another six years of privation and sacrifice. After the war there's approximately 15, 18 years of golden years before inflation hits, but they had sacrificed a fair degree of their earning power, and so it was recognized in the socially justice way that the only way to deal with them was to make their benefits payable to them at an opportune time.

I take you now to the teachers' pension plan and to the civil service plan. In 1977 when all of a sudden they started taking over, teachers were paying 50 percent of the indexing. Previous to that, the government was paying 100 percent, from 1970 to '77. All of a sudden you had people who were receiving a benefit, indexing, that they hadn't paid for.

So, understand some of the anger that you probably have heard from teachers that at a time which they stepped up and started contributing to the COLA, the pension adjustment account to index teacher pensions, that money was being paid out. It wasn't gathering and accumulating in a sufficient fashion to be able to pay for their indexing when they retire, in my case in 2002. To have required that

of the teachers teaching at that time would, in the words of the people who are devising the Canada Pension Plan, required them to pay twice. You had to pay for the person who came before you, and then you had to pay for yourself. And the idea was with the Canada Pension Plan that over a period of years they would gradually move into a position where the plan would become self-sufficient.

Now if you know your history, you know that the favourite whipping boy of the pension plan by 1990s was the Canada Pension Plan. Some of you may know a fellow by the name of Murray Smith, husband, a significant other of the former MLA, Muriel Smith, and I can recall him as well as MTS staff officers and private investment counsellors in the 1990s saying, when you retire take the Canada Pension Plan full. Don't wait for it, because it may not be there for very long, and that was said, by the way, as late as the year 2000, long after the plan had been fixed.

This book, *Fixing the Future* by Bruce Little is sub-titled, *How Canada's Usually Fractious Governments Worked Together to Rescue the Canada Pension Plan*. My point is that this government, or the government of Manitoba, the Manitoba Teachers' Society and the retirees have got to get together and fix this plan because it is not going to get any cheaper. One of the codas that you get from reading that book about the fixing of the Canada Pension Plan is it doesn't get cheaper the longer you wait.

Right now there is a tri-annual evaluation being done of the teachers' pension plan and one of things it's going to say again, is that current active teachers are not paying sufficient to cover their future liabilities. I, as a past liability, am in a good category. The current active teachers are going to have to pay more. There are reasons for this, I don't want to go into, but the point is, that for this—for, again after every third year and for the third year of this particular government's mandate, they are going to be told that the current active teachers are not paying enough, and still there is no contribution increase sufficient to cover that. There was one three years ago, it was half of what was being asked for.

\* (20:00)

Previous to that, in 2002, when I retired, the Manitoba Teachers' Society was asking for 2.1; 1.1 for the active teachers, 1 percent increase to go directly into the pension adjustment account, in other

words, to help alleviate the indexing of the teacher pension plan. That's gone now. In seven years, that's gone and it's not gonna get any easier the longer we leave this.

So I congratulate this government on doing the right thing, at least with the civil servants. I congratulate them on reaching a consensus so that they don't have people getting angry at them and showing up and saying nasty—saying nasty things about them.

And the last point I want to leave you with is this: Canada Pension Plan got fixed. We have the expertise in this great dominion of ours with regards to pension plans. When I flew into Auckland in 2006, I saw spread over the front page of one of their dailies, "the Canadians are coming," and they were talking about the Canada Pension Plan.

The asset—the number of assets in the Canada Pension Plan are so significant that we rank in the top five of all of the heritage plans that are in the world, and that includes the Saudis, the Kuwaitis and the Norwegians. I think I've run out of time.

**Mr. Vice-Chairperson:** You still have a minute, Mr. Marshall.

**Mr. Marshall:** Ah, well, then, I'll keep going.

**Mr. Vice-Chairperson:** Are there any questions of Mr.—or Mr. Marshall?

**Mr. Schuler:** Yes, Mr. Marshall. Thank you very much for showing up for committee again. We appreciate the fact that you come forward and always bring new information to our committee.

You're absolutely right. This can be fixed and this must be fixed. And certainly we have, we have spoken at length, whether it was a year ago at committee or over the year and, again, on this piece of legislation, is that the government should do the right thing and sit down with all parties and, in a very up front and honest and "integrious" way, start dealing with this issue, because the longer we wait, the more expensive it's gonna get.

So we very much appreciate your comments on this issue.

**Mr. Vice-Chairperson:** Thank you very much, Mr. Schuler.

**Mr. Marshall:** Thank you.

**Mr. Vice-Chairperson:** Thank you very, very much.

Mr. Wayne Hughes. Thank you very much, Mr. Hughes. Do you have presentations that our quick staff—

**Mr. Wayne Hughes (Private Citizen):** I do.

**Mr. Vice-Chairperson:** —has passed around? Thank you very much. If you don't mind commencing at will. Thank you.

**Mr. Hughes:** Thank you. Good evening, committee members. Thank you for this opportunity in presenting.

If my tally is somewhat correct, I believe you've had some lessons in fairness, justice, mathematics, disabilities, actuarial predictions, history, and that's just to sample a few of the topics that you've been listening to tonight, but your main job, in my opinion, is to ensure fairness and justice.

As a retired teacher, I want to commend the board of civil servants superannuation fund for their forward thinking and their fair-minded approach to the funding of cost-of-living adjustments for their retirees.

*Mr. Chairperson in the Chair*

What we see here is a board who is concerned with the welfare of all their members. The planning for this particular event, in terms of the, Bill 8, started well before December 2007, and actually we heard from one of the other presenters it was most likely as far back as 2005 when the reserve account was established.

The government is to be commended for their support and their decision to enact Bill 8 where additional funding is being transferred to the superannuation adjustment account to support the indexing for the next 30 years. So why am I here before your committee? I believe the same standards and the same approaches should be used in another pension plan, which is sponsored by the government of Manitoba.

It appears as though we have two very different approaches to transfer of money from the main account to the indexing accounts. They are Bill 8, where a significant amount is to be transferred to support future indexing, and the teacher pension plan, where one of the partners, and we've already heard this quote once this evening, that one of the partners says, direct quote: the surplus account in



account A should remain in account A. To rob the basic benefit to pay COLA is wrong on every conceivable level, and it's something that the society will never agree to.

I thought politicians always believed that, in fact, you should never say never. This person is maybe not a politician.

What is needed here, to be fair, is the same or similar approaches to the transfer of monies. If you remember that the monies in the fund belong to both retirees as well as working members, I believe the needs of all members need to be considered. Interest groups imposing their views are not fulfilling their fiduciary responsibilities.

A second area of unfairness that I'm concerned about is the difference between the two pension plans and the limiting amount of the way they limit the amount of COLA payment. Throughout the process of passing the amendments to the teachers' pension plan last year, we heard teachers should be limited to two-thirds of CPI, just like the civil servants since the two plans were sister plans. Consequently, Bill 45 capped all CPI payments to two-thirds CPI for 10 years. Upon further examination, the CSSA does not—does reduce, sorry, the adjustment by one-third when the prefunding is not sufficient, and that's section 33(7.1). But the next section allows for some variation above the two-thirds on this recommendation of the actuary, that's section 33(8). Again, this appears to be unfair, an unfair application of similar concepts. Namely, retired teachers capped for 10 years and the CSSA reduced with a way to increase adjustments if funds are available.

In conclusion, I support the fair-minded approach of Bill 8, and encourage and even ask the government to develop standards or guidelines for all government pension plans to follow to ensure the fair treatment of all pension members. Thank you.

**Mr. Chairperson:** Thank you, Mr. Hughes.

Questions?

**Mr. Schuler:** Yes, and thank you very much, Mr. Hughes, for being here this evening. Great to see you out again and, again, this is a very important issue for thousands of Manitobans who are looking for equality. Appreciated your opening statement where you listed a lot of things that have been raised in regards to the two plans today already and, perhaps, at some point in time, retired teachers will come to

be able to realize a proper cost-of-living increase which they paid for, which they are entitled to.

So thank you very much again for coming out, and we certainly appreciate, again, all the presentations from you and all the retired teachers in that they're always full of integrity and always have the numbers and everything is quoted, and we appreciate that as a committee.

**Floor Comment:** Thank you.

**Mr. Chairperson:** No comment, Mr. Hughes? Go ahead.

**Mr. Hughes:** Perhaps the only comment I can make to that is that, as teachers or as former teachers, I think you may notice by now that we're not gonna go away. We do see it as an important issue. It's integral to our well-being in our well-deserved retirement, and we look forward to the day that things get better.

\*(20:10)

**Hon. Dave Chomiak (Minister of Justice and Attorney General):** Yes, thank you for the presentation. I was here over the summer too when the debate went on and I don't propose to re-debate some of those issues, but the word "actuarial" has been used several times tonight. Were there any actual warnings on the, the teachers, on that fund? Were any actual warnings received?

**Mr. Hughes:** Actuarial warnings on the—

**An Honourable Member:** On the solvency.

**Mr. Chairperson:** Mr. Chomiak.

**Floor Comment:** On the solvency.

**Mr. Chairperson:** Mr. Hughes.

**Mr. Hughes:** Sorry. We're going to catch up.

**Mr. Chairperson:** You have the floor, sir.

**Mr. Hughes:** Actuarial warnings have been given a number of different times to my knowledge, going back as far as in the 1980s. That's one of our main concerns is that we keep on hearing about it but the inaction has been continued, and, similarly, as Mr. Marshall indicated, that the plan is not getting simpler to fix. It's just becoming more and more complicated and costly to fix, and so, consequently, we believe that the action needs to be done and it needs to be fair.

Could I just add one particular item?

**Mr. Chairperson:** Yes, sir.

**Mr. Hughes:** I'd just like to compliment again, Mr. Chomiak, for asking that question. It's—interestingly enough, I've spent about six days at committee hearings, and I will say that's the first question, sir, that we've received from the government and I thank you for that.

**Mr. Chairperson:** Seeing no further questions, I thank you for your presentation.

Okay, that concludes presentations on Bill 8.

**Bill 35—The Municipal Conflict of Interest and Campaign Financing Act  
(Various Acts Amended)**

**Mr. Chairperson:** We'll go back to Bill 35, The Municipal Conflict of Interest and Campaign Financing Act.

I call Mr. Kevin Rebeck, CUPE Manitoba. I see you have some written materials. The clerk will distribute them. You may begin.

**Mr. Kevin Rebeck (CUPE Manitoba):** Great. Thank you very much, Mr. Chair, committee members. The Canadian Union of Public Employees in Manitoba represents over 26,000 public sector workers. The majority of municipal workers are organized under CUPE, and as workers and community members, we take conflict of interest and municipal campaigns very seriously. Bill 35, The Municipal Conflict of Interest and Campaign Financing Act, will extend the principles and practices of democratic elections in Manitoba, and, therefore, it's an important legislation to pass.

The proposed legislation will help strengthen public confidence in municipal government by improving the transparency and accountability for holding elections. The act will extend campaign finance practices and conflict of interest rules to all municipalities in the province and therefore equalize opportunity for all candidates in municipal elections.

As municipal statement of assets and interests related to election for public office are not open to public disclosure, we agree it's time to rationalize requirements within existing standards for provincial elections. It's an important step forward to require these statements be made publicly available, consistent with provincial legislation.

The public has a right to know about potential conflict of interest of any elected official and those who support the election of officials. The legislation would strengthen the existing municipal council conflict of interest law that applies to every mayor

and councillor in Manitoba and is therefore important to every citizen for the province.

The amendments to the bill would require all Manitoba municipalities, including the City of Winnipeg, to develop a set of bylaws that defines a code of conduct for all employees. It's also a healthy change, and we believe this approach will encourage a greater respect for public officials and encourage citizens to run for office.

The main benefits of the proposed campaign finance rules for all municipalities will be to shift campaign contributions from organizations to individuals; level the playing field for candidates between those who have access to significant financial resources and those who do not; to improve public access to information; to assure candidates and contributors are meeting the requirements of the law and are therefore maintaining the underlying democratic principles we value in Canada; and clarify the obligations of employees to assure public information is not used for private purposes and gains.

We do have a few recommendations, a few specific issues we think should be addressed in the legislation before it's moved on for second reading. In particular, we think you need to add business to the definitions in part 2 and 3 dealing with the term, organization. While the act is clear that only individuals can make campaign contributions, it's important to treat all organizational interests the same. If unions are noted in the definition, then businesses or corporations should be as well.

We also think we should extend the limits on employees using privileged information to employment or contracts post-employment for the municipality, i.e., employees should be limited in securing employment for companies that do business with the municipality or city from which they left employment. They shouldn't be able to take that information and use it for private gain.

It should require major individuals who contribute to candidates to disclose business relations or ties to the municipal government. For example, individuals will be able to contribute to candidates; they should disclose their business connection that exists with the municipality.

We think this legislation should set time limits for municipalities to enact by-laws that provide tax credits for candidates or conduct codes for municipal

employees. As the act now reads, there's no deadline for municipalities to take on these requirements.

We also think penalties should be increased for breach of the law. A mere \$5,000 is insufficient to act as a true deterrent.

And, although they're not in the brief, through some discussions this evening with some folks, two other points came up that I think are worthy of note. One is, while we're dealing with this act, we should look at the ability of candidates to invest in their own campaign to a higher degree than individual contributors and to widen the fundraising window for municipal candidates to have a longer period to raise funds for their campaigns. And we would be in support of those kind of changes.

We support Bill 35. We think it can be strengthened with the changes we've referenced. Manitobans deserve to know how campaigns are financed and any real or perceived conflicts of interest that our public officials are involved in. Thank you.

**Mr. Chairperson:** Thank you, Mr. Rebeck. Open the floor to questions.

**Hon. Ron Lemieux (Minister of Intergovernmental Affairs):** Thank you very much, Mr. Rebeck, for your comments this evening and coming forward and presenting some options that we should look at.

As I mentioned to the president of AMM, that we're not going to be proposing any amendments this evening, but we're certainly going to be looking at many of the suggestions from all the presenters on how to make the legislation better, if indeed we can. Thank you.

**Mr. Rebeck:** Great. Well, thank you very much. It's important that these things be considered, and I'm glad to hear that they'll be given the due diligence they need.

**Mr. Chairperson:** Seeing no further questions, sir, I thank you for your presentation.

**Mr. Rebeck:** Thank you.

**Mr. Chairperson:** Next on the list is Emily Ternette, private citizen? It's my understanding that she's unable to attend. She asked that her written submission be presented to the committee. What is the will of the committee? *[Agreed]*

A light correction. It's a written submission on behalf of her husband Nick Ternette. Still agreeable to the committee? *[Agreed]*

Okay, the clerk will distribute the submission.

And I will call Councillor Gord Steeves, City of Winnipeg. Mr. Steeves, do you have any written materials for the committee?

**Mr. Gord Steeves (Councillor, City of Winnipeg):** I don't.

**Mr. Chairperson:** You do not. Okay, you may proceed.

**Mr. Steeves:** Just the spoken word tonight, Mr. Chairman, if that's okay.

Hello to members of the committee, most of whom I know. It's nice to see you all.

A few comments on Bill 35 as it affects myself and my colleagues, one of whom is joining me here this evening, Councillor Smith from the Mynarski ward. And, of course, one of my former colleagues, Councillor Jae Eadie.

I'll start with some comments about being a councillor generally and raising money as a councillor, how difficult it is. You're aware, of course, there's no parties and there's no riding associations. There is no war chest as it were. There's obviously, as you're aware, no raising of money between campaigns. Any municipal councillor in Winnipeg has to put together their entire funding envelope in a period of just a few months. You may not be aware of that. Sometimes the cost can range as high as \$35,000 for the bigger wards. There is no percentage rebate system as there is for provincial, or I think, federal politicians, where you get a large percentage of the monies back if you receive a certain percentage of the vote.

\* (20:20)

When any municipal councillor seeking office in the City of Winnipeg sets about doing so, they essentially show up on a day in June. They know the election theatre extends till about the third week in October. They have entirely that time to order all their material, get their office and try to gauge how much money they're going to need. It's actually a very, very difficult thing to do, much more difficult than going to submit than somebody in a different order of government, where they have all of this time knowing exactly how much money is in the kitty. That's what makes it difficult to be a municipal

politician in Winnipeg, in terms of trying to raise money. I'm gonna suggest that those realities make it very unattractive for a lot of people to run for council in the city of Winnipeg. They also grossly favour the incumbent councillor.

In terms of overall comments on the suggested changes, I assume the reason we're trying to do this is because there's a fear that someone is going to try to buy an election. A rich candidate is going to come along and put thousands and thousands of dollars, or their close friends and business associates are going to do the exact same.

I can tell you that, in reality, that does not happen. The limits of anywhere between \$20,000 and 30,000-ish dollars in any municipal campaign in Winnipeg really make the ultimate financing goals of any municipal politician in Winnipeg very achievable. There's a bit of a myth that there are municipal politicians in Winnipeg that receive large amounts of corporate funding. It simply does not happen, and I think the facts and research would bear that out.

The reality, I'm going to submit, is that any reduction in spending, period, for municipal council in the city of Winnipeg will, again, do nothing but favour the incumbent councillor. If the overall amount of money that is spent begins to decrease, if the amount of money that candidates are spending, as a rule, is decreasing and dropping, what that is going to do is going to increase the amount of people in any given ward that are going to enter a race. Again, that is going to favour the incumbent councillor.

It is also, in my respectful opinion, going to put a real premium on the type of candidate who is a press hound or a sensational candidate, who is going to try to run his or her election on sensational media on those types of issues. It's only my opinion, but I don't think we need more politicians like that.

On the specifics of the act, the public inspections of statements of assets, we know the current situation. We know what's being proposed. We know that now people are going to have the ability, in all likelihood, to come forward and just take these asset sheets and have a look at them. You know my world. I know a little bit about your world. We go through grievous and very, very difficult zoning battles right across this city. It is now going to become a matter of course that each and every councillor is going to have their asset sheets pulled and, regardless of whether or not there is anything resembling a conflict, which there won't be because the clerk is

already tasked with the obligation of bringing those forward if they are, those types of issues are going to become front and centre in any one of these myriad of difficult zoning decisions that we have to make every single day at the City of Winnipeg. We've all gone through it. Maybe some of you have gone through it as well. What it's going to do is it's going to make the position a lot less attractive to people.

In terms of the unions and the corporation, we know what is being proposed. We know what exists now. The rumours are afoot already of what's going to happen now. The business side is saying the unions are going to be scurrying about, spreading out donations amongst members and getting money into campaigns, having pay backs and all sorts of things. Union-side, labour-side is concerned that now corporations are going to be spreading money out, having different people and different businesses giving cheques to different people, to have it come through different family members, et cetera, et cetera.

I have no idea if any of this or all of this is actually going to come to pass. But I have to ask, I think the potential exists. I think people are concerned about it. Do we really want to take the chance on driving underground like that? I have concerns that it may happen. We should be, perhaps, searching for greater transparency.

Mr. Rebeck mentioned the individual contributions and, with respect, I agree. The goal, again, here, is a bit of a myth. The Michael Bloomberg or Mr. Bloomberg scenario in New York, where someone pumped \$35 million of money into his own campaign, doesn't happen in Winnipeg.

I have with me a list of 17 candidates or so who went over top of your proposed limit in terms of individual funding amounts. They are all challengers with the exception of two. And the two that did get elected to Winnipeg City Council, I would respectfully suggest, are valued members of our council, left-wing councillors, labour councillors, people who were trying to put forward their campaign to the best of their ability. The idea that rich people are funding their own campaigns and getting away with it is a myth. It is not supported in fact. This list of people—public information that anyone can get—is comprised almost entirely of people who came from the grass roots and tried to fund their own campaigns precisely because they could not raise enough money from people they

knew, to compete, again, a massive benefit to the incumbent what is being proposed.

Again you remember the scenario I painted. You have three months to raise this money. As a candidate, you have to try and guess how much money you're gonna need and where it's going to come from. What if you're wrong? What if you budget for \$20,000, and you only spend 10? You're now on the hook personally for \$10,000. As if that wasn't bad enough, but now you've broken the law by about \$8,500. What are we going to do with that person? Are they arrested? Are they gonna have to go to court or something of that like? No. I submit that's the wrong way to go in these types of circumstances.

It's going to be an enforcement nightmare for the City of Winnipeg. We would have 18 people from the last election who would be looking at this list and we would have to decide as a City—when I say we, our administration—would have to decide what now do we do with these people—I'm going to submit, honest, good people who broke the rules. We don't wanna be in that position. Our people don't want to be in that position.

Finally, only Manitobans can donate. Your mothers, your fathers, your uncles, your cousins, who might live in a different province—

**Mr. Chairperson:** Nine minutes, sir.

**Mr. Steeves:** Why don't we limit them to the same thing we're limiting our own citizens to? And we saw one of our old colleagues and a friend of mine, Glen Murray, is thinking about running in Toronto. I bet he is hoping that the City of Toronto does not have these types of regulations because I'd be willing to wager that Mr. Murray is going to try to raise money in Winnipeg. I think it's a fair thing to allow people from different jurisdictions to donate to campaigns, but the limits should apply. I don't dispute that.

There's a new system of rebates that's being presented. I don't know much about it. I'm going to suggest though, that we already have a system of rebates. I'm hoping that what's being suggested here isn't in some way going to force us to reinvent or replicate something that we don't already have.

Respectfully, Mr. Chairman, members of the committee, my comments.

**Mr. Chairperson:** Thank you, sir.

I open the floor to questions.

**Mr. Ron Schuler (Springfield):** Very briefly, how many MLAs in the city of Winnipeg compared to how many councillors, and approximately average MLA \$40,000 for a campaign. What is it for a councillor?

**Mr. Steeves:** To answer your first question, I think it's 30 versus 15 in terms of the—in terms of the ratio. It depends on the size of the ward for a councillor. I'll take you at your word that it's \$40,000 for an MLA. I don't know the answer to that. I think the range in Winnipeg for councillors is anywhere between 20 and 35,000. My ward in St. Vital, which is the biggest ward and obviously the largest spending envelope, is 50,000 people.

**Hon. Dave Chomiak (Minister of Justice and Attorney General):** Thanks, Gord. Is this representation on your behalf or behalf of council as a whole?

**Floor Comment:** It's—I'm the—

**Mr. Chairperson:** Mr. Steeves.

\* (20:30)

**Mr. Steeves:** —yeah. You keep throwing me off with that, Mr. Chairman. I'm the—I'm the intergovernmental affairs councillor from the—from the City of Winnipeg. I'm doing my best to represent members of council. You may be aware the City of Winnipeg council does not always speak with one voice, but I will say this: Personally, I do not agree with every single thing I have just said, because the truth is, in the guise of electioneering, a lot of the things you're proposing are to my personal advantage, but to be honest with you, I think the greater good would be served if my comments carried the day rather than what's best for me.

**An Honourable Member:** From your lips to God's ears.

**Mr. Steeves:** There you go.

**Mr. Chairperson:** Okay. Any further questions? Seeing none, thank you for your presentation.

Councillor Harvey Smith. Good evening, Mr. Smith. Do you have any written materials for the committee? *[interjection]* You do not? You may proceed.

**Mr. Harvey Smith (Councillor, City of Winnipeg):** Mr. Chairman and committee members, I'm really happy to be here today. I support Bill 35. I want to bring your attention to a couple of things that I think should be changed.

One of the things is the limit imposed on someone running, the limit of \$750 they can contribute to their campaign. You know, I don't think that's necessary. You know, it's—we've had no problem with that and I don't think we should have a restriction in that way.

I also want to deal with the time limit for raising funds. You heard from Councillor Steeves how difficult it is for someone to run for city council and all the things they have to do in a very short period. In the—in the bill it says: In the case of a candidate for head of council, beginning on May 1 in the year of the election and ending on March 31 of the year after the election, and then it goes on to councillors: In the case of other candidates, beginning on June 30 in the year of the election and ending on March 31 of the year after the election. I don't think there should be a distinction between the mayor and the councillors. In fact, if you would think about it, you follow the news stories in the newspaper, the mayor automatically has his message going—getting across at all times. He has no trouble. An individual councillor has more relying on funds, and I think it's difficult to raise funds and I—and I think that the time span should be identical for mayor and councillors for the raising of funds.

Those are the two points I'd like to bring up, and I think it's crucial. I think we want more people running for council. I think we want more debate. I think we want more activity so that people are interested in civic affairs. So those are the two recommendations I'm making, and let me tell you this. You know, I've sat through here, like—let me tell you this—I fell and injured my back and I'm in pain right now, but I came here 'cause I think it's important to emphasize these two points. And that's all. Any questions?

**Mr. Chairperson:** Thank you, Mr. Smith.

Open the floor to questions.

**Mr. Lemieux:** Just want to thank you for taking the time to come out to pass on your comments to this committee, and we do appreciate you taking the time and the effort to do so. And also to Councillor Steeves, as well; I was remiss in not thanking him before he left the podium, but thank you to both of you.

**Mr. Smith:** Thank you.

**Mr. Chairperson:** Seeing no further questions, thank you for your presentation.

Mr. Jae Eadie, private citizen. Good evening, Mr. Eadie. No written materials for the committee?

**Mr. Jae Eadie (Private Citizen):** No, Mr. Chairman, I don't. I'm just going to be my usual self, brief and to the point if I possibly can.

**Mr. Chairperson:** Okay. Proceed.

**Mr. Eadie:** Thank you. I'm actually pleased to be here this evening to speak for a few minutes on Bill 35.

I have had a long interest in this type of legislation because I had something to do with a couple of components of what is now Bill 35. I was around when The Municipal Council Conflict of Interest Act was being written in consultation between the minister of the day and municipal leaders, and the campaign expenses contribution legislation was something that was initiated by the City of Winnipeg and, in consultation with the provincial government at the time, the legislation was enacted, but it only deals—up to now, it has only dealt with the City of Winnipeg. So I've had a long-standing interest in the basics, in at least a couple of the components of this bill.

Probably, the third component that I have not had any dealings with is the—is this new section to prohibit corporate union donations to municipal election campaigns. Personally, I think it's a change whose time has come. As far as I remember, I think, in the province of Québec, they've had this type of legislation with regard to municipal elections for at least a decade or more without any detriment that I can see. It's gonna certainly be a sea change when it is initially enacted, but I believe that this is a change whose time has come municipally, so I don't have any real issue with that. I generally support the thrust of this bill, but I am going to make points on a couple of issues. There could be a lot more, but I'm cognizant of the time here.

I, first of all, want to say I'm disappointed to hear Minister Lemieux say that they're not planning any amendments during this process. That is disappointing because this is not a perfect bill, no bill ever is, but this would be the time to make changes to this bill and to the legislation, because I doubt if any changes are going to take place once this is passed, given that the municipal elections are just a little more than a year away. So this would be the time to do modifications to make this bill better. And I'm disappointed, if I heard correctly, that no amendments are being planned.

However, I'm just going to touch on a couple of issues. First of all, a couple of people who have spoke before me have talked about this as well. This is a new change to the bill where a candidate is restricted to donating to his or her own campaign subject to the contribution limit. That is a change. And Winnipeg is the only municipality in Manitoba that has had campaign expense contribution legislation, and that section was never in the existing act. Candidates were not prohibited from contributing any amount to their own campaign, subject to the spending limit, but there was no limit on what a candidate could contribute to his or her own campaign. I don't know what the rationale is for this. This is a change that wasn't asked for. Of course, there was no consultation on this bill, but this is a change that was not asked for by municipal leaders that I'm aware of, and when I'm done here, I would certainly, you know, ask if Minister Lemieux could provide some rationale for this. I know he didn't introduce this bill. He's not the original sponsor of it, but I did write to former Minister Ashton about a number of these things and got a reply.

The other—the other section that, indeed, should be looked at is the penalty section, 93.16(3). The penalties for defeated candidates who don't file are not strong enough. On at least two post-election reports to Winnipeg City Council, the City's campaign expenses contribution officer has recommended strongly that the penalties section for unsuccessful candidates ought to be, ought to be strengthened, that simply barring a candidate from running for four years-plus is not enough.

And three years ago, in July of 2006, Winnipeg City Council did adopt a resolution, which I'm assuming came here to the minister, asking that the penalty section in the campaign and expense contribution legislation be increased. And one of those penalties was to increase the period for candidates who failed to file from one election cycle to two election cycles. In other words, from four years to eight years. So, an unsuccessful candidate who did not file would have to wait at least eight years before they could submit nomination papers and run in a municipal general election, and this applied to Winnipeg at the time. And one of the other recommendations was that, even after such a candidate has sat out for a minimum of two general elections, if they are to submit registration papers, they should also be made to file the latest financial statement from the last campaign in which they ran.

Now, the government has not acted on these changes. I don't know if a response came to the City when this came forward, but this would be the time to enact such changes. And if there's a rationale for not strengthening the penalties for unsuccessful candidates who don't file, I'd like to hear it. And I hope, again, that Minister Lemieux might be able to enlighten me on that. I don't know if the City got a response to this request of July of 2006, but if you want to see the detail for it, you can just get on the City of Winnipeg's Web site and search *Hansard* for July 26, 2006, and you'll find it; you'll find the entire set of recommendations and the rationale behind them; they're there.

\* (20:40)

So I say, on two occasions that I'm aware of, the city's campaign expense and contributions officer has recommended that the penalties be strengthened for defeated candidates who don't file, and this would be the time, if there's a will, to enact that.

My final point, Mr. Chairman, like, the one major criticism I have of this whole thing was that there was no consultation whatsoever. This act was tabled in the Legislature without any notice, without any consultation with municipal leaders in Manitoba. Nobody knew what was in the bill. It was just dropped on the table of the Legislature one day without any kind of consultation. I think, quite frankly, that is inexcusable. I realize it's a— it was a different minister, but there's no excuse for that. If the minister had taken the time to sit down with municipal leaders prior to bringing a bill forward, talking about general principles, seeing what the municipal input would be on a bill, I think you'd have a much better bill today than the one you've got.

If I am critical of one thing, it's the fact that a courtesy was not extended to municipal government officials prior to this bill being tabled in Legislature. In other words, it caught them by surprise, and there used to be at one time around here up until recently, there used to be, generally, an agreement between Province and municipalities of no surprises when it comes to legislation affecting municipal governments. This was a surprise, and in that I am critical of the way it was handled. I think it could have been handled much better.

You might have had even a better bill without some of the concerns that have been raised here today, and some very valid concerns, one of them

being on the conflict of interest side. I have no issue with disclosure, but I think many people prior to me have taken—are concerned about proclaiming that section of the act in the middle of an already existing council mandate, when candidates who ran and were elected in 2006 knew the rules that they were going to operate under, and in midterm, you changed some very important rules. I think, at a minimum, those sections requiring full disclosure should not come into force until the new councils are elected in 2010. That would be at a minimum.

So that's—I'm going to leave it at that, Mr. Chairman. There's obviously a lot more I could say, but I say I support, generally, the thrust of a lot of this legislation. Some changes could certainly be made, I think, to make it better, and I suggest they should be made before, before this bill is adopted. And all, if you have any questions, I'll do my best to answer them.

**Mr. Chairperson:** Thank you, Mr. Eadie. Questions?

**Mr. Lemieux:** Well, just thank you very much for coming out, Mr. Eadie. We appreciate your comments, and we'll certainly take them into consideration. Just a point of clarification, I said there wouldn't be any amendments tonight, but there is third reading report stage that continues the process to this—after this particular evening. Thank you.

**Floor Comment:** Are you going to bring forward any changes, then?

**Mr. Chairperson:** Mr. Eadie.

**Mr. Eadie:** Sorry. Are you going to—do you want to comment on a couple of points I made about, like, rationale for the restriction of candidates from contributing to their own campaigns or the penalty section?

**Mr. Lemieux:** Well, with regard to a couple of points you made with regard to penalties, penalties are established to encourage candidates, obviously, to file their campaign finance statement, section 93, and these penalties are reasonable. They're certainly consistent with those applicable to Manitoba's provincial elections, Winnipeg's elections and with municipalities in other provinces such as Ontario and B.C. Penalties for failure to file are also consistent with the other municipal act penalties when a member of council is disqualified for any reasons, such as failing to attend three council meetings or no

longer being eligible to be elected. They can't run in the next general election.

So the point, with regard to consultation, as I understand it, as I've been advised, that this bill responds to concerns about increased accountability and transparency that have been discussed for many, many times, many, many years, actually, and not just recently, and issues that have been raised by citizens and the Auditor General in Manitoba, as well as we've had ongoing discussions with individual municipalities, such as Brandon, Winnipeg and the AMM about election finance and about conflict of interest.

This bill puts into effect the issues that have been discussed for some time now. This is nothing new, as you pointed out yourself, and—but I know we'll have further discussions on these items, but just a brief snapshot in, in responding somewhat to what you said. Thank you.

**Mr. Rick Borotsik (Brandon West):** Thank you, Mr. Eadie, for once again becoming engaged in this type of legislation with respect to municipalities.

I have three questions. The first one has to deal with your public disclosure, the comments that you made on that. You said that you had no difficulty with the public disclosure, other than the fact that the rules shouldn't change mid-term, and I couldn't agree with you more on that.

However, we did hear from the AMM, and you've got lots of experience sitting on the AMM, as well as MAUM, and they do have some of their own smaller councillors—or smaller councils, who have some serious concerns with respect to not necessarily disclosure and having it held at the CAO's level, but public disclosure, when anybody can come in and simply request and ask for and receive a statement of assets from a councillor or a reeve.

Do you believe that there may be more of a concern at that—at that more local level, that smaller municipality than, perhaps, say at the City of Winnipeg or other urban centres?

**Mr. Eadie:** I don't know that—I really don't know that the size of the municipality really matters in this regard. I think, if anyone is concerned about the extent that their privacy is being invaded when they're an elected official, it doesn't matter whether you're in a large city or a small rural. You're still having to disclose some information that, in any other walk of life, you probably wouldn't.



I think, you know, there probably should be some caution here, obviously, but—and I can't—and I honestly don't remember what the requirement is for members of the Legislature. I think for members of the House of Commons, it's fairly wide open. It's even wider open if you become a minister, but—so I'm not really fearful of disclosure. It ought not to be abused, of course, by either the public or by the elected official. But, again, this is something where, perhaps, some conversations before, you know, in the drafting stage between the minister and municipal officials, maybe some of these issues might have been covered.

This is not an issue for bureaucrats; this is an issue that only elected officials can understand, and elected officials from both levels should have been working together on this to try and get something that is—that is reasonable. That's how the original acts were written.

**Mr. Cliff Graydon (Emerson):** Thank you, Mr. Eadie, for your presentation tonight.

I agree that there hasn't been adequate consultation, but, at the—at the same time, Mr. Eadie, in the conflict of interest rules in the Legislature, we have a private individual that looks after the conflict of interest. Would that third party outside of the council, would that third party be something that would encourage more people to run instead of discouraging people, the way this is now, or the way this is being proposed?

**Mr. Chairperson:** A brief reply, Mr. Eadie. We're over time.

**Mr. Eadie:** I really don't honestly think that would make a difference as to regards whether or not a candidate is going to run. If somebody is planning on being a candidate but finds that this disclosure provision is more than what they want to get involved in, then they're not going to run.

Having an individual officer, if you will, looking after, adjudicating conflict of interest claims, is not a bad idea. I know you've got it here. My former mayor is your Conflict of Interest Commissioner here, and I think establishing an independent office outside of the administrative bureaucracy of a municipal government is probably not a bad idea. But, whether or not that would discourage or encourage somebody to run, I really—I really don't think so.

**An Honourable Member:** Thank you for that answer.

**Mr. Chairperson:** Time for this presentation has expired. Thank you, Mr. Eadie.

Mr. George Fraser, private citizen. Mr. Fraser, do you have any written materials for the committee?

**Mr. George Fraser (Private Citizen):** No, my presentation will also be oral.

**Mr. Chairperson:** Okay, sir, you may proceed.

**Mr. Fraser:** Thank you. It's indeed a privilege each time to come before committees like this to speak on a bill, and in particular, Bill 35. I do so, of course, with—also with experience as a city councillor, and as someone who has served as deputy mayor of the City of Winnipeg.

\* (20:50)

Municipalities are creatures of this Legislature, but not all creatures are created equal, and I think that's the issue that's probably around this legislation and some of the prior discussions. I'm gonna try to just limit my comments to ones that I'm particularly concerned about. Some of my former colleagues have covered other areas very, very thoroughly.

I, too, am concerned about contributions by individual candidates with the limits, particularly for Winnipeg, being too low. I think that with some further consultation and observation it might—if those that are interested in some restriction, that they may look at the campaign limits for individuals on city council in Winnipeg or for individuals running for mayor, and look at a percentage rather than a fixed figure.

The fixed amount is very restrictive and I would not want to limit Harvey Smith with all of his equities from paying for most of his campaign, to be quite honest. Or I wouldn't want to limit Nick Ternette from just having to spend \$1,700 of his hard-earned income to run for public office. So, again, I think with additional consultation, and particularly with individuals who have experienced raising the funds that Councillor Steeves spoke about, a percentage makes a lot more sense to me.

The other thing I would like to address is that which the AMM also spoke about, and others did, too, is this failure to file. We had a very embarrassing situation in our city here in 2004 during an election for mayor, where four individuals ended up in the courts of this province with basically the courts asking them, why did you not file? And one of those individuals, who was—had a high profile

within city council, quite frankly, is still not accountable to the citizens of this city and, I think, to the Province in that respect. Funds were raised, substantial amounts of funds were raised, expenses were incurred, there were suppliers who were not paid, and it went on from there. And that individual ended up, as this particular bill indicates, you can end up in court and you can get a fine. And the fine, in my opinion, levied by the courts who certainly don't have the knowledge in and around these issues, was well below what it should have been.

So I would just like to echo what—particularly what AMM said, to ask the chief administrative officer to report on such things to any council, but especially within the City of Winnipeg, is something that I think should be—there should be one group added to this. And I think that because the bill and the process through Elections Manitoba to that creature, the municipality, also brings with it some responsibility.

I think the reporting should go back to Elections Manitoba. I think there should be either an independent body that reviews the reasons for the file not being completed, and I think, quite frankly, it should be done in a committee structure somewhat like this. You may want to select three individuals, three individual citizens with some experience who could do that. It's accountability, and that's what this is all about. Elections Manitoba has built a body of knowledge and needs to continue to build a body of knowledge in this respect.

And in this—in this act—and it's been here for quite a while, within the City of Winnipeg there are two other individuals that are mentioned in this whole process, and those that are elected around the table know all about them. Many citizens come forward to be official agents and many citizens who have professional training come forward to audit, and in the case of this embarrassing situation in the City of Winnipeg, those individuals were not brought forward to make reports on why the amounts—the campaign information was not filed.

Also, this act requires every candidate to dutifully write down the financial account number of what they're going to use in that respect. But when it comes to situations like this, nobody really has the power to call forward the financial institution to table, in a public way, the information of what actually happened in that campaign. Transparency—and I think the public have a desire to know what happens from that perspective.

Receiving of grants—credits, I should say, under The City of Winnipeg Act right now is in vogue, so if you have anyone who fails to file, all of that crediting process that is talked about in this bill too becomes a mess, quite frankly, and it's a mess that will have to be uncovered in a formal hearing process that I again would suggest be through Elections Manitoba.

There was mention made here under the conflict process that a third-party person could be involved in that, and I think that that would be helpful on that process alone. It's obvious, I say to the minister and the members of the committee, that there has not been enough consultation with respect to this, and we're heading into another municipal election round just ahead of us, a year away, and you may be able to fix it somewhat. And I would hope that legislators—there's enough experience around just this table alone to make some of those adjustments, quite frankly, and with others who are here in elected positions, some of them having had experience at the City of Winnipeg and others having experience in other municipalities.

So I think a little bit of going back to the drawing board would be very helpful at this point, just to correct some of those inequities and the others that some of my colleagues have spoken about. I'll leave my comments there.

**Mr. Chairperson:** Thank you, Mr. Fraser.

Open the floor to questions.

**Mr. Borotsik:** Thank you, Mr. Fraser. Good to see you again. Certainly, you bring a lot of very valuable experience to the table and certainly in your comments with respect to this legislation.

I just make a comment first, not only for yourself but for others who were at the podium: there will amendments that will be proposed. They will be brought forward at report stage. But I can only speak to the opposition's amendments; I can't speak to any of the government's amendments that they wish to bring forward. So the amendments will speak to a lot of the concerns that have been addressed here at this table. Whether they're implemented into the legislation remains to be seen, as we know what the political process is.

I have one very brief question. You have a lot of experience; you've seen the legislation; you know other municipalities. There are a myriad of scales with municipalities. We know that the municipalities are creatures of the Province; I've heard that and

you've heard that and others have heard that ad infinitum, perhaps don't like it, but it's the case. No consultation. Do you believe that this is a City of Winnipeg bill? A piece of legislation that's been put forward specifically for the City of Winnipeg but catches a lot of other municipalities, obviously, in the net?

**Mr. Fraser:** Unfair question. It—that's—my initial comments. That's one of the difficulties, I think, as those of us who have worked through AMM in the past and MAUM realized that, again, not all creatures are created equal. And—but I think, on the accountability side, all creatures are created equal, and so that was where I was trying to focus my comments. There will be others who would probably disagree with some of the things that I've said here, and perhaps from rural municipalities. But that's why, as we know, in the past, the complexity of discussion has always been there and reaching consensus is not always easy, but I think, on some of these key principles, a little bit broader discussion would have been helpful to reach, at least, a modern consensus with respect to where these types of legislations have come from and are going to. But accountability, transparency are the key elements for all of this form of legislation that we find throughout Canada.

**Mr. Graydon:** Thank you, Mr. Fraser, for your presentation tonight. I appreciate it, as do the rest of the committee members, that you're coming in to make the presentation.

As Mr. Borotsik pointed out that there will be some amendments coming forward from our side, I'm not sure, but you may want to ask the minister if there will be any coming from his side.

\* (21:00)

**Mr. Fraser:** Yeah, I listened to Mr. Lemieux's comments and I think it's positive. But I also note that, you know, there certainly will be discussion at committee level here, and I recognize the reality of the voting situation here. But, also, outside of this particular venue, I mean, there are others who have things that could be added beyond what a few of us are here today to talk about. And, you know, this is somewhat intimate, I guess, with people who have experienced elected office.

The average citizen is probably saying, I'm not quite interested in that but they, as I will emphasize again, they're very interested in accountability and

transparency and they understand the very simple principles of that.

**Mr. Lemieux:** Well, I want to take the opportunity to thank you. We haven't had that much of an opportunity to work with each other over the last number of years since I've been in government, but I can assure you that any comments or any consultations that I've done or at committees, I sincerely take your comments and your recommendations to heart, and I know members on this side, I speak for the government, will do so as well and all the other presenters.

And that's why it's important to go through committees to hear some things that, as you pointed out, we're elected officials and we want to hear from some elected officials but also others that have some comments to make on our legislation and so we—we'll certainly be taking a close look at all the suggestions that have been made, and we want to make this act a good one, and we don't want to keep going back to it in years to come.

So we know how important it is and the effect it has on a very important body of government. So, with that, I just want to conclude by saying thank you very much for taking the time. It's late, but we do appreciate your comments.

**Mr. Fraser:** I appreciate that. Thank you.

**Mr. Chairperson:** Seeing no further questions, I thank you for your presentation.

Audra Ludwig, CUPE 500, is on my list, but she asks that a written presentation be allowed to be submitted for *Hansard*. Will of the committee? [Agreed]

My last individual, called for the second time, is Darlene Dziewit, Manitoba Federation of Labour. Seeing that she's not present, her name will be dropped from the list.

That concludes the list of presenters I have before me. Are there any other persons in attendance who wish to make a presentation? Seeing none, that concludes public presentations.

In what order does the committee wish to proceed with clause-by-clause consideration of these bills?

**Mr. Chomiak:** Yes, Mr. Speaker, I just, Mr. Chairperson, just for the sake of people who are here—I'm just, I'm guesstimating that the MPI bill has more staff here than any other department. So I was

wondering if—no, okay. Then I won't. Sorry, I can't. I was just going to suggest whoever's got the most staff should go first and go down that way.

**Bill 8—The Civil Service Superannuation Amendment Act (Enhanced Manitoba Hydro Employee Benefits and Other Amendments)**

**Mr. Chairperson:** Okay. Bill No. 8 is the first bill under consideration. During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Also, if there is agreement from the committee for the longer bills, 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]*

We will now proceed to clause-by-clause consideration of the bills.

Bill No. 8, clause by clause. Does the minister responsible for Bill 8 have an opening statement?

**Hon. Rosann Wowchuk (Minister responsible for the Civil Service):** Mr. Chairman, just briefly, just wanted to say a few words. We heard, we heard several presenters this evening talking about the teachers' pension which was a different bill altogether and just wanted to outline that in this bill is amendments, The Civil Service Superannuation Act, and makes amendments to transfer funds from the Civil Service super fund's indexing reserve to the superannuation adjustment account to be used for cost of living over the next 30 years and amendments that will allow for enhancing benefits to enable Hydro—to eligible Hydro employees. And, Mr. Speaker, there are a couple of other amendments that are quite, quite important amendments to allow employees to accrue pension benefits up to the end of the year in which they turn 75, which is different than what it used to be, consistent with recent changes to the federal pension act, and a couple of amendments to update annuity options available to employees on retirement and an amendment to the definition of "employee" to exclude employees under the collective agreement under which the government is required to make contributions to another retirement savings or pension benefit.

Thank you, Mr. Speaker. Those are the intent of this, and, and I hope that the committee will support

those amendments so this piece of legislation can move forward.

**Mr. Chairperson:** Thank you, Madam Minister.

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

**Mr. Rick Borotsik (Brandon West):** Yes, very briefly, one comment. As the minister has indicated, there were a number of presenters here with respect to a RTAM or the TRAF account, which is the teachers' retirement fund. I, just as a clarification, I know that all of the presenters spoke in favour of Bill 8. This legislation, they felt that this, the superannuants were being treated fairly. It was their position, and I would just say for the record that they felt as teacher, retired teachers that they were not given the same ability to be treated in a similar fashion with what Bill 8 is providing for the superannuants. And that's just for the record, because I know the minister recognizes that this is a piece of legislation simply for the superannuants. It was hoped that it would be able to be extended to the TRAF account. That's not going to happen. We recognize that at this table, but perhaps, at some future date, some inequities will be corrected. Thank you.

**Mr. Chairperson:** Thank you, Mr. Borotsik.

We will now proceed to clause-by-clause consideration of the bill.

Clauses 1 and 2—pass; clauses 3 and 4—pass; clauses 5 and 6—pass; clauses 7 through 9—pass; clause 10—pass; enacting clause—pass; title—pass. Bill be reported.

**Bill 35—The Municipal Conflict of Interest and Campaign Financing Act (Various Acts Amended)**

**Mr. Chairperson:** The next bill for clause-by-clause consideration is Bill 35.

Does the minister responsible for Bill 35 have an opening statement?

**Hon. Ron Lemieux (Minister of Inter-governmental Affairs):** Yes, I do. Just quickly. I know that there are people waiting, and there's a number of bills to address, but, really, this bill really extends campaign finance rules to all municipalities. The bill will strengthen these rules, and the bill also strengthens municipal conflict of interest laws that apply to all municipal governments in the province.

This bill is about transparency and accountability, and we believe this will increase this. And the Province and the City are already subject to campaign finance rules, and campaign finance rules are also in place for most other municipalities in Canada. Individuals running for elections in Manitoba municipalities in 2010 municipal elections will be subject to these new rules, as is currently stated. And Bill 35 also strengthens conflict of interest rules that apply to all council members in Manitoba to support transparency and accountability of municipal governance and decision making.

We will certainly be looking, as I mentioned before, at looking at amendments. We believe that there are some possible administrative amendments we will have to make, but we'll also be taking into consideration the comments that were made by the presenters today, and we will certainly look at those. And, as I mentioned before, and it bears repeating, that we want to make this legislation right, and we'll certainly be looking at all those suggestions made by the knowledgeable presenters this evening. Thank you.

**Mr. Chairperson:** Thank you, Mr. Minister.

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

\* (21:10)

**Mr. Cliff Graydon (Emerson):** Just briefly, Mr. Chairman. I think it was—there was a common theme tonight from the presenters that there was inadequate consultation. I also believe that there was some concern that it may discourage people from running if it was implemented the way it is. There was also a strong plea for the third party outside of council to rule on a conflict of interest rather than what's being presented in a bill, and there was also a mention made, and a strong mention over and over again, about the contributions of an individual to his own campaign, that that needed to be addressed going forward. And so, just overall, there were a number of issues that, I think, need to be dealt with.

I believe that the bill has a lot of good points, and that was also stressed tonight, but I think consultation in the amendments would also be appreciated, and thank you.

**Mr. Chairperson:** Thank you, Mr. Graydon.

We will now proceed to clause-by-clause consideration of the bill.

Clause 1—pass; clauses 2 through 7—pass. Note: Clause 8 next found on page 14. Clauses 8 through 13—pass; clauses 14 and 15—pass; clauses 16 and 17—pass; clause 18—pass; clauses 19 through 24—pass; clauses 25 through 29—pass; clauses 30 and 31—pass; enacting clause—pass; title—pass. Bill be reported.

**Bill 36—The Manitoba Public Insurance Corporation Amendment Act (Enhanced Compensation for Catastrophic Injuries)**

**Mr. Chairperson:** The next bill under consideration is Bill 36, The Manitoba Public Insurance Corporation Amendment Act (Enhanced Compensation for Catastrophic Injuries).

Does the minister responsible for Bill 36 have an opening statement?

**Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Public Insurance Corporation Act):** In fact, I do have an opening statement. To clarify for the members of the committee, some of the matters that are—that we're dealing with, with respect to this bill, not because I—and I know that the members have done—the critic, and there's been the fair amount of briefing going back and forth. There's been a fair amount of work done on this bill. There were some presentations made tonight that touched on some areas of sensitivity.

I am joined by Chief Executive Officer, Marilyn McLaren, and Vice-President of Strategy Innovation, Dan Guimond.

This bill, when it becomes law, will enable about 120 Manitobans to receive \$14-million worth of enhanced benefits. An additional 35 million will be set aside to improve their ongoing benefit payment system over the course of their lifetime. An additional 30 million has been set aside to provide benefits to all current claimants whose injuries may meet the new definition of catastrophic injury.

There'll be no impact on insurance premiums as a result of these enhancements, and, as difficult as it may seem sometimes, I think most would agree that for 40 years, the public auto insurance model has worked for the benefit of all Manitobans, and it's been through several administrations and, in fact, the matter of the—that we're dealing with today, the PIPP

protection and the going away from the tort system was, as I recall, brought in in the 1990s.

Bill 36 will enhance the Personal Injury Protection Plan through income replacement, indemnity, permanent impairment payment, personal care assistance, transitional expense coverage and death payment coverage and funeral expenses. It establishes a clear and understandable definition of catastrophic injury, similar to those used by the Saskatchewan Government Insurance and the Transport Accident Commission in the state of Victoria, Australia, and I might note that Victoria's one of the leaders in progressive forms of regulation around the Commonwealth. And the bill establishes the corporation's responsibility to assist those claimants in obtaining not only the benefits under PIPP, but the benefits from other provincial programs, and I made mention of that earlier during the discourse that we had with one of the presenters, and I suspect that that issue may come up during the course of the discussions on the clause by clause. But I think the fundamental issue we have to come to grips with is that ensuring that those individuals who sustain serious and permanent injury, that meet this criteria, can qualify for the benefits that we're providing as soon as possible.

It has never been the intention, nor has it been the practice of the Personal Injury Protection Plan, to stand on its own, not during the construction of the bill when it was brought in, nor does it to this day. Prior to this bill, Manitobans who were injured in the early years of their working lives received an income replacement based on their actual earnings when injured, which, in most cases, is much less than the industrial average wage. With this bill, they will now receive the industrial average wage as their minimum IRI.

Another enhancement will apply to the permanent impairment payment. Unlike other benefits this payment is not intended to actually reimburse an expense. It's intended to be a financial recognition that someone has suffered a permanent loss, a function or physical or mental capacity. Bill 36 proposes to increase the permanent impairment amount payable to those meeting the definition of catastrophic injury to \$215,000. Since 1994 this payment has increased \$100,000 to \$136,000 through annual indexing. But, for a catastrophically injured customer, this amount will immediately be increased to \$215,000.

All these enhanced benefits will apply to all existing claimants who meet the definition and were injured since PIPP was introduced in 1994. In other words, there is a form of retroactivity which is generally unprecedented, I would suggest, in the insurance field.

Public auto insurance programs often extend benefit improvements retroactively, but, historically, it's been limited to income replacement. So we're pleased that we're highlighting the advantage of our system. The enhancements that we're proposing are the result of our recognition for the needs of people who are severely injured in an automobile accident, require proactive measures on the part of MPI.

Some time ago the government asked MPI to carry out a comprehensive review of the program. Bill 36 is the result of that study and the commitment to the future.

The PIPP program was established with the support of the Legislature to achieve two goals: stabilize compulsory insurance auto rates for all Manitobans, and to increase significantly the benefits available to those seriously injured in automobile accidents. New coverage enhancement will strengthen what is already a comprehensive injury compensation scheme.

As I stated earlier, these enhancements will have no impact on ratepayers, and these benefit enhancements will result in an increase in annual claims costing approximately \$7 million per year. I've been given the assurance from the corporation that the basic insurance program will see no rate increase as a result of these enhancements.

Mr. Chairperson, there have been suggestions to change the bill to—for example, to have no cap on some of the features or to have no definition of catastrophic coverage. By not putting in some kind of definition, or by not putting in some kind of a basic rate, it would fundamentally change the nature of the program—in fact, might make it cost prohibitive, I suggest.

\* (21:20)

I think that one must consider that MPI's proposing not only these enhanced benefits, but the ability to co-ordinate amongst government departments and agencies, quarterbacking in effect, some of the programs and some of the hoops that

individuals have to go through. I guess in all situations there are some cases where individuals are not satisfied. They have access to a variety of, a variety of options and a variety of appeal mechanisms. The one area that we discussed earlier during the course of the presentation was the million-dollar discretionary. That was put in intentionally as a benefit. It would account for unanticipated costs, and, as I indicated earlier, science and technology has significantly impacted on the lives of many people who are catastrophically injured, and there are circumstances that, even under this increased regime, may not be foreseeable. And an attempt to be fair and an attempt to provide adequate coverage, that section's been added.

So, with those few comments, Mr. Chairperson, I'm prepared to go clause by clause through the bill.

**Mr. Chairperson:** Does the critic from the official opposition have an opening statement?

**Mr. Cliff Graydon (Emerson):** I just want to put a few words on the record. I believe the presenters tonight that presented are people that have lived through the MPI regime of today, and they're, the people that they represent or they represented themselves, certainly, would represent catastrophically injured individuals. I believe the concerns that they brought forward tonight were realistic concerns, and I believe they were real concerns. There seemed to be a common theme that there was as confrontational approach rather than a co-operative approach. And, more specifically, there were certain issues that were brought forward.

The million dollars was greatly appreciated, but, because there's no definition to it and no appeal process, it doesn't represent a real figure. It represents a million dollars, but there's nothing to—no way to access, that we know of, to this point. And, if you do try to access it and the answer is no, there is no appeal process. I think that needs to be dealt with. I think what the minister did by bringing that forward is a good step; it's a step in the right direction. But at the same time it has to be something that is tangible, and today it's really not a tangible number because there is no factual way to appeal it.

There's a—in certain issues I believe the bill doesn't go far enough. The definition of "catastrophic" was questioned tonight, and I thought the individual that questioned that was quite credible, and the background she brought forward tonight was quite credible. And I would certainly encourage the minister to look forward to an amendment in this

situation, and I'm sure that he would want to bring that forward as well.

Again, the appeal ability was an issue. There were some, there are some excellent points that have been brought forward in this bill that we don't find any fault with, but at the same time I think it needs to be addressed and we're going to be—we'll be prepared to address that as we go forward. *[interjection]* And, if the member from Brandon East thinks I need to go a little quicker, I could maybe stretch this out a lot longer because we could be here till midnight.

But, at any rate, Mr. Chairman, with those few words, I would suggest at report stage—or even before if the minister would want to sit down and look at a couple of amendments that we feel very strongly about, perhaps we could, at report stage, make this a much simpler process.

So, with those few words, thank you.

**Mr. Chairperson:** We will now proceed to clause-by-clause consideration of the bill.

Clauses 1 and 2—pass; clauses 3 and 4—pass; clauses 5 and 6—pass; clauses 7 through 10—pass; clauses 11 through 14—pass; clauses 15 through 17—pass; clauses 18 through 20—pass; clauses 21 and 22—pass; clauses 23 and 24—pass; schedule 4—pass; enacting clause—pass; title—pass. Bill be reported.

#### **Bill 37—The Public Schools Amendment Act (Limited At Large Elections of Trustees)**

**Mr. Chairperson:** We'll now move to Bill 37. Does the minister responsible for Bill 37 have an opening statement?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Mr. Chair, I'll try to keep my brief comments briefer than the bill itself.

**Mr. Chairperson:** Honourable Minister.

**Mr. Bjornson:** I'll try to keep my comments briefer than the bill itself.

At the request of a couple of school divisions that have previously held at-large elections for their trustees, we're proposing this bill to amend The Public Schools Act to allow them to return to the at-large system, as opposed to the ward system, because in the ward system they have encountered difficulties—for one thing, fielding an entire slate of candidates and having, on some occasions, to actually appoint a member to the board because they have difficulties with geography that make it difficult for them to field entire slates of candidates. And it

also creates some confusion—it also creates some confusion with the municipal elections that have taken place as well. So, with those few comments, I'd like to proceed.

**Mr. Chairperson:** Thank you, Mr. Minister.

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

**Mr. Ron Schuler (Springfield):** No, thank you, Mr. Chair.

**Mr. Chairperson:** Seeing none, we will now proceed to clause-by-clause consideration of the bill.

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

The hour being 9:28, what is the will of the committee?

**An Honourable Member:** Committee rise.

**Mr. Chairperson:** Committee rise.

**COMMITTEE ROSE AT: 9:28 p.m.**

#### WRITTEN SUBMISSIONS PRESENTED BUT NOT READ

Re: Bill 35—The Municipal Conflict of Interest and Campaign Financing

I am not able to attend the hearing on Bill 35 in person. Therefore, I have asked the MLA for Brandon East, Mr. Drew Caldwell, to submit my written presentation to the Committee for inclusion in its entirety in *Hansard*.

#### Background

Since 1998, I have been a City Councillor in Brandon representing Riverview Ward.

In 1999, the City of Brandon presented a resolution to the Association of Manitoba Municipalities (63/99) calling on the AMM "to lobby the Province of Manitoba for changes to *The Local Authorities Election Act* "to include provision for election funding disclosure."

In 2005, the City of Brandon requested AMM to provide an update on efforts to get "election funding disclosure " entrenched in the legislation. In his reply to this enquiry, Mr. Joe Masi, AMM Executive Director replied in a letter dated July 25, 2005. In his reply, he noted that: "The AMM has raised this issue with the Provincial Government several times, including through the recent review of *The Local Authorities Election Act*." Mr. Masi went on to say

that while the resulting changes to the legislation did not "specifically address the issue of funding disclosure, it provides increased flexibility for municipalities to determine the most effective means for conducting elections within their jurisdictions." He also noted that the Province would survey the municipalities after the October 2006 election to determine if further revisions were necessary.

Brandon City Council considered this issue again on March 28, 2006. The debate resulted in the adoption of a resolution restating Council's position from 1999. "That the Minister of Intergovernmental Affairs and Trade be requested to establish legislation in this session of the Legislature to require, effective October 2006, candidates for office in municipal elections to disclose the sources of all contributions received and expenditures made during election campaigns for municipal office." The then Minister of Intergovernmental Affairs, Scott Smith, was advised of the resolution in a letter from Mayor Dave Burgess dated April 4, 2006. In his response to this letter, Mr. Smith noted that he was "aware of Brandon's past interest in, and support for municipal campaign finance rules, and appreciate [d] Council's new resolution confirming its position on this issue." However, he also stated that it was not possible to implement such legislation in time for the 2006 municipal election, but "consideration could be given to developing a scheme for future elections."

Bill 35, now before you, is the culmination of 10 years of lobbying by the City of Brandon and the AMM to have the Province establish legislation to require disclosure of election campaign revenues and expenditure by candidates participating in municipal elections.

#### Rationale for Disclosure Legislation

Brandon City Council's support for municipal election disclosure requirements was based on a recognition that municipal elections and subsequent decisions by council regarding matters within their jurisdiction such as zoning and infrastructure, must not only be fair and independent of undue influence from interested parties, but must be seen to be fair and independent of undue influence from interested parties. A majority of Brandon City Council agreed that while disclosure did not guarantee this result, it was nevertheless a requirement to establish the openness and transparency in municipal affairs necessary to achieve this outcome. It was also noted there was a particular need for such legislation in communities like Brandon that were experiencing



growing economic prosperity (in Brandon's case, due in large part to the location of a Maple Leaf port packing plant (the second largest in North America) in the city) and potential concerns that these sorts of conditions might very well encourage individuals and/or organizations to try and influence the outcomes of elections and the deliberations of council through contributions to election campaigns.

These considerations continue to be at the heart of Brandon's support for disclosure legislation. However, since 1999 we have also seen important changes in legislation relating to the conduct of election campaigns and disclosure requirements both in Manitoba and at the federal level. In light of these developments, it would seem to make sense that legislation dealing with municipal elections be changed to bring the legislation into conformity with the legislation that governs elections for senior levels of government and especially for the Province.

#### **Election Legislation for the Province of Manitoba**

Amongst other things, the legislation for the Province (i) prohibits union and corporate donations; (ii) allows only residents of Manitoba to contribute to candidate and party campaigns; (iii) establishes limits on contributions that can be made by individuals (including candidates and their spouses) to candidates and parties; and compels candidates to report for public disclosure candidate contributions and expense.

Bill 35 would establish similar rules for municipal elections.

The other aspect to the legislation is the clarification and strengthening of conflict-of-interest rules pertaining to municipal employee conduct. In my view, rules are not particularly onerous for either elected council members or municipal employees. Indeed, any additional burden this creates for individuals in these categories is more than compensated for by the gains of all citizens, employees and elected council members that will accrue as a result of entrenching a system that strengthens the core principles of democratic practices in municipal governance.

#### **Summary and Conclusion**

As a City Councillor who has participated for 12 years in debates about the need for legislation governing the financial aspects of municipal elections in Manitoba, I am convinced that the rules for the conduct of local elections and the establishment of disclosure provisions represent a

major step forward in the electoral arrangements for municipal elections in Manitoba. The rules are applicable in all municipalities—urban and rural; the rules apply to all candidates for office. The rules will also help to ensure fair elections and reduce the potential for questionable practices to arise in municipal governance. Conflict of interest and code of conduct provisions complement the legislation governing elections.

Thank you.

Errol Black

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Re: Bill 35

#### **Members of the Standing Committee on Legislative Affairs:**

My, my! Mayor Sam Katz is whining that the Province of Manitoba has introduced Bill 35, "The municipal conflict of interest and campaign financing act". Hey, doesn't Mayor Katz know that the City of Winnipeg is the creation of the Province of Manitoba, and regardless of what the City wants, the Province can do whatever they want! Quite bluntly, I have never heard Mayor Katz ever argue, as federal NDP Leader Jack Layton has, that cities should be considered independent entities in the Constitution. If this was enacted, then cities like Winnipeg could finance itself into the 21<sup>st</sup> century by acquiring state-like authority (that is, its own ability to create its own form of taxation and revenue sharing) as they have in many cities in the United States.

As Katz has never argued for this kind of position it is hypocritical of him to say that it is a "slap in the face to City Council". As Councillor Vandal has said, the legislation to ban election contributions from unions and corporations places the onus for campaign financing on ordinary people rather than special interest groups, such as land developers and unions. Where it does not go far enough is to ensure that services of union members who work on city council campaigns are viewed as non-reimbursable donations in-kind. That is, just like in provincial elections, union members are recruited from Saskatchewan and Ontario to work on NDP municipal candidates' campaigns. In fact, in spite of no "so-called" party politics at City Hall, unions like CUPE 500 ensure that those candidates who are endorsed by unions have everything they need to run

a campaign (office, telephone, computer, literature) - all at no cost to the candidate.

I'm concerned that the individual contribution limits for mayor and council are far too high. Currently, and what this legislation suggests, the limit for a contribution to the mayor's campaign is \$1500. I would limit it to \$250. The limit for council is \$750. I would limit it to \$100. Why? Because if the whole purpose of the campaign financing act is to include more citizens in the democratic process, then setting campaign contribution limits lower would allow more citizens to contribute, and would not allow the Aspers and Richardsons to continue to control who gets elected.

While I am fully supportive of the notion of requiring candidates filing an audited election financial statement within 270 days after election day, I have noticed that the requirements to participate in the civic political process has become more restrictive in the four decades since Unicity was created. When Unicity was first created, anyone could run for mayor or council by getting 25 people to sign their nomination papers, and no financial reports were required. Since then, it has become more difficult to run. You still need only 25 signatures to run for council, but you need 250 signatures to run for mayor. Most significantly is that, for over a decade, candidates have been required to provide financial statements after the election. Firstly, they could not run in the next election if they failed to file their financial statements. Secondly, they were taken to court and fined for not filing an election financial statement. Now, if the candidate is successful, he/she must forfeit their seat if they don't file their financial statement.

I think that applying this to candidates who are successful is fair. Citizens have the right to know who contributed to a successful candidate's campaign. However, there are some candidates who run, not to win but to promote a particular issue. They are known to some people as "fringe" candidates. In many cases, these candidates spend very little, if any, money on their campaigns and end up having to spend a considerable amount of money for an auditor to prepare a financial statement. This is undemocratic and discourages fringe candidates from participating in the political process (just look at the number of fringe candidates running in the 2006 election - 1 fringe mayoral candidate and 6 fringe council candidates - as compared to 1971 - 6

fringe mayoral candidates and over 40 running for council). Less is not better.

Overall, however, the "The municipal conflict of interest and campaign financing act" is not radical but simply brings Winnipeg in line with other major cities in Canada.

Nick Ternette  
Community and Political Activist,  
Freelance Writer and Broadcaster

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Re: Bill 35—The Municipal Conflict of Interest and Campaign Financing Act

Good Evening

I'm here to speak in support of Bill 35. Let me start by saying I was surprised to learn these rules aren't already in place. I think this bill ensures more transparency and accountability for the public and should be passed with a few improvements.

Political Contributions:

It seems obvious to me that organizations should not be giving money to candidates. I think the legislation means unions and businesses, although it doesn't name business or corporations and should.

The Bill effectively says the same rules that apply federally and provincially should apply at the municipal level. No businesses, unions or organizations should be contributing to politicians. That shouldn't happen. When an organization gives money to a politician, the optics alone are that something is owed in return. This practice should stop. I'm glad this Bill addresses that.

All candidates should have the same opportunity to fundraise from individuals in the community, from the voters that are representing.

This Bill also ensures that the public is made aware of conflict of interests that may arise with both politicians and staff. It's vital we protect the public interest from these conflicts and that the rules apply evenly throughout the province.

I'd also suggest that major contributors to campaigns also disclose any relations that deal with the municipal government. The public has a right to know if there are large donations from any individual that may want something from our elected officials. The public can then keep an eye to make sure no favouritism is shown to such an individual and that the public interest comes first.

I'd also suggest that these rules be put in place quickly with a deadline to ensure they are acted on.

Finally I have a concern with the fines only going up to \$5000. While that is a large sum of money to me, if I'm a wealthy individual or have organizations' resources to draw on and violate the legislation and the public trust, the fine limit seems small and should be raised.

I hope the government takes this presentation as some constructive criticism and passes Bill 35 with the changes I've suggested. As I said in the beginning, I thought these rules were already in place and clearly should be.

Audra Ludwig

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Standing Committee of the House  
251 Legislative Building  
Winnipeg MB R3C 0V8

September 24, 2009

Re: Bill 36 - Enhanced Compensation for  
Catastrophic Injuries

To Whom It May Concern;

In the dictionary a catastrophe is defined as a disastrous end; a ruin. Quite simply stated, the catastrophe is the end result of the injury and not the injury itself. Claimants are denied the right to prove how catastrophic their injury is to their life because MPI's definition of a catastrophic injury is the injury itself and not the end result of the injury; and Bill 36 only reinforces this.

My MVA injuries destroyed my life and I am not in a wheelchair. My working career ended. I was robbed of my meaningful future. Life as I knew it ended just the same. I was 100% not at fault and he was impaired. A violation of the person is a violation of the person; IE a crime causing bodily harm.

Is the state going to define how rape victims are supposed to heal? Rape victim "A" got over it and became a productive member of society so therefore it is concluded that sexual assaults have no ill effect and "In the majority of cases, Mr. Speaker, the injuries are more minor and last a short while". (A quote from Mr Chomiak in his June 3, 2009 speech to the Legislature referencing so called minor injuries regarding Bill 36) This line of thinking has no place in a fair and just society.

The state cannot ethically legislate the effect of an injury, as it is always relative to the individual and the catastrophe is the end result. Bill 36 needs to account for this in its final definition of what a catastrophic injury is.

Bill 36 is a desperate attempt to quell the rising resentment of an NDP Government which values MPI's profits more than the lives of innocent productive members of society. A lot of lives have been ruined in the past 15 years since the implementation of No-Fault insurance by the PC's. There is a lot of resentment out there and Bill 36 looks good in the media to people who have never made a claim.

Bill 36 is superficial at best as all it does is throw a little bit of money at ONLY the few worst injuries and it does absolutely nothing to address the real problems with this farce of an insurance company. MPI still has the absolute power to deny any claim and delay the process for years on end. These so called minor injuries can quickly become major catastrophic events when claimants are denied medical treatment and retraining because they have been legally defined as "minor".

Thank you for your time,

Steven David Bowley  
Creator of NoFaultVictims.com

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>**