

**Fourth Session - Thirty-Ninth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

**Official Report**  
**(Hansard)**

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

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## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 23, 2010

*The House met at 10 a.m.***ORDERS OF THE DAY  
(Continued)****GOVERNMENT BUSINESS****COMMITTEE OF SUPPLY  
(Concurrent Sections)****JUSTICE**

\* (10:00)

**Mr. Chairperson (Mohinder Saran):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Justice.

As had been previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

**Hon. Andrew Swan (Minister of Justice and Attorney General):** Good morning, Mr. Chairperson. As we did yesterday, I'll try to provide some information that arose in questions yesterday and even the day before. There will be other matters, of course, we'll be—we'll have to provide by letter to my critic at a later date.

One of the questions that came up was the spending in the 2008-09 fiscal year, payments made to the *Winnipeg Free Press*. I do have a better breakdown of how that money was spent. The total amount spent was \$72,432.37. Of that, the majority, \$60,335.85, was spent on career advertising for all of the different areas of Manitoba Justice; \$3,754.80 was on program advertising, which I'm advised was on the police act, public consultations; \$2,782.50 was for the Helen Betty Osborne Memorial Foundation, advertising for the annual gala; and the balance, \$5,559.22, were actually newspaper subscriptions within the department.

The member for Steinbach (Mr. Goertzen) had also asked about the \$30,756 to ACME Sport and Promotions. I had indicated that I thought most of it was with respect to clothing items for inmates, and that is indeed the case. This is all for clothing items for inmates, such as T-shirts and sweatshirts. There were multiple purchase orders, but that is the correct total of \$30,756.

To clarify from yesterday, the member for Steinbach asked about the payments to the Brandon and area Youth for Christ of \$10,100. Mr. Chair, \$8,000 was a Lighthouses grant. The other \$2,100 was a fee-for-service payment for something called the VOX program, which is an employment preparation program. The Portage Youth for Christ amount of \$6,000 all went to the Lighthouse facility; they're our partner in providing that.

We also, yesterday, had spoken about The Parental Responsibility Act, and my staff have gone through and have been able to pull two of the most recent claims which actually represent all the claims filed in '08 and '09. They were both—I won't read—that's public record—I won't read the names of the parties into the record, but the first claim from 2008 was a small claim under The Parental Responsibility Act. It looks like that actually went through to a small claim hearing, and apparently the claim was dismissed at the hearing. The other claim from 2009 was commenced in October of '09, and there was a notice of discontinuance in December of '07. Of course, if it's discontinued, we don't know whether the plaintiff simply gave up or whether there was some kind of resolution reached between the parties.

I think—no, one more area I can go through. There was a question about the Winnipeg Police Service Stolen Auto Unit. We have spoken with the Winnipeg Police Service. They tell us their Stolen Auto Unit currently has 16 members: one sergeant, three detective sergeants and 12 constables. Two of the constables are responsible for investigating commercial auto thefts; the remaining 10 constables and supervisors are assigned to the Winnipeg Auto Theft Suppression Strategy or WATSS program. And in relation to how they're funded, six of the constables are funded through an agreement with Manitoba Public Insurance and five constables are funded under schedule D of the WPS funding agreement from the 2007-2008 gaming grant. So the government of Manitoba, in total, is funding 11 constables for the Winnipeg Police Stolen Auto Unit.

**Mr. Kelvin Goertzen (Steinbach):** I thank the minister for—and his staff—for putting that together.

Did he have any further information on the Probe issue?

**Mr. Swan:** Not yet. Not yet.

**Mr. Goertzen:** That's fine. Also, if he could put together—or his staff put together for the last fiscal year, the advertising that the department has done, the reason for the advertising and the media—and the costs where that advertising has gone to. Nothing urgent, really, that can be done at any point. That could exclude the advertising for the gang commercials which I already have through FIPPA information.

Could the minister provide—just backtracking on a couple of things from yesterday to clean up—the number of probation officers that we have currently in the province of Manitoba?

\*(10:10)

**Mr. Swan:** I just—first of all, to finish the previous question that the member had asked—yes, we will pull together the information we have on advertising and media costs and the reasons excluding the gang commercials and that process for the last fiscal year, which is 2009-2010.

The question then asked was about the number of probation officers in Manitoba. I'm told that there are 161.74 FTEs for probation officers in Manitoba. That doesn't include CCWs, the community correction workers.

**Mr. Goertzen:** Is there a measurement of workload for—or caseload for probation officers similar to you'd have for Crown attorneys or how is that measurement kept?

**Mr. Swan:** I'm pleased to say I can provide that today. There's a snapshot, if I can call it that, taken as of April 21, 2010. The number will fluctuate from day-to-day, and the number will be greatly different within the system depending on the type of offenders that probation services is supervising. The general rule is that those who supervise the higher risk, higher level offenders will have fewer cases. Those who supervise those with lower risk profiles will have more cases. In general, across the entire system, I'm told that, as of April 21st, the total caseload average per probation officer was 52.

**Mr. Goertzen:** So is it broken down in the same way that the prosecutor workload is broken down in terms of levels of complexity and does the minister have that breakdown in the same fashion?

**Mr. Swan:** I do have a more detailed breakdown. It's not exactly the way that it's done in prosecutions. The breakdown that I have is largely geographic. We've got totals for each of the various regions of Manitoba and also the various offices within Winnipeg. There's also some units—having said that, there's some units where there is a better aggregation of those.

So—and I can go through and provide more detail. For example, the Winnipeg youth serious offenders services unit, or SOS, which is the Spotlight program, the total caseload average is actually only eight for the four positions in that area. Similarly, the Winnipeg Adult COHROU, that's the high-risk unit, the caseload is only 16.

Those caseloads are higher for various offices and in various parts of the province, based on the kind of offenders that those probation officers deal with.

**Mr. Goertzen:** The minister indicated that this was a snapshot. How often are the caseloads reported to the department? I guess what I'd like to have is, in writing, the caseloads' averages for the last couple of years, to look at a historical trend. I mean, I—if they're taken daily, I don't need them every day, but if they're taken monthly, that would be fine.

**Mr. Swan:** Yes, I think we probably have a decent answer we can provide in the near future.

As I've said, there's some variation from day to day and week to week. What Probation Services has put together, much as with some other statistics we were talking about, is an annual average of the month-end totals, which should, hopefully, take some of that volatility out.

And I can certainly provide that to the member for the last three years. And we do have the 2009-2010 numbers as well.

**Mr. Goertzen:** I appreciate the minister's undertaking on that.

Just as a warning—not as a warning, as a heads-up, the member for Portage will be asking some questions, probably at around a quarter to 12. I don't know the nature of his questions. The department might know better than I do with that, but just so you're aware.

We'll continue on in the same order that I described before. I'm not sure how long. Probably once I start asking questions about The Factors Act and the definition of antecedent debt, you'll know I'll

be getting closer to the end. I had some opportunity to examine that a few days ago; I might have some questions.

Anyway, back onto the issues of courts. Duty counsel currently in the province, can the minister just give me a bit of an overview in terms of how that's assigned in the courts and how many duty counsel we have?

**Mr. Swan:** It's—that's actually a Legal Aid question, because I presume you mean Legal Aid duty counsel. So we'll just—*[interjection]* Okay, so we'll save that question for later. Okay. Thank you.

**Mr. Goertzen:** All of my best efforts to be orderly just don't seem to be working.

I'd requested from the department statistics around wait times for trials, and the minister will know that a couple of years ago we were given that information. Now we're told that it's no longer collected or no longer available, which is surprising in some ways, particularly when there's lots of questions around the speed at which trials happen. At different times, the government will tout programs like front-end projects and different things to move cases along, and yet you're trying—and yet it's difficult to actually get a sense of whether or not things are improving in the courts or not because the information, it doesn't seem to be kept any more or not released any more.

Is there no measurement within the department in terms of how long cases are outstanding to get a sense of how quickly things are proceeding to trial?

\* (10:20)

**Mr. Swan:** Well, there's—the member's comments aren't really correct. I mean, there's various ways that the time to get court hearings can be determined. There are some measures that are contained in the Provincial Court report which, of course, we and the member for Steinbach are waiting for. My department does have information on how long it takes to get a—potentially get a court date. The—I can provide more information on the record.

The difficulty, of course, is that simply having a court date available doesn't mean that all the parties involved are able to take that date. Of course, just having a judge and a clerk and a courtroom available doesn't necessarily mean that the trial gets scheduled at the earliest possible opportunity. The Crown's schedule has to be taken into account, the defence schedule has to be taken into account, and of course

the schedules of witnesses, including police officers, has to be taken into account as well.

So if the member wants—there was some anticipation there might be a question along this front, so I can provide information on the earliest possible court dates as of the current time.

**Mr. Goertzen:** I'd appreciate that. And whatever historical data exists in that same format, going back three years if you would have it, it would be helpful to get that sort of context.

Perhaps the question wasn't being asked correctly in the freedom of information requests. So if that information exists in some fashion, we would like to see it, because it is important, I think, to measure outcomes.

And I appreciate the anticipation from the department. If I remain in this current position next year, I will try to be less predictable for department staff, just so that I can make this process more exciting than it currently is. The—*[interjection]* I'm now getting heckled by the table Clerk, it's degenerating to that level.

Question regarding just the overall speed of the court process. I know what the minister's predecessor and predecessor to that, both the member for Kildonan (Mr. Chomiak) and the member for St. Johns (Mr. Mackintosh), often spoke about how the elimination of two-for-one, they believed, would help to alleviate the remand culture, as it was described both by us and, I think, by those ministers. We're sort of into that second era now, the different era of moving away from the two-for-one sentencing. I may be less optimistic. My belief is that, as long as you have defence lawyers, there's always been that desire to slow things down.

But, given what the statements have been by the minister's predecessors, is he now of the belief that the issue around remand will be alleviated significantly with the elimination of two-for-one sentencing?

**Mr. Swan:** It's a good discussion to have. I mean, of course, we're very early into the new era, and the ending of the two-for-one credit will only apply to new charges and new people coming into the system. I do agree with my predecessors and, of course, as I've indicated and I've put on the record, we have asked for and we certainly supported the federal government moving in this direction.

The hope is that this will take away disincentives to moving cases forward. It'll provide some incentives for queues to move their cases forward. We hope that will be the result. I'm very hopeful that will be the result and I think the federal government is as well.

There will be some impact on our populations because it stands to reason that some sentences which are now being served in provincial jails will now be served in federal institutions. In Manitoba, for example, Stony Mountain has—they've got a lot more space than our provincial institutions do.

The hope, as well, which is a longer term hope, is that it will improve outcomes, that individuals who are sentenced will likely spend a greater amount of time as sentenced individuals. There will be more opportunities to, hopefully, rehabilitate those individuals, to have them take responsibility for what they've done, to help their communities, their families to deal with their reintegration when they are released from the provincial institution. But obviously, that's not going to happen tomorrow. Those are longer term goals.

So I'm optimistic that we're going to have better outcomes in our justice system. But, you know, I can't quantify that today.

**Mr. Goertzen:** And I wouldn't have expected the minister to have been able to quantify it. It would certainly be our hope, too. I'm of the belief there are other issues that contribute to the issues around remand, and we'll see. I guess the proof will be in the pudding as time goes along, and the good work by the federal government on that file may not prove to be as helpful to the minister politically as he may hope in terms of what the results are. But we all hope, obviously, that it will have an impact. Whether it does or not will be seen at some point in the future.

Some questions around the drug treatment court, and I had gotten some statistics regarding the success rate of people—individuals completing their drug court treatment program. What are the most recent statistics on those who are completing the program?

**Mr. Swan:** It's a pleasure to talk about the Winnipeg drug treatment court. The Winnipeg drug treatment court program is now in its third year of operation. The federal assistance for that program is confirmed to continue until March 31, 2012, and we certainly are hopeful it'll continue after that time.

\* (10:30)

Right now the court has 27 participants. Three graduations were expected in the spring; I don't have an update on those. I'm told that from January 1st, 2006, which is when the pilot project started, to March 1, 2010, there have been 33 graduates, which is a success rate of about 1 in 3.

I don't have the—right now—the total number of people who've gone into the program, but it sounds like it should be right in the range of a hundred or so. I'm also told that, over the three-year operation of the court, the recidivism rate for the graduates has been only nine and a half percent, which, I think, is a very positive thing.

There are further updated evaluations that are being undertaken to keep giving us more information on how effective this court can be.

**Mr. Goertzen:** I would agree with the minister that the recidivism rate for those who complete the program is encouraging. And in the past I'd—prior to the court being announced, I did speak favourably towards the program and towards the impact it could have on graduates. The much lower success rate, of course, is in those who stay in the program.

What are the intake criteria that are being used, what are—what sort of a profile of those who are coming into the program?

**Mr. Swan:** Yes, the—generally, the characteristics or the criteria for people being referred to this program, which can happen—there can be referrals from the provincial court proper, there can be referrals from other workers in the court system, there can be referrals from Prosecutions, or even from defence counsel.

The purpose of the court is to break the cycle of drug use, criminal behaviour and incarceration, through a diversion court for drug-addicted, non-violent offenders so their—the crime could not have been one of violence or not an armed robbery or assaults or things. The general profile has been that individuals who've been involved in break and enters, or trafficking, in many cases to satisfy their drug habit, have been prime contenders, if you will, for involvement in the drug court.

The Winnipeg model—although it's a made-in-Manitoba solution, we've still built in the lessons that have been learned by some of the other drug courts across the country, particularly Toronto, and Vancouver. There is pretty good communication between the various drug courts in Canada to see

what's working in other places, what's not working, as we continue to just trying to improve the system.

**Mr. Goertzen:** The minister refers to it being a made-in-Manitoba model. How would the Manitoba drug court differ from those in Toronto or Vancouver?

**Mr. Swan:** Yes, the way in which the court's been set up, it's really been a partnership. And, obviously, Justice Canada is at the table so they have experience from across the country but, of course, it's also involved not just Manitoba Justice and the provincial court but it's also been reliant on the advice of the Addictions Foundation of Manitoba which has been a key player, the Behavioural Health Foundation, Legal Aid and also the private bar in Manitoba.

And I, you know—I think it's fair to say that Manitoba is quite lucky in terms of the relationship between the bar and judges in terms of being able to try to come up with good solutions. And I should add that the police were part of the process as well.

**Mr. Goertzen:** So that was the collaboration which I think is positive in terms of its being established, but what differences then would there be between the courts here and other jurisdictions. He mentioned it being a made-in-Manitoba model. How is it different from other drug courts?

**Mr. Swan:** As I've indicated—I mean we've pulled the court together by using the expertise of individuals here in Manitoba. We've certainly tracked what's going on in the other courts. Today I can't actually give you an example of a specific process that's done differently in Winnipeg than in Edmonton or Toronto or any of the other drug courts.

What I was getting at was that we've really relied on the partnerships and the collaborations here in Manitoba to get this drug court up and running and I think having reasonably good success given the types of offenders that it deals with.

And I should mention as well, we've got a Provincial Court judge who's quite involved and very interested in making the drug court work.

**Mr. Goertzen:** The recidivism rate on the graduates at nine and a half percent is encouraging—less encouraging, of course, than the number who complete the program, although I've looked at the statistics for the drug treatment courts nationally, and it's probably now out of line. And so there can be questions, generally, about the overall intake, not just in Manitoba, I recognize that's an issue at other drug

courts as well, but the success rate on graduates is encouraging, particularly with the very poor recidivism rate that we have from individuals leaving our provincial institutions.

Are there lessons that we can learn from what's happening within the drug treatment court system that can be applied within the prison system? And not to go simply back to the issue of a therapeutic drug model but can some of the lessons that we're learning from the drug treatment court be applied to those who are incarcerated?

**Mr. Swan:** Well, I thank the member. I mean it's a very thoughtful question as to what we move ahead and do. In the drug court—thank you—the drug court course is highly intensive. Supports are there to try and help people remain in the community to deal with the root causes of their substance abuse which has led them down the path to criminal behaviour.

\*(10:40)

It's a very different situation from dealing with individuals who are actually in the jail system. It's an interesting thought. I don't think I can draw an immediate parallel right now except to say that we want to continue operating the drug court in Manitoba. We hope that all our partners will be on board and we'll keep informing ourselves with the results, as the program continues, to see if there are things we can export to other areas of the justice system.

**Mr. Goertzen:** And, I mean, my own thoughts on it is I suspect the drug treatment court has a more holistic approach to dealing with offenders that often doesn't occur in the programming within prison at the same intensity level. And I—in talking to a lot of people around the issue of addictions and talking with officials who have therapeutic drug prisons in the United States and some other sort of models in Canada, I mean, they indicate the easy part is dealing with the physical addiction. Incarceration deals with that, to a large extent, within two weeks to a month depending on what the addiction is, but then the difficult work begins of trying to find out what led the individual to addiction, what are the sorts of issues that brought that person to that path so they don't find their way back there again. And that the physical addiction is the easiest part to deal with—which is probably not what the general perception is.

I just leave that as a statement that I think that there's more holistic work that could be done within the prison system itself to get us—I mean, I know that

that nature of the offenders are different too, to a large extent. But the stark contrast between a 9.5 percent recidivism rate and a 70 percent recidivism rate out of Headingley, regardless of the difference of the offenders, is just significant. And trying to bridge that gap, I think, would be time well spent and probably money well spent, even in times where money might not be as available as it has been in the past.

Questions regarding the Fine Collection Program and the amount of money that's outstanding, I think—I don't have it in front of me and I'm going off memory—I think the last report that I had indicated there's about \$42 million, or somewhere in that range, of outstanding fines in the province.

**Mr. Swan:** The last cumulative total that we have is for September 30, 2009, which the member may already have. At that time, the total amount of outstanding monies in the fine collection, it was \$44.6 million. It's important to remember that is a cumulative amount. If the fines don't get paid, they remain on the books, apparently in perpetuity. So some of these fines are actually not just three or four years old, but some may be more than 10 years old. But the latest amount we have is \$44.6 million as of September 30, 2009.

**Mr. Goertzen:** And despite some initiatives I know that the government has talked about in the past, that number seems to me to be sort of stubbornly high, at least over the last couple of reporting periods. It might even be a little bit higher than the report that I had prior to September in 2009, if that was the last time they checked on the numbers.

Is there a reason why that number just doesn't seem to come down at all?

**Mr. Swan:** It, frankly, is not an easy question to answer. I mean, it's a relatively—I shouldn't say it's a small number of Manitobans, but it is a limited number of Manitobans who, for whatever reason, either can't or won't pay fines which are outstanding.

We have taken increasing steps to find ways to go after these individuals. Actually, we use a collection agency to try and deal with some of the people with outstanding fines. Obviously, there's a cost to the Province to doing that, but it's actually better than having a fine sit on your books forever. Of course, if a collection agency is involved, somebody who owes a fine faces the prospect of having an impact on their credit rating, which may motivate people in some cases.

\* (10:50)

I can just give, as a snapshot, some of the things the department has done in the last fiscal year to try and take enforcement actions. In the 2009-2010 fiscal year, the department has taken enforcement actions for unpaid fines by withholding—the most recent number I have is 14,169 driver's licences—by garnishing almost seven—sorry—almost 800 debtors' wages or bank accounts, if those can be found, and for some of the worst offenders, if you will, by seizing the personal property of 16 individuals with outstanding fines.

So certainly the department is interested in moving ahead. In some cases we've sent it out to collection agencies. In some cases we've kept it in-house to try and go after these. Certainly we keep an eye on the cost of collecting, but we also do want to send the message that those things should happen. Of some of those worst accounts, those efforts in 2009-2010 resulted in \$6.4 million being collected from those individuals with some long outstanding fines.

**Mr. Goertzen:** Can the minister indicate—it was a question yesterday under this section about photo radar revenue. What portion of the photo radar revenue does the Province receive?

**Mr. Swan:** I'll try to give the best explanation I can. It may give rise to another question or two.

There are four components to a photo radar fine that may be assessed. The first element is what we call the base fine, and virtually all of that amount goes to the municipality that employs the officer who issues the ticket or who operates the system that has generated the ticket, so, of course, that means the City of Winnipeg for photo radar.

The second component are court costs. Those are 45 percent of the base fine. That goes to the Province for general revenue. There is a victim surcharge equal to 20 percent of the base fine. That goes to the Province into the victims' trust fund, and there is a justice services surcharge, which is \$50, for photo radar tickets. That goes into provincial general revenue.

So the base fine court costs and victims' surcharge allow you to do a percentage calculation. Because the justice services surcharge is a flat \$50, I suppose you could run it through at any level of base fine to come up with the percentage of how much goes to the municipality and how much goes to the Province.

**Mr. Goertzen:** Do we know what the base fine is for the photo radar tickets? Is it different between the intersection tickets and the mobile units?

**Mr. Swan:** We were just looking at the various kinds of offences that can be flagged by photo radar. The first is speeding. That was changed. It used to be particular bans of fines based in speed ranges. That's been changed now to be a base fine of \$7.70 per kilometre over the speed limit. So again you can plug in any number and come up with a percentage.

If you go through a red light, the base fine is \$90.22. You know, I'll use that number, because it's fixed, just to give an illustration of how the various surcharges come into play. If you go through a red light the base fine is \$90.22. Using the formula we just discussed, your court costs would be \$40.58. The victim surcharge, again a percentage, is \$19, and the justice services surcharge is \$50, for a total fine amount of \$199.80.

\* (11:00)

**Mr. Goertzen:** The justice service surcharge, does that go right into general revenue or is that dedicated to—

**Mr. Swan:** It goes to general revenue.

**Mr. Goertzen:** Well, I appreciate that. That does add some clarity. The minister's predecessor and I had a number of exchanges in the House regarding that issue, and he had some exchanges with the mayor, and all of our exchanges, I think, left people very confused, and this might help to clarify some of that for future discussion.

Questions regarding maintenance enforcement and the current number of counts—accounts—currently open in maintenance enforcement and the number of case managers who would deal with those accounts.

**Mr. Swan:** The snapshot, as of December 31, 2009, showed the program has 15,486 accounts being collected, which is virtually unchanged from the previous year, so the number of active accounts is running relatively the same over the past three years, with roughly the same number of accounts closing as opening in the year.

The program has 25 designated officer positions across the province: 21 in Winnipeg; three in Brandon, and one in Thompson. One of the designated officers is assigned full-time as a client services officer who responds to payee-creditor inquiries, and one officer is temporarily assigned to the MEP systems project, the computer program

project, until a project member returns from an extended sick leave. And, at present, which I believe is right now, with the document I've been given, there's one position vacant, which the program is in the process of filling.

**Mr. Goertzen:** So, among those officers, then, dealing with the accounts, are they fairly evenly distributed? It wouldn't be like probation or Prosecutions where you have some cases which are more intense than others?

**Mr. Swan:** I can advise that the designated officers aren't assigned—let me put it another way. Accounts are sorted into units based on the type or the level of action required and officers are then assigned to the units as required. There's five major categories that have been identified by the Maintenance Enforcement Program. The first is defined as simply enforcement monitoring. Those are those accounts that pay on a regular basis. There may be an automatic withdrawal, there may be a series of post-dated cheques. The payors pay on a regular basis; they're in good standing. That is about—that's 41.6 percent of the total accounts.

The next category, as we move up the continuum, if we can call it that—or along the continuum—is regular enforcement. Those were accounts that have had to have had an enforcement action taken to bring the account back into compliance. The action may or may not have been successful and is being monitored. Even if somebody gets back on the right track and then supplies a pack of post-dated cheques or sets up an automatic withdrawal, accounts will stay in that category for a year after becoming current again for continued monitoring, just to make sure somebody doesn't slip back into a default. And if they remain current for more than a year, if there's ongoing problems, they then get—I'm sorry. If everything remains current for more than a year, they then get transferred back into that first category, the enforcement monitoring. This is about 37.7 percent of the accounts.

The third category is interjurisdictional accounts, and they are accounts where the payor lives in a different province or where the recipient lives in a different province. Enforcement is done by the jurisdiction where the payor lives. There's been some work over the past number of years to have better co-operation between jurisdictions. This is actually higher than I might have expected. It's 13.5 percent of the accounts. It doesn't mean they're in default, but it just means that we're dealing—if the payor is in

another province, we're dealing with a different jurisdiction system.

Then we get to the last two categories. Special investigations: these would be described as the most difficult to collect accounts, where, in the opinion of the program, the payor is avoiding payment or hiding assets or doing other things to make it difficult for the program to collect the amount that's owing. That is about 5 percent of the accounts.

And there's a final category, which are described as temporarily uncollectible accounts, some of which I recall from my days in practice. The payor has disappeared. All efforts to locate have been exhausted or the person has moved to a jurisdiction that does not enforce the order, or they're in jail, or there's some other reason why, even though the order continues in effect, the arrears keep growing. There is no active steps that can be taken by the program to collect. That's only—thankfully, only about 2 percent of all accounts in Manitoba.

**Mr. Goertzen:** I thank the minister for that detail. Is there—is the number of officers within Maintenance Enforcement assigned to these files been fairly static over the last few years, or has there been an increase in the number?

**Mr. Swan:** I can tell the member that both the caseloads and the number of officers has been pretty much static over the last few years.

**Mr. Goertzen:** Has there been any concern raised within the department by Maintenance Enforcement about the workload that the officers are under? And I—you know, we all hear, as MLAs, regardless of the positions we fill, sort of anecdotal and, sometimes, less anecdotal concerns from constituent of ours—constituents of ours, and I certainly have heard from a few in dealing with Maintenance Enforcement. And in my own dealings, in sort of following up for constituents, it can be pretty difficult to get a hold of individuals and, when you talk to them, you get a pretty clear sense that they've got a lot of work going on. Is there a sense, from the department, that this is an appropriate staffing level for the number of cases or the number of files that are open?

**Mr. Swan:** The work that the officers in the Maintenance program do is certainly challenging, not so much with respect to recipients, but, obviously, with respect to the payors or non-payors, as the case may be. Certainly, there are challenges in meeting everybody's expectations under the program. And one of the comments that, certainly, I've heard as the

minister, that has been passed along by my officials, is that they are using a system which is way, way out of date. A lot of the work being done by the officers is paper-based. It takes a lot more time than it should. So that instead of, perhaps, being able to take that extra step and going after payors, our officers find themselves having to push more paper around than would be optimal.

So, as the member is aware, we are moving ahead to bring in a new Maintenance Enforcement system. The idea is that it will provide much better resources to the officers, so they can really turn their attention to cases that need the most work. Through the case management system, the new program will do a much better job of flagging files where, perhaps, more attention is required, and we can better use the very good people we have working at the program.

\* (11:10)

There will always be challenges in terms of dealing with payors again. I know this from my professional experience. They're a small number of people, but a defined number of people who will go to great lengths to avoid paying spousal support or child support. I know that we'll never achieve complete satisfaction for Manitobans, but we think the new system will certainly improve the ability of the program to collect child support and spousal support for the benefit of Manitobans.

**Mr. Goertzen:** And I agree with the minister in terms of his comments regarding the quality and the dedication of the staff that are working in maintenance enforcement, and I'm aware of some of the frustrations that exist there. And he indicates the computer system, which is something that I've also heard about from those working fairly directly with the process, and this is something that's been going on for a number of years and at least the last two Estimates processes. I've heard about the new system coming forward and I think that the frustration for those who are working within maintenance enforcement is that they've been hearing about it for a few years, as well, and it's simply not happening. What's the difficulty in getting this program moving?

**Mr. Swan:** Well, I mean, first of all—I mean, there's an acknowledgment that the Auditor General first raised the issue a long time ago, in fact, more than a decade ago.

The department has been working hard to get the system in place, at least over the last number of years. There's been sort of a happy level of

co-operation between our Province and the Province of Alberta; Alberta has been very co-operative in letting us use or take their system for application in Manitoba for the princely sum of \$1. There's been a quid pro quo and we've actually shared some of our knowledge and expertise with the government of Alberta, also for \$1.

We have been in the process of adapting that system for use in Manitoba, intensively for the last several years. There was an interesting development: Alberta actually let us know that they had plans to modernize and improve their system, which left us with a bit of a choice to make. We could've simply gone ahead and perhaps have a system in place that would be out of date, if we looked at what the Alberta standard is, or we could wait until Alberta completed their updates.

The department chose to wait until Alberta updated its system, so it is now sort of the green light to get this system up and running. We are certainly hopeful and nothing has been flagged to my attention that would prevent this from being up and running next year.

**Mr. Goertzen:** Does the department keep, in terms of human resources, turnover rates that they would have among officers at maintenance enforcement?

**Mr. Swan:** We don't—we haven't collated statistics on turnover but I can acknowledge on the record that it is a difficult place to work, given the subject matter that our Maintenance Enforcement Program officers deal with on a regular basis. So the turnover is likely higher than in many other areas of Justice, or government for that matter, but we—I can't give the member any statistics on that fact.

**Mr. Goertzen:** How about I just ask, since we're dealing with a fairly small number of individuals, if he could just indicate or provide the information going forward, how many of the officers have left? How many left last year, how many left the year prior and the year prior to that? So, for the last past three years, how many have left their positions? I know it's not a large number of people involved, and so it should be quite easy to provide at some point next week.

**Mr. Swan:** Yes, we'll do our best to pull that together just keeping in mind that if people leave they may retire. They also may be moving into another area of Justice. I know a couple of officers who have moved on to do some other things within

the department. But we will do our best to pull that together for you.

**Mr. Goertzen:** And that's fine, and I do recognize that there are a variety of reasons that people leave and if the department wants to note why people have left, obviously now without indicating where they've gone, privacy reasons, that's certainly fine.

Moving on to the issue of Legal Aid and moving away from the issue of Courts at this point, I had asked the question of duty counsel in the Courts section, and I wonder if we just pick up at this point on the number and the use of duty counsel currently with Legal Aid in the courts?

**Mr. Swan:** Yeah, I'll—maybe I'll just get a bit more information from the member for Steinbach so I can try to get a better answer out of my department.

When you speak about duty counsel, are you asking how many lawyers Legal Aid actually has employed doing criminal work, or are you actually asking in which courts is—can there be expected there's somebody from Legal Aid? If you can just give me a bit more detail, I'll do my best to answer the question.

\* (11:20)

**Mr. Goertzen:** I'd take the answers to both of those questions.

**Mr. Swan:** I can give a very, perhaps, short and fleeting answer, and we'll try to get a more complete answer for the member.

Legal Aid's total staffing for 2009-2010: there were four lawyers acting in a managerial capacity; 67 lawyers in a regular capacity as Legal Aid counsel; and eight articling students. Of course, there's also private bar lawyers who take legal aid certificates.

In terms of duty counsel, I can say, generally, that Legal Aid tries to be as responsive as possible. Obviously, it's much easier at the courthouse in Winnipeg where there will be a number of matters going on on any given day. There's actually a very good presence of Legal Aid staff lawyers who can serve as duty counsel. As well, on—in the other centres there's pretty good coverage and, as well, on circuits, as much as possible, there will be someone from Legal Aid who can serve as duty counsel.

In some cases, where that isn't possible, arrangements will be made with private bar lawyers who will serve as duty counsel to assist with bail or

other things that may come up in the course of that hearing. Of course, once duty counsel have done their job, it's then up to the individual to actually apply for legal aid to get ongoing services.

So that's not quite the answer that I think the member is looking for.

With respect to the numbers, we can ask Legal Aid for a breakdown, as much as possible, of how many of their lawyers are doing primarily criminal work and how many are doing primarily family work.

With respect to the duty counsel question, I'm not sure how much other detail the member would want.

**Mr. Goertzen:** Well, I'll take whatever detail the department can provide in the future. I don't need to belabour that point now.

The Perozzo report in 2003, which followed a fairly high profile—issues related to Hells Angels trials and the use of Legal Aid, and it resulted in some legislative change which we had suggested prior to the report. But it also recommended, I believe—and I can flip through the report, I have it here—an additional 10 staff lawyers to be established for criminal cases in a separate office, maybe modelling somewhat on the independent prosecutor—or, sorry, the public defender system in the U.S. And I think Mr. Perozzo actually had met with the Minnesota public defender offices, as I did at one point around that time as well.

Has that been acted upon, that recommendation from the Perozzo report to have the 10 additional Legal Aid lawyers set aside in a specific office to deal with criminal matters?

**Mr. Swan:** Mr. Chairperson, yes, there has been action taken on that recommendation in the Perozzo report. The number of lawyers that—staff lawyers employed by Legal Aid has actually grown considerably since 2002-2003. Not including articling students or the managerial positions, the number of staff lawyers was 45 in 2002-03, 49 in '03-04, stayed at 49 in '04-05, went to 53 in '05-06, and now stands at 67.

There have been separate offices set up by Legal Aid Manitoba to try and avoid those conflicts, to allow files to be dealt with independently within those various offices. Certainly the purpose on the criminal side is to reduce conflicts between different

individuals who may be co-accused, who have each received legal aid certificates.

Certainly, on the family law side, as well, it also helps because then there are fewer conflicts when two individuals may each have obtained legal aid coverage. So, certainly, we think it was a good suggestion, and we've moved ahead on it.

**Mr. Goertzen:** Can you specifically identify the areas of practice those lawyers are in? Are they—has the increase come into criminal law lawyers, or is it more on the family side?

**Mr. Swan:** Yes, I don't have the specific breakdown today, but I'm told that, of the increase of the 22 lawyers, there have been some criminal lawyers and some family lawyers. I can try to get better numbers from Legal Aid. We'll make that request.

**Mr. Goertzen:** So the additional lawyers that Mr. Perozzo is recommending would be dealing with conflict cases and more specialized—*[interjection]* I apologize. That may be my wife calling with important information from time to time, as we all have higher authorities to answer to.

The specific recommendation was for 10 staff lawyers and a sort of separate, specialized office to deal with more complex cases, and that they would have that expertise. Is the minister confident that that's what's been established?

**Mr. Swan:** Yes, well, the recommendation was really—there were two main issues that it addressed. One was the nature of the complexity of some of these cases. The second was dealing with the conflicts within the legal aid system. So the separate offices have actually, to my understanding, accomplished both of those things. It has allowed the staff lawyers doing criminal law work in those areas to become more specialized, and more comfortable with more complex cases. It's also managed the conflict problem that I just spoke about.

**Mr. Goertzen:** Can the minister indicate if any and how many of the defendants in the Project Divide case have applied for legal aid certificates?

\* (11:30)

**Mr. Swan:** I can't really speak to the specific question. I mean, whether somebody applies for Legal Aid or is accepted is actually something confidential I can't reveal, but I can assure the member that when somebody who's alleged to have connections to organized crime applies for legal aid, the antenna do go up and Legal Aid will do some

background work to determine whether this is somebody who truly is entitled to legal aid or whether a case can be made to say that they can certainly find resources from somewhere else to handle their defence.

And I—so I can't give specifics but I think you can understand where Legal Aid is going with this.

**Mr. Goertzen:** And I know that that was an area of dispute a few years ago, that there wasn't the sort of asset checks being done as vigorously as we would be hoping for, and so that is my hope that those—that it's quite vigorous in terms of what the ability to pay is for individuals within organized crime, in particular, with those in—dealing with the operation Divide case.

Maybe just to go a little further then, Mr. Perozzo, in his report, had requested that any sort of large trials dealing with, while not specifically with organized crime but the large trial he'd budgeted outside of the normal budgetary process, has there been any specific funding set aside for large trials for this year for Legal Aid.

**Mr. Swan:** I mean, generally the budgeting is done by Legal Aid Manitoba. I mean, it has its board and its executive committee that makes those decisions. Generally speaking, it has been the practice of Prosecutions, both our provincial Prosecutions but also federal prosecutions not to—to take every effort to avoid the large trials or the megatrials which we heard quite a bit about some time ago. The general sense is that isn't the most effective way to ensure that justice is reached.

So, first of all, it would be the Legal Aid board that would handle it, but, second of all, because of I think some very reasonable choices made by both federal and provincial Prosecutions, we don't see a single megatrial on the horizon.

**Mr. Goertzen:** Legal Aid has indicated publicly that they're expecting a financial shortfall as a result of decreased revenues from the Law Foundation that they receive, I suspect because of investment issues or lower interest rates. Has there been a request come from Legal Aid for funding to help backfill what they're considering to be a shortfall for this year?

**Mr. Swan:** I think the member has pointed out that Legal Aid receives its funding from a number of different sources. The Legal Aid system in Manitoba is funded by the provincial government. There is some—although, unfortunately, it's shrunk as a percentage of overall funding—some funding from

the federal government. There are fees that can be recovered, in some cases from clients and, as well, there's income from the Manitoba Law Foundation.

And the member for Steinbach is right. The interest income earned by the Manitoba Law Foundation has dropped in the past year or two. The money comes from the interest on lawyers' trust accounts. As I understand it, that interest rate is actually prime minus some factor. So when interest rates drop, it actually does have an impact on the amount of money the Manitoba Law Foundation can provide.

The media, I know, had raised this as an issue. I can tell you that it—Legal Aid Manitoba continues to operate its business as usual. Legal Aid Manitoba has been actually very prudent and careful in terms of managing their budget. They tell us they have a modest projected surplus as at the end of 2009-2010. I haven't seen the exact amount. So it's business as usual. There are no immediate reduction in services contemplated by Legal Aid Manitoba.

Having said that, we know that the drop in funding by—from the Manitoba Law Foundation, if it remains, would create some difficulties, and we'll work with the Legal Aid board and continue to see what happens. There's been some signals even in the last, well, even in the last day or two, that interest rates may be going up. Again, even a quarter percent increase in the prime rate would have a positive impact on the amount of money being provided by the Manitoba Law Foundation. So we'll continue to monitor it and see, but it's, again, it's business as usual at Legal Aid Manitoba.

**Mr. Goertzen:** Well, and I'm not going to try to predict the Bank of Canada's response to today's lower than expected inflation rates or their last week's response to an indicator that they were going to look at moving to a higher monetary rate prior to June. What I do know is that Legal Aid has indicated in a number of forms that they're going to face a cash crunch this year. And the statistics that we've seen already, in terms of how much more of their resources go to criminal cases, often repeat criminal cases, which is squeezing out a lot of individuals who Legal Aid was, I think, originally intended for.

I think the minister is going to have a problem this year. I think he is going to have a significant request from Legal Aid, and despite doing his best, I think, to paint as positive a picture as he can today, this is going to be an issue in the next very short period of time, where they're going to either have to

find some of the money to backfill the loss of revenue Legal Aid is facing or they're going to continue to cut cases that deal with family matters and other matters, what was probably specifically established for Legal Aid because the criminal cases are squeezing it out. We've seen that over and over from statistics that've been released by Statistics Canada and by the department itself.

I'm going to turn it over in just a few minutes to my colleague from Portage. A couple final questions and then we can pick up on some of this on Monday. And I apologize; I'll just move around a bit because I'm going to be handing over the floor.

On the issue of the police helicopter, can the minister indicate where the Province is funding the operational dollars from the police helicopter?

\*(11:40)

**Mr. Swan:** I understand the police helicopter is being funded—or the provincial contribution for the police helicopter will be coming from the Department of Local Government.

**Mr. Goertzen:** Does he have, recognizing the funding of operations that will be coming from Local Government, whether there are police allocations and fundings from, I believe, from Justice? Does he have an indication of when the expected launch date is for the helicopter?

**Mr. Swan:** No, the officers affiliated with that helicopter, those—that contribution will also come from Local Government. I don't actually have specifics on when the City of Winnipeg Police Service expects to have the helicopter in the air, but I would expect that we will be hearing more about this quite soon.

**Mr. Goertzen:** Just out of curiosity, why was it considered to be a more appropriate place to fund the operations and the police officers from Local Government?

**Mr. Swan:** Well, municipal policing is, of course, a municipal responsibility. So the fairly new Department of Local Government, which used to be Intergovernmental Affairs, is the department which handles the majority of those negotiations and those arrangements with the City of Winnipeg.

**Mr. Goertzen:** One last question and then I'll turn it over.

Just on the issue, a bit of a side issue, on—the minister's counterpart in Saskatchewan has talked

about moving cases that come from the Human Rights Commission, instead of to a Human Rights Tribunal, to the Court of Appeal, indicating that he feels that it would give greater weight, and maybe greater transparency. Does the minister have any comments on that particular initiative out of Saskatchewan, and whether or not he's looking at something similar in Manitoba?

**Mr. Swan:** No, we haven't considered that.

**Mr. Goertzen:** There seems to have been a change of plans from the member for Portage (Mr. Faurichou), who went running from the room. And, so, maybe we'll return back to some of the questions.

I started off with questions on policing, so maybe we'll just sort of continue on on this. The issue of a police college has come up a few different times, and I've asked it and talked about the desire to have a police college. Is it still the minister's intention to refer that issue to the new police commission about building a police college in the province of Manitoba?

**Mr. Swan:** All right. Well, thank you. You know, we haven't set the agenda, so to speak, for things that the police commission to be struck will be dealing with, but it seems that the question of training police is a reasonable thing for them to consider.

The realities though, in Manitoba, are such that—of course, the RCMP will continue to train its members at a depot in Regina. I don't anticipate any change on that front. The Winnipeg Police Service, of course, has its academy here in the city of Winnipeg, which actually serves to train some of the other municipal police officers. If it's meant to be a training academy but doesn't include the RCMP, that doesn't include the Winnipeg Police Service, I can put on the record that I would have concerns about how large that academy could possibly be and whether there would be value in having an entirely separate academy for that purpose or whether the existing practice would make more sense. But, you know, in theory I—if it's something that the police commission wants to consider or if there's a good reason to at least send the question there, that seems to be a good thing for the commission to look at.

**Mr. Goertzen:** Well, we are one of the few provinces that actually don't have a police college. Certainly the expectation would be that depot in Regina would continue to train the RCMP and that municipal forces would be under the police college along with other somewhat related trainees, whether

it's the cadets and NROs, other individuals who have quasi-police authority, and I—there hasn't been any proposals put forward to the government, then, about a potential of a police college or a location of a police college in Manitoba?

**Mr. Swan:** Well, I can indicate that we have had an expression of some interest by one institution to do this, but nothing further has happened as a result. Again, I don't have any difficulty with the police commission, as one of its early tasks, considering the general question of training of police officers, but we haven't taken any steps down any specific road with respect to training.

From what I understand from speaking to the municipal police chiefs, the quality of training that's provided here in Winnipeg is satisfactory or better for their purposes. I know just the last graduation ceremony I went to, I sat next to the police of chief from Rivers who had an individual who was coming through the program. As well, the police of chief—the police chief from Morden was there; there was a member from Morden coming through. I know that the Winnipeg Police Service and the municipals, as far as I understand it, have a pretty good relationship, and the training is provided as needed.

**Mr. Goertzen:** The minister indicates that a proposal has actually come forward for a police college or at least a location of one. Why would anybody bring forward a proposal for a college that the minister indicates the government isn't even contemplating? Who would bring forward such a proposal?

**Mr. Swan:** You know, I can't speak to why an organization would want to send this—to send an unsolicited proposal. If it's—I suppose it's something they thought might interest the government. I really can't—I can't speculate as to why that might be.

\* (11:50)

**Mr. Goertzen:** Would the minister find it curious or interesting that there has been some speculation that it was the former premier who asked organizations to bring forward a proposal on a location for a potential police college and that he may have encouraged a proposal to come forward?

**Mr. Swan:** Well, that would surprise me, because we do have, I think, a very good training facility here. Again, if there's organizations that want to forward information or forward ideas, we'll certainly receive them, but I can advise that our department

has not been out there looking for organizations with ideas on this subject.

**Mr. Goertzen:** Somebody was out there looking for ideas because you got a proposal, and that somebody may not be with you anymore. But it is interesting. So I'll leave it at that and turn it over to the member for Portage.

**Mr. David Faurichou (Portage la Prairie):** I may cover some areas that are—have already been covered, but I'll be potentially a little more specific.

Let's start out with the new women's correctional facility, which is under construction on the north side of the Trans-Canada Highway between Winnipeg and Headingley; how is construction going, expected opening date.

Further to that, there was originally some discussions with the federal government as to a component of federal penitentiary incorporated within the design and construction. Could the minister give an update on those two points please.

**Mr. Swan:** I can advise the member for Portage la Prairie that the construction of the new women's correctional facility as of today is on time and on budget, and we're projecting being able to take possession of the building and move our inmate population in there next year in 2011.

With respect to the discussions with the federal government with the Corrections Service of Canada, we are hopeful we'll be able to complete negotiations on an agreement that would see some prisoners who would otherwise be bound for the federal corrections system housed in the facility that's being built.

**Mr. Faurichou:** Perhaps a little more specific, are we looking at the fall of 2011, then, for commissioning of the new facility?

**Mr. Swan:** The member is right. The target date is the fall of 2011. Obviously, there can be other factors, weather, other issues that become involved. But that continues to be our target.

**Mr. Faurichou:** I understand that the design was going to approximately double the number of persons that would be able to be housed in the women's corrections from the current 35 to 70. Is that still the projected number of beds, seeing that Portage la Prairie, at current, I understand, is—has over, I believe, 63 persons now housed in a 35-bed capacity facility?

**Mr. Swan:** Yes, I thank the member from Portage la Prairie for the question. The existing rating—rated bed capacity of Portage la Prairie correctional centre is 35. The new rated capacity for the women's correctional centre being built will be 100 rated beds.

**Mr. Faursehou:** I thank the minister for the answer, and I know he appreciates all these questions so—in his new capacity as Justice Minister, a learning event for him as well.

So, continuing on, has the minister had any contact recently with the mayor of Portage la Prairie, Mr. Ken Brennan as it pertains to discussions about the soon to be decommissioned women's correctional facility in Portage la Prairie and potential convening of a committee to effectively look cross departments to see whether or not there's any potential use of the decommissioned building or whether there's only a wrecking ball in the future of that facility.

**Mr. Swan:** Yes, this follows up our discussion that you and I had a couple of weeks ago. To the best of my knowledge, Mayor Brennan hasn't contacted my office. We can certainly check, and if that is incorrect, I will let the member know. Certainly, we're prepared to listen to what the mayor and other individuals may have to say as to the future of the jail. We'd also have to involve within our government the Infrastructure and Transportation Department, which is actually the landlord of the building, I suppose we would say.

But I know it's an issue which is important to people in Portage. Of course, we have a building which is 120 years old, which, you know, I think we can say is fully depreciated. But I think if—but I can certainly—more than that, I will commit that if the mayor wants to speak to me about it or have a meeting, that will happen. And, if, indeed, there is a message or a letter that I haven't seen yet, I can commit to the member that we'll act on that.

**Mr. Faursehou:** I did speak after our conversation with the mayor, and the mayor said that he would be in contact with your office to try and establish a mechanism of discussion with yourself. It—you're quite correct; it is a landmark in Portage la Prairie, and I believe it was 1884 that it was constructed—at least the oldest portion— and so we're coming up on 116 years.

\* (12:00)

The departmental staff that would be involved, I think it's important, because to cross not only into Infrastructure and Transportation, but your staff as

well as—I would think that federal individuals would want to be in the discussion because the power plant for the women's correctional facility also is one that heats the Court of Queen's Bench as well, and if that facility is totally decommissioned, it definitely has repercussions towards the operations or continued operations of the Court of Queen's Bench at that location. So this is more for information for the minister, but I hope we look at all options.

Also, in light of your recent visit to Portage la Prairie and the enlightenment that you were—you received regarding the holding cells for the provincial judges' court, only being two in nature and the court dockets that have been placed before the provincial judges' court have involved youth, male, female individuals, adult and, as well, and virtually every docket that is addressed there has sheriff's vans outside, housing persons that are on the docket because they have to be segregated.

So all of this in the mix, I'm hoping that the minister and the minister's departmental staff will be flexible and very open to ideas. And there has been also consideration that their—central regional Manitoba does not have a remand capacity for persons outside of adult female and, potentially, we may have an opportunity to cut down on the almost annual overexpenditure within the budget of the sheriff's department for transport.

**Mr. Swan:** Well, that's a big question. Of course, every day in this building, for the member and myself, is a learning event, and today there is no exception for either of us.

Just to clarify, the courthouse in which the Queen's Bench sits is actually a provincially owned and operated building, as well; even though the judge who sits there is a federal appointment, the Province is responsible for the building, and also for the court staff and for the operation of that court. So, again, it's Infrastructure and Transportation that is responsible for the upkeep of that building, which is a beautiful, old court building. I'm—maybe I'm a hopeless romantic, but I do—I love the old courthouses across the province. Unfortunately, they're not always the best, in terms of today's needs for the court and, as the member has indicated, I have had the chance to visit, not just that building, but also the provincial building where the Provincial Court of Manitoba sits. And I will agree that the holding facilities there are less than optimal. I know our sheriff's officers do a great job of managing that and making sure that the appropriate populations are segregated.

You know, we will continue to look for reasonable solutions to help make that court operate more efficiently, but I—as the member knows, I have gone out to have a look, and I expect that I'll go back to Portage and have a further look at things as they go.

**Mr. Faurshou:** I appreciate the minister's willingness to continue to look at options, but I do believe that within the next year and a half, effectively before the decommissioning and commissioning of the new facility, that we should put together some formalized way that the local elected officials can correspond with your department, as well as interested individuals that may either be in the employ of the government or retired or just interested parties that can have a venue in which to share those ideas, so that they can basically be discussed and potentially moved on or dispatched, whichever.

If the minister has any further comment, I'll move on to another topic.

**Mr. Swan:** No, I mean, just to confirm that I'm happy to meet with the mayor and any other individuals in Portage. And just to keep in mind that, I mean, as Justice Minister, as long as it's being used as the correctional centre, I mean, I still have a stake in it, but, really, it'll be the Department of Infrastructure and Transportation that will be making decisions.

Generally speaking, if there are some good ideas for what could happen in, again, a very, very old outdated building, if there are suggestions in the community for what should happen, I welcome those being brought forward.

**Mr. Faurshou:** The—just down the hallway from the provincial judges' court in the government building, we have, now, four Crown attorneys working on the central regional cases before the court. Even though the fourth attorney, Crown attorney, was added in the last year, the number of cases before the court is very significant and reported in our local *Daily Graphic* that the number of cases assigned to the Crown attorneys working out of Portage la Prairie is still more than 50 percent higher than the caseload of the Crowns operating across the street in the Law Courts.

Is there any discussion to add further resources to the Crown attorney's office in the Central Region?

Well, just further to it, and, perhaps, the minister can still lend an ear to my topic of discussion here.

Expanding on the point that I'm making about resources, currently, a multiday court case is more than a year away in being scheduled. And it's disconcerting to those that are witnesses, those that are engaged in the case, that this is far, far too long to—of a time lapse between the actual court case coming before a judge.

And I wonder whether the department has had a discussion as to what is the target towards a multiday court sitting, potentially saying that we will add the necessary resources, whatever region of Manitoba, effectively to keep it within three months, four months, but, certainly, a year by anybody's evaluation is far too long.

**Mr. Swan:** I'll try to cover a lot of turf with my answer.

First of all, just getting back to the questions about the workload for the prosecutors in Portage. It certainly was flagged as a concern. So, as the member has already indicated, over the course of the last year there has been another Crown attorney position added in Portage la Prairie. As well, in addition to that Crown attorney, a new support person has been hired, bringing the support staff complement to three now.

\*(12:10)

As the member is aware, Portage also serves kind of as the home base for a number of circuits, and as certain communities continue to grow and to thrive, that has honestly put more resources—as a result of these things, Winnipeg has taken over the Stonewall circuit court, which used to be served out of Portage. It'll now be served out of Winnipeg, which will serve to help out. And, as a result of those measures, I'm told that, from April '09 to April 2010, the caseloads of the Portage la Prairie Crown attorneys have been reduced by an average of about 30 percent, which brings them far more in line with other provincial Crowns.

But, you know, I said this to your colleague, I do believe that we're lucky in Manitoba that we have a pretty good relationship between the court and the judges, between the Crown attorneys and the defence bar. So, in Portage, there have been some informal and some formal steps to try and improve how quickly things happen.

Under the leadership of the supervising senior Crown attorney in Portage la Prairie, they're going to import some of the front-end processes that are already being used in Winnipeg to Portage la Prairie,

to try and speed matters along, to try and allocate time more efficiently and, in some cases, get a resolution quicker. I understand that the local judge who sits in Portage, as well as the local bar, the lawyers who appear in court, as well as the Crown attorneys, have been working on different ways to schedule things quicker, particularly as it comes to resolutions. If there are things that can be done to take some of the blockades and some of the blockages, I should say, in the court system, everybody seems to be interested in doing that.

In terms of the multiday court sittings, I can say that it is a challenge for the system, but it's not a challenge that can simply be met by only looking at one part of the system. Certainly, the issue is making sure that there's a judge available to hear the case, but that's only one part of it. The Crown attorneys are busy, and their schedules have to come into play. The defence lawyers are busy; their schedules have to come into play. And, as well, the schedules of the witnesses—I mean, police officers, the Crown's witnesses, defence witnesses—all have to be taken into account.

So, many times, there will be a delay of obtaining a multiday trial date. Some portion of that is the capacity of the court itself, which can, in some cases, be several months. In many cases, it's also the availability of all of the other necessary component parts.

So it continues to be a concern, and we're continuing to work. It's helpful to have the communication and the people we do have in Portage to work together on these things. I think you're right: it—judges don't like hearing cases that are growing out of date. Neither the Crown nor the defence lawyers really like dealing with cases that are way out of date. And, certainly, for the witnesses who give their testimony, it's true, it does become—it becomes tougher to remember facts over time.

So we're hopeful we can keep working on improving that. Some part of it is simply structural. We also believe that the ending of the two-for-one credit will perhaps motivate people to move ahead to an earlier disposition. I think we can agree that that would be one positive by-product out of that change.

So I'm very pleased that, in Portage, there's good people who are working to try and accomplish some improvements in the system.

**Mr. Faurshou:** Well, I appreciate the minister's understanding, and, yes, it does lead to frustrations

on many of the fronts to which the minister has referred to. As time goes on, police officers are transferred to other detachments and to—the cost of those witnesses returning to testify all grows as the time delay moves on.

But whether a time delay takes—is responsible for the recent announcement of the staying of charges against an individual that was allegedly involved in a most brutal assault on a young girl walking home from a social—that's life-altering disfigurement—from attempted murder to aggravated assault has the community in an uproar. And there was no reason given from the department for the staying of the attempted murder charge to going to aggravated assault. And many persons in Portage are like myself, that this laying in wait for this young girl to walk home by the perpetrator, and the viciousness of the attack, that there was nothing in—no doubt in most persons' minds that this individual that perpetrated the crime had intent to take her life.

But this is some of the things that the public is thinking about, you know, is that because of the delay and the lack of resources that has led this change. And I can be more specific about the name of the young lady and—but they're all minors at the time of the incident.

But I leave this with the—because, as an elected official, as a representative of the people of Portage la Prairie, I would want to make absolutely certain the minister knows, and the department is aware that this type of change in—of charge is very disconcerting to the people of Portage la Prairie.

**Mr. Swan:** Well, I mean, I—the member from Portage la Prairie knows, or should know, that I can't speak about a particular case. I would just—I think, as an elected official, we all need to be very cautious when speculating as to reasons why things may happen in a court proceeding. As the member knows, aside from general policy guidelines, I mean, I don't tell Crown attorneys what to do. I don't look over their shoulder and tell them how to prosecute cases, but they use their best judgment, and they have rules to be followed in terms of which cases proceed and which cases don't.

So I would be very concerned if the member is trying to impute a certain reason as to why a Crown attorney made a decision. Crowns have to deal with a lot of difficult issues, the availability of witnesses, the availability of evidence and a number of other factors. So I can't speak—as the Attorney General of Manitoba, I can't speak about that particular case, but

I can tell you, generally, Crowns use their judgment based on a wide range of factors and they also— Crown attorneys don't go out, and they don't go out and say which factors played into their decisions.

So I really can't say anything more about that.

**Mr. Faurshou:** I'm just providing to the minister the thought patterns behind many people that are residents of Portage la Prairie that you have an article in the paper about the caseload of all the Crown attorneys, and then, not too much time later, you end up seeing this happen in there and, obviously, there is speculation, and, as you say, the Crowns do not provide comment as to their rationale as to why the particular charge was stayed.

But we can move on, and I just want to make sure that the minister knows that we, as elected officials, it is incumbent upon ourselves to relate and enlighten the government as to the concerns of our constituents.

The—a lot has been made of the recent highway patrol seizures of contraband tobacco products on the Trans-Canada Highway in and around Portage la Prairie. Is—I know that there have been some additional resources put to—in play for this particular activity of traffic services, but the city of Portage la Prairie is an area where more policing is definitely a concern, or lack thereof, in the current budget, and wonder whether or not the minister has any comment as it pertains to the level of support for the policing activities in Portage la Prairie basis, the caseload, once again, of the police officers, or the number of occurrences that take place in Portage la Prairie.

\*(12:20)

**Mr. Swan:** I'll try to answer that question as best I can. We began—the question began talking about the seizures of tobacco products and contraband. My understanding is that the seizures on the highway have come about from the RCMP patrols outside of the RCMP officers that are allocated to the City of Portage la Prairie.

There's a highway traffic unit based in Headingley that actually staffs a lot of those procedures. I don't think we're disagreeing on that fact. With respect to policing within the city of Portage la Prairie, my understanding is that it's the municipality that sits down with the RCMP and determines, based on the size of the community, based on circumstances and based on the community's interest, that is what determines how

many of the RCMP officers are allocated to that particular community.

Some communities have chosen to have their own municipal police service. Others, of a similar size to Portage, such as Dauphin or Thompson, continue to have RCMP policing.

**Mr. Faurshou:** Yes, again, as the minister is quite correct. It is the municipality and the City of Portage la Prairie as to the staffing levels. And I know that there is concern even within the community of Portage la Prairie as to whether or not we have adequate police services vis-à-vis the number of occurrences that are—that take place. And crime, on the last report to city council, was significantly up over this time last year.

Just wanted to ask the minister about the provincial contract as it pertains to First Nations. There was a plebiscite by Long Plain as to whether or not to renew the RCMP contract or to return to DOTC policing. Has the minister got any comment in that regard?

**Mr. Swan:** Yes, I am aware that Long Plain First Nation has—there's been an expression by the community that they would like to go with the Dakota Ojibway Police Service. I believe the member's correct; there have been plebiscites on this, and the Chief has made it quite clear. We—we're supportive of that if that's where the community want to go.

The member should know that right now the whole question of First Nations policing is under review by the federal government. Any further resources have effectively been frozen in the meantime. We're hoping to get that report in the fall of 2010 and, hopefully, then, issues like this one can move forward. There are some other communities that have some very valid thoughts and some valid observations, and we'd like to keep moving forward. So, unfortunately, we'll have to wait for a couple of months before we get a better answer.

**Mr. Faurshou:** Definitely, provincial officials want to work in co-operation with elected First Nations councils, and the new chief, David Meeches, did present the question to the residents of Long Plain, and it was quite clear that they wanted to reap them or use TC policing rather than renewing the RCMP contract.

Moving on to Youth Corrections in Portage la Prairie—there is a new 48-bed expansion under construction at that facility. Could the minister

give an update as to the commissioning of that new facility, as it's—by driving by on the road, it's well on its way to being completed, and, further to that, I'd like to know about the staffing and overall capacity of the youth facility in Portage la Prairie.

**Mr. Swan:** I'm happy to tell the member for Portage la Prairie that the 48-bed expansion to the Agassiz Youth Centre is—continues to be on time and on budget. The projection is to have it in commission in the fall of 2010, and I also understand that will result in an additional 45.5 new FTEs at that facility. So if the member knows of people who want to pursue a career with Manitoba Corrections, tell them to apply and hopefully they can have a satisfying career with the department.

**Mr. Faurshou:** Mr. Chairperson, I do appreciate the minister setting me up for the next question on my list which involves the recent departmental screening process that almost 70 persons entered into, that at the end of the day only 17 were left on the list as being eligible for the 10-week Corrections training program.

But this remains to be a real concern to those persons that are eligible to take the 10-week course, that it does not qualify for EI, Employment Insurance support. And it really, truly is asking a lot of an individual to go without any income for two and a half months, effectively three months, because by the time you get engaged and you're in place, you—more than three months have elapsed before you see a penny of income.

And is the—is that relationship something the minister is looking to try and address, or is it the way it is, is going to the way it stays—the way it will stay?

\* (12:30)

**Mr. Swan:** First of all, in terms of the screening process, I mean, I'm proud to speak of a good career with Manitoba Corrections. But it is challenging work in our facilities, so we want to make sure that those individuals that then go into the 10-week program are suitable to withstand the rigours of their job. It wouldn't be fair to those individuals and it wouldn't be prudent for the Province if we put people through training that wouldn't be able to fill in.

The other point that the member for Portage makes is the lack of support from the Employment Insurance system for individuals going into that program. We agree whole-heartedly. We have tried a number of times to convince the Employment Insurance system that this is a very positive step. We

will keep trying, and I won't be shy about calling on the member's assistance perhaps in educating the Employment Insurance—

**Mr. Chairperson:** Order. The hour being 12:30 p.m., committee rise.

## FINANCE

\* (10:00)

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

This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Finance. As had been previously agreed, questioning for this department will proceed in a global manner. The floor is open for questions.

**Mrs. Heather Stefanson (Tuxedo):** I noticed that there was a press release out this morning that the Manitoba Builder Bonds will be available soon. Can the minister indicate whether or not that is as a result of refinancing debt, or is that new debt?

**Hon. Rosann Wowchuk (Minister of Finance):** It's both. We have an annual borrowing program and it's a combination of refinancing and of new borrowing. So they're all combined together in that.

**Mrs. Stefanson:** Can she indicate how much of it is refinancing and how much is new debt?

**Ms. Wowchuk:** We can't really say that until we know how much is actually—how much of the bonds are sold, and then we'll be able to determine how much there is and where it'll be used.

**Mrs. Stefanson:** Is there a target that you set that you're looking to raise?

**Ms. Wowchuk:** The amount varies. It varies with the rate of interest rate and, certainly, when interest rate is higher you would expect that there would be more uptake in the bonds. But last year, it was about \$98 million and we anticipate—the year before it was less than that. So it will be somewhere in that—we anticipate in that range, but it's going to depend on the public and where they are looking to make investments.

**Mrs. Stefanson:** Thank you for that, and I could be wrong here, but I thought it used to be—it used to stagger. One year you'd do Manitoba Hydro Bonds, and then the next year, Manitoba Builder Bonds.

Was that—wasn't that the case at one point, and now it seems that Builder Bonds are—sometimes

you're doing both Hydro Bonds and Builder Bonds or—when did that change?

**Ms. Wowchuk:** It's the same pattern that was established in the mid-'90s where government does three out of five years and Hydro does two out of five years. So this is our third year—government's third year, so the next two years will be Hydro Bonds.

**Mrs. Stefanson:** Okay, thank you for that.

Can the minister provide a detailed schedule outlining the 23.4-billion debt, who the lending agency is, the terms and the dates that the money comes due, or will be refinanced and—yeah, that's it.

**Ms. Wowchuk:** What we can provide is a listing of the outstanding debentures and when they're going to come due, and we can provide you with that list.

**Mrs. Stefanson:** Okay, and I think we spoke briefly about this yesterday, but what is the average interest rate being paid by the Province on its debt right now? I think you had mentioned 7 percent, but that could be—I could be mistaken.

**Ms. Wowchuk:** We're somewhere between 5 percent and 6 percent.

**Mrs. Stefanson:** Okay, I think the 7 percent was the money that is coming due for refinancing this year. Is that right?

**Ms. Wowchuk:** That's right. That was one of the ones that was coming due this year, but if you look at a longer—at all of them and what's coming in this year, what's been refinanced already, it's on the average somewhere between 5 percent and 6 percent. But yesterday I did talk about the ones that, in particular, that were coming due this year, and they're at about 7 percent, and we believe that we can refinance those at a lower rate.

\*(10:10)

**Mrs. Stefanson:** Just back to the Builder Bonds, how much of that is refinanced? I know you can't say what the other is because you don't know how much you'll raise, but how much do you need to refinance?

**Ms. Wowchuk:** About a third of our borrowing will be refinanced this year.

**Mrs. Stefanson:** And what's the rate that is currently being paid on that?

**Ms. Wowchuk:** Do you mean what was the rate before and what do we expect to refinance for?

**Mrs. Stefanson:** Yes, of the monies that's coming due, what was—yes, I mean, the other was 7 percent, I think, on the monies that was coming due. What's the current rate on the money that's coming due?

**Ms. Wowchuk:** The last issue came in at 4.25 percent, and we're assuming about an average of 5 percent. That's what we're budgeting for as they come due this year.

**Mrs. Stefanson:** In Saskatchewan—Saskatchewan went through a significant tax reform and set up tax review committees. After 1999, they came out with a review of the personal income taxes and the Saskatchewan Personal Income Tax Review Committee came out with recommendations that were implemented in Saskatchewan. And, subsequent to that, they also came out with a Business Tax Review Committee that came out with recommendations in Saskatchewan.

Is there—like, would the minister consider striking a similar tax review committee to Saskatchewan?

**Ms. Wowchuk:** The issue of consulting is very important, and that's—and we have been very active in consulting with a variety of groups, with financial institutes, and it can take a variety of forms. But we have done that. And, certainly, you can see the result of that in the changes—the major changes—to taxes that we have made. Personal and property tax reductions total \$723 million and business tax reductions total \$424 million by 2012.

So, in the personal income tax bracket, there has been a decline in our—the top bracket was—went from 18.1 to 17.4. The middle rate went from 16.6 to 12.75 percent. But where you really have to look at is the changes that we have made in personal tax—in the tax credit side of things. For example, on the basic personal tax credit, it was \$561; it's now up to \$878, and that's an increase of 57 percent. The spousal tax credit has gone from 472 to 874, which is up 86 percent. The eligible dependent tax credit has gone up from 472 to 874; again, an increase of 86 percent. The top bracket threshold has been raised by 13 percent. So those are—there's changes to the property tax rebate. There's been business tax reductions, where small business tax rate has gone from 8 percent down to zero by December 2010. So we have been doing consultation and we have been working with the business community, with the financial community and with individuals.

And this has reached—for businesses, there is a total business tax reduction of \$422 million annually. On the property tax credit, there is a total tax reduction of \$260 million annually. And on the personal income tax, there's a \$455-million annual decrease, for a total of tax reductions of 1.145 billion that happens annually as a result of all of the different steps we have taken through the time we've come into office.

**Mrs. Stefanson:** Yes, I think it's important—you know, numbers—the minister can throw out numbers, but what's important is how we're doing relative to people in other provinces across Canada, and we're not keeping pace with other provinces. And, if that continues to happen and to go in that direction, then the problem that we have is that we will start to lose people to other provinces, and—well, and we are already.

But I—that's why Saskatchewan really set up this tax review committee on the business side and about—and the personal income tax review committee. They've set out sort of some long-term goals about where they want to go and take the province.

And I guess I would just ask the minister what—she says that she's had consultations with people. I don't think that that's—I mean, consultation is important, absolutely, but it's—I think it's more important to set up a long-term strategy about where she wants to take our province with respect to taxes, and I'm wondering if she could indicate what the long-term strategy is to bring us in line. Certainly, we're the highest taxed, I'm afraid, in terms of income taxes west of Québec, and I'm wondering what the minister's strategy is to make us more competitive in that area.

**Ms. Wowchuk:** The member talks about the plan and, indeed, we've shared our plan. We've set out our five-year plan on how we're going to continue to address the challenges that we're facing, but we're also going to work to maintain Manitoba one of the most affordable places to live.

And, you know, when you look at Manitoba—and there's a lot of comparisons that go on—and Manitoba is in the top three of all provinces when you take into consideration our taxes, when you take into consideration our cost of living, and those are the things that you have to take into consideration. In fact, Saskatchewan, in their budget, pointed out how well—where Manitoba stood in comparison to Saskatchewan, and they said that Manitobans pay

less tax than the people in Saskatchewan. They definitely confirmed it.

\* (10:20)

With regard to the consultations, I said we consult with a variety of people, but there is very serious work being done on taxation, and the Business Council of Manitoba has a taxation division and they provide a lot of information and all of these things are taken into consideration.

But the member talks about people leaving Manitoba. Well, in fact, Manitoba's population is growing tremendously. We have record numbers of people living in Manitoba and, in fact, we have—Manitoba has welcomed home quite a few people who were working in Alberta who have now come back. And that's a result of when you have a—resource prices going up and down, and there's been some slowdown in the oil industry in particular, and some people have come back to Manitoba.

But our strength is our low cost of living, and, certainly, our immigration program has brought a lot of people to Manitoba. And I'm pleased with the plan that we've put in place to deal with this and that we are, through our changes in taxation that we have made since 1999, we have—we are able to maintain and keep Manitoba as one of the top three when you compare all taxes, all in.

**Mrs. Stefanson:** The minister mentioned the Business Council, and the Business Council and the Asper school's Tax Commission Report came out—what's the date on that?—in February of this year. Has the minister reviewed that, and can she make comments on what she thinks of that?

**Ms. Wowchuk:** Yes, we have seen and reviewed those reports. One of the things that both of those groups recommendation—recommended was the harmonization of sales tax, and that was not a recommendation that we accepted. And in fact, we've made our position clear that, at this time, we are—that we are not moving towards harmonization of PST and GST simply because it was going to shift a tax burden onto our most vulnerable people, and at a time when people were struggling with a lot of other issues.

**Mrs. Stefanson:** Well, I think there's a number of other recommendations, as well, in terms of personal income taxes and others in here, and the minister has commented on the HST, but this is sort of a more comprehensive, long-term strategy to where our province could go, I mean. And so I'm wondering if

the minister is working with the Business Council, if she's interested in setting up her own tax commission to look at a long-term strategy. This is one example of what could be done, but if she would agree to set up a review committee that we could look at a long-term strategy with respect to taxation in Manitoba.

Is that something that she will look at doing to develop that long-term plan?

**Ms. Wowchuk:** When you look at taxation, you always have to look at all aspects of it, and Manitoba has been a place where we—this government has looked at a very balanced approach. And I shared with the—my critic the many things that we have done in tax reduction in various areas over our time in office. We have worked on that. But, certainly, you can't just look at—saying that you're just going to cut taxes, because there are consequences of that.

But, you know, things—what have—we continue to work on this, and one of the new things that we've done in—after consulting with the business community, is the research and development tax credit. That is going to be a quarter percent—a quarter of it will be refundable this year. Next year that will be a 50 percent refund.

So you have to look at different things. You just can't say, well, we're going to reduce—eliminate taxes or—we can—in some cases we have. We've gone on the business tax—small business tax. We've moved that down. But you have to find a balance and that's what we are working on, on a balanced approach in close consultation with people like in the Business Council, the Asper School of Business. But we work on a much broader basis than just those people. We have people who—we invite all kinds of suggestions and then we review those suggestions and then make—implement them in a way that brings a very balanced approach to Manitoba.

**Mrs. Stefanson:** Have you met with the Business Council and the Asper School of Business with respect to this Tax Commission Report?

**Ms. Wowchuk:** Yes.

**Mrs. Stefanson:** And what was the minister's reaction? What did you say to them about this report?

**Ms. Wowchuk:** Just as I—other groups that I meet with that come forward with suggestions, I say to them, you know, you've done work. I will look at your—consider what you saying but we have to take a balanced approach. There—we have to look at how

we implement tax changes, how we make investments and that's what we have done over the years when we've been in office.

And we have made reductions and there are tremendous savings for people in a variety of areas. And we take seriously any recommendation that people put forward. In this case, there was—when I met with them, there was a strong lobby to—for us to harmonize the HST. And that was one of the recommendations that we said, that after our analysis, that was not where we were going. And I believe the opposition also said that they did not support moving towards harmonization.

**Mrs. Stefanson:** Well, and just as an example, I mean, this is what people are obviously dealing with right now, as we're right in the crunch of tax season. And as people are going out and paying their taxes, if we look and compare Manitoba for a single-earner family of \$100,000 a year, we're paying more tax than every province in Canada, with the exception of Nova Scotia, P.E.I. and Québec. And even someone making \$60,000 a year.

This is what people are facing and when they get these kinds of comparisons—right on-line you can get these comparisons—they're going to start to think twice about whether or not they should be living here or in other areas in Canada. And, if we don't keep pace with, and if we don't start to be competitive with other provinces, we will start to lose people to other provinces.

And I believe there is the net interprovincial out-migration—it's an out-migration number. There's more people leaving Manitoba for other provinces than are coming from other provinces to Manitoba, I believe. And, you know, this is a situation that we're going to be faced with longer term if there's not a comprehensive strategy with respect to income taxes in this province.

And so it doesn't sound to me like there is a plan. The minister talks about a balanced approach, et cetera, but really there is no plan to reduce taxes, it looks like, in our province for individuals to keep pace with other provinces and to bring us back even in the—to be competitive with other provinces. We have fallen so far behind that that's the situation that we're in right now and we've got a lot to do to bring us up to being competitive with other provinces.

\* (10:30)

In—I know in New Brunswick—New Brunswick has committed to delivering lower taxes for their

residents and the—and businesses. They passed a law that guarantees tax savings, and their plan is estimated to deliver 380 million annually in tax relief to individuals and corporations by 2012.

So we're seeing from New Brunswick, we're seeing from Saskatchewan and other provinces that are setting targets for tax savings for individuals and businesses in those provinces. Is—would the minister be receptive to legislating—and I believe that was put in legislation—legislating a long-term tax relief plan like New Brunswick has done?

**Ms. Wowchuk:** Well, statistics show me that this—in fact, in 2009 we had the lowest level in the past 20 years of out-migration into other provinces from Manitoba, at a level of 1 in 1,568, where it has been as—there—it has been much higher at other times. So we're—our out-migration is down. As well, our population—our total net migration is up significantly, to 11,029, which is the highest ever of in-migration into the province.

So there isn't—people will move back and forth, and I have no problem with people moving back and forth. It's not a new thing. People have careers, families move, they have new opportunities to go into another part of the country and they do it.

But it is not accurate to say that our out-migration is increasing, when in fact it's the lowest that it has ever been.

**Mrs. Stefanson:** Yes, and I just said that we're still losing more people to other provinces than we're gaining. That's all I said, and I think that it's important to indicate that it's a net interprovincial out-migration.

So—but in terms of the personal tax exemptions—and this is one area, I think, as Manitobans are preparing their tax returns now—when we look at where we stand relative to other provinces, we're almost dead last in Canada. I mean, with the exception of Newfoundland and P.E.I., I believe, we have the lowest personal tax exemption in the country.

And, you know, I think that, you know—is it something that the minister will consider doing, is raising that personal tax exemption?

**Ms. Wowchuk:** I just have to correct what the member said. The member said more people are leaving Manitoba than are coming to Manitoba, and that's not accurate. More people are coming to Manitoba than are leaving and we have had a net

gain of over 13,000 people in this province. So we aren't losing more people to other provinces than—we're gaining more than we're losing.

So—but, with regard to the taxes, the member—you can't just think about personal income tax, you have to take all of the tax credits into consideration, and that's what Saskatchewan did when they did the comparison of where our taxes were with theirs. And, in fact, the member knows full well that they—in their statement the Saskatchewan government said Manitobans paid less taxes than Saskatchewan in several categories. But, if you look at—and we have gone the route of refundable tax credits that benefit every Manitoban.

I want to compare a few families that the member talked about. Two-earner family of four for \$60,000—if you look at B.C., Alberta and Saskatchewan, when you take into consideration everything, their tax credits, and their income tax and, in some cases, health premiums, when you take into consideration all the costs, Manitoba comes out the lowest. B.C. comes out with total personal costs and taxes of 49,420; Alberta comes out at 34,944; Saskatchewan at 32,678; and Manitoba comes at 29,390.

You can do the same thing in the area of a two-earner family of five at 75,000. Manitoba comes out lower than each of those jurisdictions.

If you look at a one-earner family of four at 60,000, again, Manitoba—a one-earner family of four with 60,000, Manitoba again comes out lower than B.C., Alberta, Saskatchewan and Ontario.

When you look at a one-earner family of four at \$40,000, Manitoba comes out lower than B.C., Alberta, Saskatchewan.

So you have to look at all of the things. You can't just look at what income tax are. You have to look at the various steps that we have taken with regard to rebates that apply to all families. And, again, if you look at what we did this year with regard to tuition fees, there's a rebate on the tuition fees. We've advanced that so people get their money sooner. There are a variety of steps that we have taken that do, indeed, keep Manitoba competitive to other jurisdictions when it comes to total personal costs and taxes.

**Mrs. Stefanson:** If we're just looking at filing our income tax returns, and if I look to Saskatchewan, their personal tax exemption is 13,348, and ours is \$8,134. So more than \$5,000 would go directly into

people's pockets than people in Manitoba, and, you know, that just doesn't keep us competitive with other provinces. When people start to realize that this is—that we are falling further and further behind other provinces, this is, you know, this is a serious situation, and I would've hoped to have at least had some sort of an indication from the minister that we want to move in the direction of raising those personal tax exemptions. But it just doesn't seem that there is any plan or strategy to move in that direction and I think that it's unfortunate for Manitobans.

And, I guess if she does have a strategy to look at the personal tax exemptions, maybe she'd want to indicate that now. Is there a target to increase that over time or what is her plan with respect to that?

\* (10:40)

**Ms. Wowchuk:** Well, the member again wants to compare to Saskatchewan, and I would encourage her to read what Saskatchewan said. Saskatchewan said that Manitoba has a tax advantage over Saskatchewan. So, if the member thinks Saskatchewan is that much better than—Saskatchewan—you have to take into consideration the whole package, all of the tax credits that are in the budget and when—I know the member is well aware when she fills out her income tax, all of those things come into income tax.

With regard to personal income tax, whether it's going to be changed, we did have a plan and we started out on it in 2008, and in this budget we said that we would have to delay that change until we—the economic situation turned around and we will—it's been put on hold, just as many other things have been put on hold. And we will, when the economy turns around, then we will look at those again.

**Mrs. Stefanson:** Of the organizations paying the payroll tax in Manitoba, what is the breakdown by public versus private sector?

**Ms. Wowchuk:** The private sector corporations contribute about 55 percent and—of the payroll tax and then, of course, they can use that on their income tax as a deduction.

**Mrs. Stefanson:** How much does the federal government pay in payroll tax in Manitoba? Is this amount included—well, how much do they pay in payroll tax?

**Ms. Wowchuk:** I'm advised that the federal government is a taxpayer and I cannot disclose that kind of information about any taxpayer.

**Mrs. Stefanson:** Okay, well, is this, whatever the amount may be, is it included in the federal transfer amount or is it separate?

**Ms. Wowchuk:** It's separate.

**Mrs. Stefanson:** Can the minister explain how education property tax is accounted for in the Province's financial statements? According to, I guess, page 47 of the Public Accounts, Volume 1, for the year ending March 31st, 2009, the revenue was shown as 657 million. Is this net of the education property tax credit or is it—or is this shown as an expense elsewhere?

**Ms. Wowchuk:** The 657 that the member refers to is what the schools collect, so that's their revenue. The property tax credit is the Province's responsibility, so it is not included in that 657.

**Mrs. Stefanson:** Can the minister estimate the dollar value of the land transfer tax that is collected for first-time home buyers?

**Ms. Wowchuk:** Could you repeat the question, please? Are you talking about—did you ask about first-time home-owners?

**Mrs. Stefanson:** I did.

**Ms. Wowchuk:** We've—they've done—been some calculations done on the assumptions of how many first-time home-owners there would be, and it's assumed that that would be about \$5 million.

**Mrs. Stefanson:** Would the minister consider an exemption for the land transfer tax on first-time home buyers?

**Ms. Wowchuk:** Yes, we did look at it. We considered it and, given the circumstances that we were facing, we made a decision that it wasn't possible to do it this year.

**Mrs. Stefanson:** Is it part of the five-year plan that the minister has tabled?

**Ms. Wowchuk:** No, it's not part of the five-year plan. It's not—if the question is—is your question: Is it our plan in the next five—are we budgeting to remove it? Is that what you're asking?

**Mrs. Stefanson:** Yes.

**Ms. Wowchuk:** No. We haven't budgeted for that to be removed.

**Mrs. Stefanson:** Is it a plan to move in that direction from a policy standpoint?

**Ms. Wowchuk:** We monitor the market and watch home sales very closely, and it will depend on what's happening with the market in the future.

**Mrs. Stefanson:** Yes, I think it's a—it is a significant thing for people just starting out in Manitoba, and I think that it would be a good thing to consider for the long term.

And, again, I just want to go back to just some general questions about—we are talking about specific taxes here and there. And, I think, you know, the minister has mentioned—and I have mentioned—that you need to have a comprehensive tax strategy longer term. And I know she says that she hasn't—she's not going to consider putting together a group, a tax review committee, of any sort similar to what they've done in Saskatchewan or legislating long-term tax relief like they've done in New Brunswick.

What is the long-term strategy to provide tax relief for Manitoba?

\*(10:50)

**Ms. Wowchuk:** You know, this department works very hard and continues to monitor what the—across the country what the tax situation is. And what we look at very closely is the affordability of this province, and we had made a commitment to maintain Manitoba in the top three for affordability and we're working on that. But we—this is a challenging time and what our—and what we have done is made a commitment that we are going to balance services, and to provide services, you have to have revenues. So we have to balance services with tax revenue and that has to be reviewed on an ongoing basis.

But we have put forward our five-year plan and we've made a commitment that we are going to make investments in front-line services. We're going to keep those front-line services. The people were very clear about it. I did budget consultations and I was out in the community. People said very clearly they wanted to see us maintain front-line services. They said the most important thing for them was a job. So they didn't want to be—seeing lay-offs. That was what they were really worried about. So we've put forward this five-year plan that we will maintain services. We will make investments in infrastructure, and it's spelt out in our plan and we will continue to review.

But, if the member is saying are you going to just look at how you can cut further taxes. I'm quite proud of the record of what we have done for Manitobans since 1999 in making reductions in

taxes, increasing tax credits so that it is more beneficial to the average Manitoban, because if you have a tax credit, everybody can benefit from those, and we will continue to move in that way. Our commitment is to keep Manitoba affordable. We will continue to review what services we have to provide and what we want to provide and find a balance between keeping Manitoba affordable, keeping services going.

And, on an ongoing basis, we review taxation. There were changes that we made in 2008 that we had—we couldn't completely implement. There are changes to the business tax that we are going to proceed with. So it always has to be a balance of keeping Manitoba affordable, keeping the services there that people want, and that's what we're doing.

**Mrs. Stefanson:** In the five-year economic plan that the minister has come out with, how were the assumptions made for future years? And, I guess, specifically, I'd ask, I mean, are we—are you anticipating that equalization will be—will continue as is for the next five years, or how are the assumptions made on the revenues there?

**Ms. Wowchuk:** The whole envelope of federal transfers remains consistent, and that's based on what the Prime Minister has said and what the federal Finance Minister have said. They have both said that they're not going to balance on the backs of the province. And this is the message we got from the Finance Minister at the Finance Minister's meeting when he gave us our number of what we would get this year, where he didn't—the federal government didn't reduce their payment to the government. There are some agreements that are in place that tells us the level of money we will be getting. So where—our assumption is that our envelope from the federal government will stay the same.

**Mrs. Stefanson:** So, in the area of equalization, is the minister saying that for the next five years, the Government of Canada has stated somewhere that they will keep equalization payments the same?

**Ms. Wowchuk:** The assumption is that the envelope will stay the same. While there may be a change in—a different amount for equalization, there may be a different amount for health and social transfers, but what we're—the assumption that's being made is the total amount will stay the same.

**Mrs. Stefanson:** So I believe the figure was about 2 billion in equalization payments. So the minister is assuming that over the next five years that the

equalization payment from Ottawa will remain at that same figure?

**Ms. Wowchuk:** What I did say is that we are assuming, given the discussions that our staff have had, that the overall, the total envelope, will stay the same. There may be change in equalization, but if there's change there, there could also be change in health and social transfers, so—but the assumption is that we will—the envelope will stay the same amount.

**Mrs. Stefanson:** So the minister is saying that, okay, if they decide not to give us as much in one year for equalization that the health transfer will increase, or that whole package from the federal government will remain the same over the next five years?

**Ms. Wowchuk:** Yes.

**Mrs. Stefanson:** I'm just wondering how you would come to that conclusion, that it would remain the same.

I don't recall—I know certainly for this year, the federal government has indicated that they would keep things where they are, but if other provinces—the problem is that if—we could see a significant reduction in terms of equalization. I think we need to assume or we need to take that into consideration, that that figure could drop because—and when you're doing your next five years—see, that's the problem with being so dependent on another level of government for revenues and for your core operating budget, is that you make these assumptions that are completely out of your control.

And I just wonder how you would conclude that that would be the case. I mean, have there been discussions, I guess, and it's been indicated somewhere? I mean, you've got a budget forecast for the next four or five years. How can you assume that that is—that that will remain the same, given the tough economic times that we've been through across the country?

**Ms. Wowchuk:** Well, you know, this year the federal government added \$175 million into the package, into the envelope, because they didn't—they wanted to maintain it, and they have told us that they are not going to be balancing their budgets on the backs of the province. We have to take that—we have to take them seriously. I don't think the Prime Minister and the Minister of Finance would be saying that publicly if it was then their intention to do so.

\* (11:00)

We know that there have been significant cuts made to equalization in the last two years, so I don't think—they've now said that they're not going to do further cuts, so those are the things we are projecting. Just as any business or other province will make projections in their plan, we are also making projections, and we make those based on discussions that we have had—and my staff and department have had with the federal government. We know there was significant cuts to those—to the equalization. We know that there is a commitment now, and we—and those are the assumptions that we are making.

**Mrs. Stefanson:** Well, and that's just where I'm getting at this, because I know that that was indicated for this year but, as the minister has already indicated to me, I guess she finds out in December what the equalization payments will be. It could change for next year. I mean, she already indicated that yesterday, and I think that, you know, I mean, if their revenues drop federally, obviously, the transfer payments are going to drop as well, and, I mean, you've got a five-year plan here. Has this been shared with them, and do they—have they committed to ensuring that those transfer payments will remain the same? Because that's a big part of your assumption, and your five-year plan.

**Ms. Wowchuk:** You know, the member talks about—I don't think the member has much faith in Canada. She's talking about revenues going down. People are talking, and the federal government is making assumptions about quite a bit of significant growth. Their assumptions for growth are much greater than what we are projecting here in Manitoba.

So we base our numbers on discussions that we have had with the federal government. We base our numbers on the projections that the federal government has made with regard to growth, and we have to take all of that into consideration. That's what we are—what—the numbers we have taken here.

And, as I said, there have been reductions in the amounts of equalization that the federal government was providing. There was significant reductions. There is not, now, not the assumption that there is going to be greater decline because the federal government has said—this year they put additional money into the envelope to keep it level so that there wouldn't be a decrease. And they have said that they aren't going to balance on—the fight the deficit on the backs of the provinces.

So we do take—make those kinds of assumptions, but they are based on information and projections that have been made by other jurisdictions.

And the member says Canada is going down. The federal government has different projections. In fact, their projections are quite robust.

**Mrs. Stefanson:** I thank the minister for that.

But, you know, this is significant because you are relying—if there's one—if there's any change in that equalization payment it will significantly impact the deficit.

And so to assume that that is going to be there over the long term, over the next five years is—to assume that the amounts are going to be in—the same over the next five years, I think, you know—and this is the basis. This is a significant basis of their five-year projections.

You know, it makes me nervous when we are so heavily reliant on another level of government for our core operating budget in our province because, you know, if there's any kind of a reduction there, it will significantly impact Manitobans. It will significantly impact the deficits which, ultimately, affects the debt in our province, which has been increased by some \$10 billion in this—since this government came to power. And I'm just wondering if she can indicate what other assumptions were made for the future years with respect to revenues.

This is one assumption, that equalization and federal government transfers will remain the same. What are other assumptions that have been made with respect to the next five years?

**Ms. Wowchuk:** Again—thank you—when the member talks about transfer payments, she talks about as if there is no certainty to this. There are three parts to the transfer payments. There's equalization. There is health and social—the health and social—the health transfer, the social transfer.

The social transfer has an—is in place and the health transfer are in place by agreement until 2014. On the social transfer there's an accelerator of 3 percent built into it. On the health side there is an accelerator of 6 percent built into it.

So we know exactly that there is additional—we know what the amounts will be there. One that the member keeps referring to is equalization. Again, I have to say that we have—we've heard what the federal government is saying and we have to build on that. But when we look at the projections, the—and all

of this is based on outlooks that are provided for us by different financial institutes. We don't just pick these out of the air. But over the base—for the year of—for 2010-11, the projections for revenue by—for B.C. as they're projecting a growth of 4.2 percent; Alberta, 8.8 percent; Saskatchewan, 3.4 percent. Manitoba is at 3.2 percent. Others on the east coast are much lower; some of them are projecting growth of revenues now.

The federal government is projecting their growth of revenue at 6.4 percent. So, in all of it, Manitoba ranks about in the middle of what our projections are. So I think our projections are realistic, and when we look at our expenditures, our expenditure growths are, as well, the third lowest in the country of what we're going to be spending.

So I think that we take into consideration all of the information that we gain from various institutes who do these kinds of projections. And it is based on that, that we are making them. And our revenue projections are much more conservative than the federal medium-term projections and our projections for expenditure are at the bottom end of the pack with all of the other jurisdictions.

**Mrs. Stefanson:** Well, with respect to the federal transfers, the federal transfers according to the—to this budget are 3.75 billion. Of that, 2 billion of that is in equalization, and what the minister is saying is that the rest of that is some fixed amount, and she has the—that that's guaranteed between now and 2014?

**Ms. Wowchuk:** Yes. Yes, there are agreements on the social and the health transfers that have accelerators built into them.

**Mrs. Stefanson:** But the minister was indicating earlier that overall transfers—we may lose a little bit here, but we would gain it elsewhere. How does that work if we've got a fixed amount that you know that you will be getting with respect to the other transfers other than equalization? If equalization goes down—I mean, those are fixed revenues, so if equalization goes down, how can she say that we're going to remain the same?

**Ms. Wowchuk:** Well, what—but the revenues for social and health transfers will grow because there's an accelerator built into them. So there could be—there's growth there. If there was a decline in equalization, that would be balanced off. So what we're assuming in our projections is that the whole envelope will stay about the same. There may be, as

the member has indicated, some decrease in the equalization payment, but there will be an increase in the health and social transfers. Those—that's what we are taking into consideration here. Some will increase because there's an accelerator built into them. There's an assumption that there could be a decline in equalization as the member has said, but, on the whole, we're assuming that the whole package—the whole envelope—will stay the same, and that's what we have built into our assumptions into this five-year plan.

\* (11:10)

**Mrs. Stefanson:** Are the departmental costs included in the budget based on a full staff complement or do the forecasts assume that the current vacancy rates will be maintained?

**Ms. Wowchuk:** It's natural that as people move through their careers, some people retire, some decide to leave and there is a turnover amount built into the budget to address those things.

**Mrs. Stefanson:** What were some of the other assumptions made with respect to the expenditures?

**Ms. Wowchuk:** Are you talking about the five-year plan now?

**Mrs. Stefanson:** Yes.

**Ms. Wowchuk:** We anticipate—we're projecting a revenue growth of 3.2 percent over the period of time and expenditure growth of 1.8 over that period of time.

**Mrs. Stefanson:** If the premise for the budget's—this budget's deficit is challenging economic conditions, why does the budget forecast an increase in personal income tax increases of 3.32 percent?

**Ms. Wowchuk:** Mr. Chairman, we—wages are strengthening in this province. So that—that's some growth, but we also—our population is growing, there is—and with our stimulus, more people will be working. The stimulus package this year is anticipated to create some 29,000 job equivalents so we are projecting and assuming that there will be growth in this province.

Although I did say we are looking at marginal growth, but we do anticipate that there will be more people working, wages will be higher and there will be more income tax paid.

**Mrs. Stefanson:** And why is there a budget forecast—why does the budget forecast increase in the land transfer tax of 9.91 percent?

**Ms. Wowchuk:** Well, you just have to look at where the housing market is and it's—our housing market is certainly buoyant. People aren't—houses don't stay on the market very long and the prices are high. That tells us that people have confidence in this economy and they are going to be—houses are going to be moving, and that's a good thing. I'm very pleased that people are—have this confidence and they are moving into home ownership and we anticipate that there will be more of that.

**Mrs. Stefanson:** Again, that the minister has, you know, indicated before that we're running a deficit because we're in challenging economic times and you know—so if that's the case, then why does the budget forecast increase in many different areas: the corporate capital tax increase of 45.33 percent, the payroll tax increase of 5.31 percent, a retail sales tax increase of 4.63 percent?

**Ms. Wowchuk:** Well, there's more people in Manitoba. Some 13,000 people have chosen to come to this province and that means more people will be working, there'll be more activity, there will be more sales, there will be activity in this province. And, when there's activity, when there's people, they're going to pay taxes, they're going to buy homes and that results in revenue for—people paying taxes.

**Mrs. Stefanson:** At a time when we should be looking to stimulate our economy and develop our economy more, how can the minister justify decreasing spending in departments that are associated with developing our economy? The Department of Agriculture, for example, which the minister is the former minister of, is down 4.5 percent.

Can you explain why you would decrease the Department of Agriculture by 4.5 percent?

**Ms. Wowchuk:** Just—when you are in a challenging financial time, governments have to make difficult choices, and these difficult choices will have to be made in all departments. Our government's priority was to maintain front-line services, to protect the front-line services, to make investment in stimulus, and as a result, in order to maintain that, other departments are going to have to make some tough choices.

Will it be easy? No, it won't. But these are challenging times, and we have set our priorities to protect those front-line services, and, in other departments, some things, as I had said earlier, some things will have to be slowed down in areas, but—and

each department will have to deal with that. Half the departments in this budget will see a decrease in their budgets, and those are not easy choices, but they are choices we had to make.

**Mrs. Stefanson:** In coming up with this budget, did the minister have consultations, I guess, with the other Cabinet ministers and ask them for ways of reducing expenditures within their government department? Did she ask them to, say, come forward with a 10 percent reduction, or whatever? What kind of discussions did she have with her Cabinet ministers for—in order to help prepare for this budget?

**Ms. Wowchuk:** There's a whole budgetary process that is worked through the Treasury Board branch, and, yes, they are—we look at—there is—the member asks, first of all, is there discussion with other Cabinet ministers. Absolutely, there's discussion with Cabinet ministers and, after that discussion, some decisions have to be made, targets have to be set, and that's the process.

We set some targets, then departments have to work through those targets and make some decisions as to what can be put on hold, what can be held for a while, what is absolutely necessary to move forward, and in this budgetary process, we made a—within Cabinet, within caucus, within government, all us had very significant discussions.

We also did consultation with the public, as I've mentioned before. We outreached into the community and, based on that, we were able to make some decisions, and that's how we came with our five-year plan, how we came forward with what services we were going to protect as front-line services and what services we were going to be able—in what sections we were going to have take some pause or have some reductions on that. And it was a very lengthy discussion.

**Mrs. Stefanson:** And I just wanted to maybe get into asking just some general staffing questions and general departmental questions.

I wonder if the minister can indicate who currently sits on Treasury Board.

\* (11:20)

**Ms. Wowchuk:** Try go around that table. I chair Treasury Board. Minister Struthers is the vice-chair of Treasury Board. We then have Minister Kerri Irvin-Ross, Minister Mackintosh, Minister McGifford, Minister Melnick, Minister Blaikie and

Minister—I think I've got them all. Did I miss somebody?

No, I think that is Melnick's—Struthers, McGifford, Kerri Irvin-Ross, Mackintosh, Blaikie and Melnick. Yes, got them all.

**Mrs. Stefanson:** How often does Treasury Board meet?

**Ms. Wowchuk:** Treasury Board meets weekly.

**Mrs. Stefanson:** Is that sort of in and around when Cabinet meets? Is that on the Wednesdays?

**Ms. Wowchuk:** Treasury Board meets Tuesday morning, and Cabinet meets Wednesday morning.

**Mrs. Stefanson:** Could I get a list of all the political staff in your office, including the name, position, and whether or not they are a full-time or a part-time employee?

**Ms. Wowchuk:** I have one political staff at my office, Carolina Stecher, and she's full-time. She's my special assistant.

**Mrs. Stefanson:** Could I get a list of all the staff in the minister's and deputy minister's offices?

**Ms. Wowchuk:** In my office we have—oh, I'm sorry. My secretary is Kristine McCallum and my executive assistant—I was wrong, I was thinking about my office in Winnipeg. My executive assistant is Ken Munro, who works in my Swan River office. Administrative support is Armande Martine, Elizabeth Babaian and Carolina Stecher, who is my assistant.

In the deputy minister's office, we have Hugh Eliasson. His secretary is Miriam Jezik, and Bruce Gray, who is here at the table, is assistant—senior assistant deputy minister. Brenda Peterson, Rachel McMillin, Ilana Dadds and Colleen Krawchuk [*phonetic*] are the people in the deputy's and my office.

**Mrs. Stefanson:** How many staff are currently employed in the department?

**Ms. Wowchuk:** The department has 451.2 full-time equivalents in 2010, and 37 are provided for the—and the—for the Manitoba Securities Commission.

**Mrs. Stefanson:** Can I have the names of the staff that have been hired in 2009 and '10, including whether they were hired through competition or appointment?

**Ms. Wowchuk:** Throughout the department?

We'd have to take that as notice. I can't give you who was hired, and we could take it as notice and then let you know.

**Mrs. Stefanson:** That's fine. And just whether or not—is there anyone on contract right now within the department?

**Ms. Wowchuk:** Could we take that as notice, too, and we'll get back to you on that one.

**Mrs. Stefanson:** Yes, that's fine. And just also a description of any position that has been reclassified within the department, if there have been any, I don't know.

**Ms. Wowchuk:** There were 41 reclassification reviews in the department, including the Manitoba Securities Commission—four initial reviews that had established a position clarification, 12 classification reviews that resulted in no change to the position classification, 6 classification reviews that resulted in the position classification going down, and 19 classification reviews that resulted in the position going up.

**Mrs. Stefanson:** Are all of the staff years currently filled within the department?

**Ms. Wowchuk:** No.

**Mrs. Stefanson:** Can I get a listing of any vacant positions?

**Ms. Wowchuk:** That number changes all the time. I mentioned earlier—we talked about earlier—about people leaving, people coming in. Sometimes it takes a little longer to fill a position. So the number changes all the time as to how many there—how many vacancies there are.

**Mrs. Stefanson:** What is the current vacancy rate?

**Ms. Wowchuk:** As of the end of March, it was about 10 percent.

**Mrs. Stefanson:** Is that a usual amount?

**Ms. Wowchuk:** Last year at that time it was 8.9 percent. The year before that it was 10.9. In March of—in '07 it was 8.25. In '06, it was 7.09.

So it goes back and forth depending on—so it's in the range of somewhere 8 to 10 percent depending—and it's when you look at year end, it varies. But I would say it's pretty close to that amount at the end of each year.

**Mrs. Stefanson:** Have there been any impacts on the department as a result of the vacancy rate? Have

projects been delayed or anything as a result of the vacancy rate?

**Ms. Wowchuk:** No, not really. The department plans and manages around those vacancies.

Mr. Chairperson, would it be okay if we take a five-minute break?

**Mr. Chairperson:** We are in recess for five minutes.

*The committee recessed at 11:28 a.m.*

*The committee resumed at 11:35 a.m.*

**Mr. Chairperson:** Just before we resume with questions and answers, I do want to mention the staff had pointed out that the speaker system doesn't seem to be working very well. It can be hard to hear. Folks are welcome to sit in the chairs on the side here if they wish. We can certainly pull some extra chairs over to that side if you like to as well. Or, perhaps, the volume has gone up already. Is it a little bit better now than it was? Can staff hear? I'm getting nothing but blank looks. Okay. There's my answer. Does anyone have a flare? All right, they'll figure it out. We've got enough Ph.D.s in the room.

We'll now resume questions and answers.

**Ms. Wowchuk:** If I could take a moment to answer a previous question. The member asked about what staffing changes occurred since April 1st, 2009, in the last year. There were 60 regular positions that have been filled, and they are as follows: at the director level or equivalent, or above, two; assistant director, manager, supervisor, eight; audit accountants, eight; audit tax adjusters and supervisors, five; compliance tax information officers, four; financial analyst officers, four; compensation, labour relations, Treasury Board analysis, three; internal auditors, two; business analyst project manager, two; investigators, one; policy analysts, four; and administrative clerk, and other, 17.

**Mrs. Stefanson:** And I thank the minister for that.

I'm just jumping around a little bit here. But I know the minister talked about cost of living earlier and—how were the—just out of curiosity, how were the family sizes and income ranges decided for the presentation of typical scenarios in the budget? Like, why was a family of five chosen for one scenario, given the average family size in Manitoba, as indicated in the 2006 census, that reveal that only

9.6 percent of households in Manitoba had five or more members? Why would a family of five been chosen for that example?

**Ms. Wowchuk:** It's the same size that has been in place since the '90s when we started to do this, and so we haven't changed the size. Perhaps the member is suggesting family sizes have gone down since the '90s, and we could do that. But, if we did that, then we would say—we would be—someone would say, well, you're changing numbers, you're not using the same numbers. So we use the same format that's been used since the—when this process all started back in the '90s.

**Mrs. Stefanson:** I'm not sure what the average sized family is and the largest sort of percentage in Manitoba, but is that something that you would consider looking at in the future?

**Ms. Wowchuk:** I think it's important to maintain consistency if you're tracking over time. And this is the number and the model that was put in place. And there are—you can see that, in some places, it says family of four. There's some places, it says family of five. And my preference would be to maintain consistency, so that you have something to compare back to, to another time.

**Mrs. Stefanson:** Could the minister indicate whether or not the cost of living estimates, shown in section C of the budget, include the land transfer tax.

\* (11:40)

**Ms. Wowchuk:** No, because that's just a one-time thing, when you buy your home. It's not an ongoing cost.

**Mrs. Stefanson:** Can the minister confirm that the cost of living for the following categories went up by the following amounts, from 2009 to 2010: a single person making \$30,000 a year, the costs are up \$207?

**Ms. Wowchuk:** If I can explain. I'm told that it's very difficult to compare from one year to the other as the member has suggested because there are different databases that are used.

An example that's given to me is, at one time we use to calculate our own electrical rates. Now we have found that the—there's a—the Saskatchewan school of economics does a calculation of electricity so, rather than use our own numbers, we use their numbers, but they calculate different than we do. So it is very hard to compare whether the cost of living

has gone up from one year to the other. Now, that is quite complicated and I think I have a little bit more.

But, if we look at the budget on the Manitoba's Outlook at a Glance, the consumer price index indicates that the cost of living in Manitoba has gone up by 0.6 percent.

**Mrs. Stefanson:** Yes, and so I guess that was my point. The cost of living is going up in Manitoba.

Even if you look at a one-earner family of four making \$40,000 a year, costs are up \$775. A one-earner family of four making \$60,000, costs are up \$781.

I know the minister was talking earlier about how our cost of living is—I don't think she said, you know, they're on a decline, because right in the budget it says that it is increasing, but I think you need to take into consideration the fact that the cost of living is going up in Manitoba.

I'm just wondering if the minister—can the minister confirm that taxes paid by Winnipeg residents compared to Saskatoon residents are higher for the following categories: a single person making \$25,000 is \$543 more?

**Ms. Wowchuk:** Which family type, Heather?

**Mrs. Stefanson:** In the category of a single person making \$25,000 a year, that they're paying \$543 more?

**Ms. Wowchuk:** That's not something that's done in our budget. That must be from another source. We have a—our groups are starting at a single-parent person at \$30,000, in our comparisons.

**Mrs. Stefanson:** Okay, that a family making \$50,000 a year is paying \$1,600 more? A family making \$75,000 a year is paying almost \$2,000 more?

**Ms. Wowchuk:** When you—the member has certain sectors, but I'll look at the ones that we have in our budget book. And if we look at a family of five, \$75,000, which we have, when you take everything into consideration—yes, the provincial income tax is higher. But when you take into consideration all of the property tax credits, then, that we have that somebody else might not have—when you take all of that into consideration, when you take all of the costs of living, Manitoba becomes cheaper than Saskatchewan in that category.

When we look at \$40,000, if you look at all of—everything in—and that's what we do. You just don't—

we don't—because we have taken a different method of putting in place tax credits that's spread over a broader base, then your income tax may be higher, but you look down the road to the bottom of the chart—all of the tax credits, we end up being cheaper in that category again.

From the one-earner family of four of \$60,000 in Manitoba, it would be 20,216; in Saskatchewan it's 21,588. And we—and that's why you can't just pick one line and say, well, on the income tax, we pay more income tax than they do. We do, but we have chosen a different method of property tax credits, of sales—different kinds of gasoline taxes. Our gasoline taxes are lower. Our property taxes are lower. Our heating is—our electricity is lower. Our—no, our telephones are a little higher. You take into consideration everything, and that's how you get to the bottom—the number—and that's the way we calculate in Manitoba.

**Mrs. Stefanson:** Can the minister explain why the cost for child care and the assumptions have decreased substantially? For example, a single parent with one child making \$30,000 a year, the cost decreases from \$4,888 to \$3,335. This looks significant, but I note that the cost in Ontario for the same category went from \$9,537 to \$996.

I'm just wondering if the minister could explain that.

**Ms. Wowchuk:** There's a change in the numbers because, this year, we've included the subsidies into the calculation, where, in the previous year, those subsidies weren't included in the calculation. That's why there's a difference—why there's a decrease in the numbers. And that's why our number has gone down. And I would assume that in other jurisdictions they've made those same kind of calculations.

**Mrs. Stefanson:** Sorry, I know I just asked this a few minutes ago. Bear with me, but is the land transfer tax included in the cost of living?

**Ms. Wowchuk:** No, it's not, because that's a one-time cost; it's not an ongoing cost. And we have chosen to—when we talk about the land transfer tax, that was one of the considerations. It would be a one time. Our preference is to put in place tax credits that are ongoing.

**Mrs. Stefanson:** Okay. I just wanted to flip and just ask some quick questions about the Manitoba Securities Commission. *[interjection]* Oh, you don't have the staff here, okay.

**Ms. Wowchuk:** Well, you could start with the questions, but we don't have—let's start.

**Mrs. Stefanson:** Okay. Just in general nature, I know that there was some talk of a national securities commission. Does the minister know where the talks are at with that?

\* (11:50)

**Ms. Wowchuk:** This is a discussion that continues on, and—but there is a court case in Québec. There's a court case in Alberta that have to be dealt with and the federal government is planning to make a reference to the Supreme Court to deal with this.

**Mrs. Stefanson:** Okay. So there's—so until that is dealt with, I guess, nothing will be moving forward in that—is it something that—is the minister, in her discussions, is she in favour of a national securities commission, or leaving it the way it is now on a province-by-province basis?

**Ms. Wowchuk:** Mr. Chairman, there's been a lot of work done on this one and, certainly, we're supportive of the past court system that's been put in place.

But there's—and there's been a lot of work being done to improve the system that we have, and we believe that the current system is, once it has those improvements made, is—will serve our industry better than a national system.

So we're supportive of the—of improving and maintaining the system that we have in place, but work continues on that, and the court challenges are—our court cases are there. We have to see those court cases dealt with.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, I do have a series of questions that I would like to ask the minister. A lot of them have to deal with, again, the revenue side of the books.

My understanding in terms of the gasoline tax, and what I'm thinking of is the average consumer that pulls up at the pump to put some gas in their car, typically, a litre of gas fluctuates, it seems, far too often, and people always get somewhat frustrated. And I share in the frustration in terms of when you start seeing over a dollar a litre. For the last little while it's been just under a dollar, but one of the responses that I provide them is to give them a perspective in terms of what the government actually receives, and I believe that the provincial government receives, I think, 11.5 cents for every litre. It's a levy that's applied. And then the federal

levy, I believe, is at 10 cents, and then there's a GST that would then be applied for every—for the overall purchase.

First I would ask, if, in fact, those are, indeed, the right numbers, and then I'll go from there.

**Ms. Wowchuk:** Those are accurate numbers. Yes.

**Mr. Lamoureux:** Madam Minister, can you indicate whether or not you actually have records that are easily accessible to you as to the provincial levy? How often has that gone up? How long's it been at the 11.5?

**Ms. Wowchuk:** The—at 11.5 cents, Manitoba has the second-lowest provincial gas tax in all of the country, and it has been in place since 1993.

**Mr. Lamoureux:** Well, I'm glad to hear that, and I hope I didn't give her any incentives to look at changing that.

The sales tax—provincial sales tax generates a great deal of revenue, and since the NDP have taken office, in fact, the revenue generated from sales tax has virtually doubled. Today it's at \$1.66 billion, which is a great deal of money, and can the minister—or does the minister have a list? I know we had passed legislation that expanded the things that the PST applied to.

Can she provide us, the committee, some sense as to why or how that tax has virtually doubled since 1999?

**Ms. Wowchuk:** First of all, I want to go back to the gas tax, and the member says when he talks to—he talks about this tax rate to consumers. I hope he's telling them that every—all of that money, all of that money that's been generated from gasoline tax goes back. We made that commitment and, in fact, it's beyond the gas tax that we—the investments that we make into road infrastructure so that those people can drive on those roads. We made that commitment. All of that money and more that's collected goes back into roads.

With regard to the sales tax, the one sales tax we did expand this year was on the tanning, and that was made on—because of the advice that we have heard and recommendations that people have made with regard—we—with the impacts of tanning, and we said that we shouldn't have an exemption any longer.

But, really, Manitoba's economy is growing. There's more people living in Manitoba. There is—people are making more money than they have made.

Their wages have gone up, and as they make more money they spend more money, and there's tax on that product and that's why our revenue from taxes. People have confidence in this economy. They are—we've made steps to increase wages. When there's wage increases, people spend that money and that goes—and that results in more revenue in sales tax.

**Mr. Lamoureux:** Yeah, I agree. The economy—and there have been more consumers, and, you know, former Prime Minister Jean Chrétien can assume a great deal of that credit because he's the one that came up with the Provincial Nominee Program, which, ultimately, has been a gold mine for the Province of Manitoba.

Having said that, I look at it in terms of—it's almost—I believe it is, actually, doubled in its collection since '99, and I know that the—yes, consumer consumption has increased, but there's also been an expansion of things that have been taxed that were not taxed in '99.

Does the minister actually have a list of those things?

**Ms. Wowchuk:** There have been a few expansions. But they've really been very minor. There's been an expansion to legal fees, professional fees, and there's been some expansion to mechanical and engineering—mechanical and electrical contracts and the one that I pointed out to the member earlier on, this year the tax exemption being removed from tanning beds.

So there haven't been that—very much, and when you look across the country, Alberta has no sales tax, but after Alberta, we are the second lowest. Saskatchewan sales tax is at 5 percent; Manitoba's is at 7; B.C. is at 7; Québec is at 7.5; Ontario is at 8 percent; New Brunswick is 8 percent; Nova Scotia, 8 percent; P.E.I., 10 percent; and Newfoundland-Labrador is at 8 percent.

So we are—of the provinces that collect a sales tax, we are the second lowest.

\* (12:00)

**Mr. Lamoureux:** Okay. There's been a great deal of discussion across Canada in terms of the merits of harmonizing the sales tax, and I'm wondering if, given that the minister is already expanding the sales tax into different service industries, that was likely the single largest argument as to why not to harmonize. Years ago the argument was, is that,

well, the GST is applied to a lot of services, and we have no intentions on having a tax on those services.

Now, since then, there has been a lot more tax put on services, and I don't know what the percentage is, but I'll suspect that you're going into the tens of millions, if not close to \$100 million of revenue that has been generated because of those additional services that are taxed today that weren't taxed previously.

So I would specifically ask the minister: What is the argument, in a concise of a fashion as she can put it, as to why she opposes the harmonization of the two sales taxes?

**Ms. Wowchuk:** Harmonization would shift \$400 million onto the consumer, and I'll debate the member on that at a meeting in Burrows or in his constituency any time.

**Mr. Lamoureux:** The minister is reflecting, maybe, on a discussion that we had yesterday, but I would accept that challenge. You know, let's—what I'll do is I'll go ahead and I'll check with Mr. Martindale, and if Mr. Martindale can establish a date. Even if he can't, I'll come up with a date and we'll talk about that issue. Who knows if another issue might pop up, but I would look forward to having the discussion with the minister.

My question is, does the minister actually believe—like, she's saying it's \$400 million. I don't necessarily buy that. I would like to know where it is they come up with that \$400 million, and here's the reason why. Do we have a comparison if, in terms of the GST, for the amount of dollars that are taxed or generated from GST from those items that are actually being taxed with the PST, and then, what is the extra tax that is generated that gives them the impression that we're saving the consumer \$400 million? Because I don't buy it.

**Ms. Wowchuk:** You know, there has been a very, very thorough analysis done on this by the staff and the department, and I have every confidence in them being able to do this. And this analysis is on the Web site, and I would encourage the member to go look at that Web site and get more detail as to how that number was arrived at.

**Mr. Lamoureux:** Mr. Chairperson, can the minister indicate where today—or does she have a list of where today the GST is applied and there is no PST?

**Ms. Wowchuk:** Some of the things that are not covered by—that are covered by GST that are not

covered by PST are home heating, gasoline, personal services, new home sales, entertainment such as concerts, movies. And if we—the calculation was done and this could add up to—would add up to several hundred dollars per family.

**Mr. Lamoureux:** So now is the minister, then, prepared to give the commitment today that the government has no intentions on extending the PST in those areas?

**Ms. Wowchuk:** You know, we hear this from this member all the time. First of all, yesterday he talked about helicopters that weren't needed because he doesn't have a forest in Inkster, just because he doesn't want to take into consideration the number of people that get—move—have to get moved out and stay—and be dislocated from their homes. And he wants us to make a firm commitment that we're not doing anything like that.

My department did a very thorough analysis, and I would encourage the member to look at the Web site as to what the cost of harmonization of PST with H-GST would result in and our analysis is that this would result in a transfer of costs of \$400 million in taxes to consumers. And we had indicated that we were not prepared to put that kind of a burden on individuals during a time when they were facing significant challenges. So that's—and that's the decision we would make—made. I encourage him to get more detail by spending some time on that Web site.

**Mr. Lamoureux:** For every percentage, the PST, what does it work out to in terms of actual dollars raised?

**Ms. Wowchuk:** About \$230 million.

**Mr. Lamoureux:** So, then, if the Province was to harmonize by having—reducing it down to 5 percent as opposed to 7 percent, that burden that she seems to be so concerned about, will it not then be addressed?

**Ms. Wowchuk:** If you move to harmonization, what you're doing is you're shifting from business to the consumer. It would mean about 40 percent of the retail sales tax that's collected from business would be removed. That would be—and we—that would then shift over to—that would mean there's a shortfall of that much revenue, but there would also be a shift of these costs onto the consumer.

So there's some that are reduced from retail sales tax that's reduced on the business side, but then it

shifts over to the consumer side. So the member—but I guess if the member is saying that we should reduce our—by harmonization, we should reduce our sales tax to the 5 percent—is that where the member wants to go is reduce it to 5 percent? Then that would mean that we would have a lot of other different things that we—that kind of revenue would have an impact on the services that we're able to deliver.

**Mr. Lamoureux:** An impact on services like concerts and so forth. I guess, to a certain degree, the Minister of Finance says there are some things that we don't want to apply a sales tax because those are very important things in today's society, and that's the reason why we don't want to expand into those areas. Like, she—the minister never really answered the question that I initially asked, and that is: Is the minister prepared to say that those industries, or those sectors of the economy where the provincial sales tax is not being applied, have nothing to fear because this minister and the NDP are going to ensure that there will not be an expansion of the PST into those areas into the future?

\*(12:10)

**Ms. Wowchuk:** What the member talked about, he said that if we harmonized, we would—to 5 percent, we would have—what kind of reduction we would have. If we had a 2 percent reduction, it would be about \$500 million in reduction of revenue that we would have, and then we would have to make other adjustments in those areas. If you're going to reduce to 5 percent, as the member has suggested that we should go to, then we would have to make other adjustments to services that we deliver.

Government collects taxes so that they can deliver services, and it might be a variety of services that all of us want for the constituents that we represent. When you—the member asks if we would be prepared to reduce sales tax to—by—to 5 percent like the federal tax, it would mean that we have \$500 million less in revenue and we would have to cut services.

**Mr. Lamoureux:** Well, not if you applied the PST in the same fashion in which the GST is being applied. You wouldn't have the \$500-million shortfall and it would be consistent. It would be a consistent tax with the federal sales tax and it seems to me that that's what other provinces—or more and more provinces are actually doing.

**Ms. Wowchuk:** I'm glad that the member has put on the record what his position is. His position is that we should, as I read it, we should reduce—we should harmonize so that we can shift the cost onto the things that aren't taxed right now.

I gave him a list of the things that weren't taxed by provincial sales tax right now: the heating fuel, the gasoline, personal services, first-time sales in entertainment, concerts, those kinds of things. And he has said that if we go to 5 percent sales tax on those things and then blend the—and harmonize, then we'll have the same amount of money.

You know, every jurisdiction has to deal with these issues in their own way and there are jurisdictions that are raising sales tax. Nova Scotia, for example, is raising sales tax, other jurisdictions. Every jurisdiction has to make their decisions on how they will—where they will increase or decrease taxes. We have made a decision that we are not. We have said that we have looked very carefully at this and the cost, and moving to harmonization would shift about \$400 million onto the consumer, and at this time we are not prepared to do that.

**Mr. Lamoureux:** I like the way in which the minister concluded her remarks and that's what led into the discussion. You don't want to shift \$400 million of additional taxes onto the consumer, and I suggested to her that if you don't want to shift the \$400 worth of taxes onto the consumer, well then you can reduce the sales tax. That will not put the additional tax onto the consumer. *[interjection]* Sure, it actually does make sense.

The other question I would have for the minister is: Is there any benefit if you have one tax department collecting a sales tax versus two departments collecting a sales tax? Has there been—or has the minister even looked at what other—what's happened in other provinces in terms of the administrative costs of having two versus one department collecting taxes. Has there been any analysis done from her department on that issue?

**Ms. Wowchuk:** Absolutely, there has been. Our department has very thoroughly analyzed all of these things, and I would encourage the member, again, to go to the Web site and look at those analysis because they're all there, and all of that was taken into consideration when we made the decision that we did.

**Mr. Lamoureux:** So the per capita administrative costs of collecting consumption taxes in provinces

that have harmonized taxes is higher than what it is here in the province of Manitoba, where there's two, Revenue Canada and the Department of Finance here?

**Ms. Wowchuk:** Again, we—all of this was considered very carefully, and there would be some saving. There would be a saving, I understand—if the member reads the paper he will see that it's about—there would be a saving of about \$12 million. However, this doesn't compare to the losses that we would face in the range of—in three to four hundred million dollars. So it's a small saving, but the costs to the consumer are much, much higher.

**Mr. Lamoureux:** These are one of those points, much like the water bombers, that we'll probably have to agree to disagree on.

You see, I value \$12 million as a significant amount of money. And when you have other provinces that are taking action and realizing sometimes there needs to be more leadership coming from politicians, and that means at times, yes, it might mean you're going to have explain something a little bit more to the public as a whole.

You know, generally speaking, I can tell the Minister of Finance that years ago the idea and the concept of harmonization and the GST, PST was a very negative concept. People did not want to see that happen. Public opinion has been shifting on that, and I think as more members of the public become aware that there is some benefit in terms of governments working together, that there's money that can be saved.

And you know, the minister made reference to other issues that—where she would like to see money or she doesn't want to see services cut because of loss of revenue. Well, that's a significant amount of money no matter what way you look at it.

And I would suggest to the minister, unless she's prepared to say today that we are not going to be expanding the PST into any other areas, any other services—if she's prepared to say that, well then fine. I can—maybe she would be able to present a valid argument that she would be able to win in a public forum.

But, if she's not prepared to say that, I think ultimately she's doing disservice and maybe not recognizing the intelligence of Manitobans and the government doing the right thing, not necessarily the thing that they believe in terms of the political winds

and what damage they might incur by talking positively about harmonization.

If she feels she can comment on that, and then I'll go on to the next area.

**Ms. Wowchuk:** We will agree to disagree. The member has just indicated he supports the harmonization of the PST and GST. We've reviewed this very carefully, and our decision was not to proceed because there would be a tremendous shift onto some of the poorest people in the province and the shift onto the consumer. We've made the decision that we will not—we are not going to harmonize. The member has stated his position clearly now that he is in support of harmonization.

And you know, in the jurisdictions where there—where harmonization has been implemented, there has had to be a lot of adjustments and a lot of discussion by the consumers. And I think particularly in Ontario and British Columbia, this has been implemented and it is a challenge for those jurisdictions.

We've taken a different route. We have said we are not harmonizing because of the issues that I've outlined, and I would encourage the member again—he was asking for specific information. All of that is available on the Web site.

**Mr. Lamoureux:** Just so that I'm clear with the minister in terms of where it is that I'm at, the difference between myself and the minister is that I actually do have an open mind and I am prepared to look at the benefits of harmonization, whereas the government is not. She—the government has actually, in essence, put their hand in the wind and feel that this isn't something we want to go because it's politically unpopular.

\*(12:20)

If you think about it, she says, well, we got a lot of poor people. Well, you know, there's an argument to be made that if someone consumes \$50,000 worth of merchandise and pays a tax on that as a consumption tax, that that is actually a pretty progressive way of having a tax.

You can increase—unlike the PST, there is a rebate portion for those that have low incomes. There's other ways in which you can put money in low-income individuals, many businesses will tell you that. And individuals that spend a great deal into the economy in terms of, as consumers, it doesn't

matter, they have to—there is no way of avoiding paying the consumption tax.

So, you know, even if you go back to the NDP when they were not in government, the NDP members, such as the Stanley Knowles and Tommy Douglasses, I think that they were more in favour of progressive forms of taxation. It's only been the NDP today that seem to want to be—cling to power and the clinging to power is more important to them than having good government policy, and that's the truth of the matter.

**Ms. Wowchuk:** Mr. Chairman, I would really encourage the member opposite to be a little more respectful of the people in the Department of Finance. You know, he may say that we've—the NDP has whipped their finger up in the wind and tested this. That's completely inaccurate. There have been hours and hours and hours of people spending their time analyzing this and looking at what would be best.

When you talk about rebates, I have to say to the member again, go and read the document that's out there because all of those things are taken into consideration, and there is a negative for Manitoba. We talk about rebate—people—when people are on low incomes and—I do have a concern about low-income people, they spend all their money. They would have no choice but to pay these taxes on these new products that they have to consume, and they'll have to pay this new tax.

So the member can be critical of us, politically, of what we have done. Our decision has based—been based on a lot of analysis, and I would say to him that I have a lot of respect for the people that provide us with this background information in order that we can make the decisions. And there was a very thorough analysis of this, taking into consideration what the federal government was offering, taking into consideration the rebates that would have to be made, and in the end, it was determined that this was not a positive for Manitobans.

**Mr. Lamoureux:** Well, Mr. Chairperson, chances are I've got more respect for civil servants than the minister does. I respect the fact that they are supposed to be apolitical and operate in an independent fashion. Ministers come and go; political parties come and go. For her to, now, not only this time but on previous occasions, talk and try to justify her decisions, political decisions, that are being made and saying that this is the professional

civil service is actually doing a disservice to the civil service.

What she is saying—just follow the logic. Does that mean that hundreds of thousands of civil servants that provided advice to ministers in other jurisdictions in Canada are stupid and they weren't right in what their assessments were? I suspect that there are decisions that are made in government, that are made by ministers, and civil servants are there to serve the public and provide the best advice that they can.

And, you know, I suspect in 95 percent of the cases that that isn't true—that is, indeed, and true, and could even be higher. The higher you go up in the civil service, you will find the more integrity that individuals have, and that's why we oppose a lot of the political appointments that the government does because government, at times, chooses political affiliation as more important than integrity and qualifications.

So I mean no disrespect to civil servants, and I wish that the minister would do likewise and acknowledge. If you as Minister of Finance or the Premier (Mr. Selinger) wants to say that we want to harmonize the tax, well, the civil service will, in fact, do what it's supposed to do: provide the advice, give the cautions where it needs to provide cautions, but, ultimately it would execute what it is that the Cabinet ultimately has decided.

And I suspect if they didn't do that, that there would probably be some interesting relations happening between the minister and the civil servants. And if something occurs that is completely off the wall, that—that's why we have, apparently, the whistle-blower legislation, to try to protect some minister that might go completely off the wall, or some other aspect within the system.

So I say that because I don't like—I don't appreciate it when the Minister of Finance or any minister tries to say that something that's happening is as a direct result of the civil servant, because I don't necessarily believe that to be the case. I understand the roles that civil servants have to play in our society.

And, you know, I have spoke at university in the Philippines, and I was with some civil servants, administrations, people that were studying public administration, and that was the biggest concern that they had was: How do you ensure in Canada that the civil service be a professional entity?

And, you know, I think that we need to recognize and value the independence that civil servants bring to this Legislature, to the Parliament, and not try to put them in between the political debates that occur.

My question—next question to the minister is in regards to Manitoba Lotteries. We were at about \$312 million in revenues currently. When you take a look at revenue projections that are coming into the province—again, thinking in terms of long-term projections—can the minister share with the committee as to what she anticipates the revenues will be over the next number of years?

**Ms. Wowchuk:** Lottery revenue is anticipated—it's projected to go up 3.1 percent. And we're projecting our revenues across—all of our revenues going up 3.2 percent over the five-year plan, but for this year Lotteries are projected at 3.1 percent.

**Mr. Lamoureux:** Does the government have any intentions in—whether it's installing additional VLTs over the next year and a half, not replacements, but in terms of just installing or looking at the possibility of any other casinos over the next year or two?

**Ms. Wowchuk:** I would encourage the member to raise that question when the—when Lotteries is before the committee.

**Mr. Lamoureux:** If we go on to liquor revenues, I believe it's 246 million this year. Again, is it—are we looking at a 3.1 percent increase over the next little while, or if she can provide comment on that.

**Ms. Wowchuk:** That increase is projected at 2.1 percent.

**Mr. Lamoureux:** When you look in terms of the size of the work force, the greatest source of income is that of income tax. In order to have the \$2.4 billion collected, what size of work force does Manitoba require in order to sustain that 2.4 million?

**Mr. Chairperson:** Pardon the interruption, but the hour being 12:30 p.m., committee rise.

#### FAMILY SERVICES AND CONSUMER AFFAIRS

\* (10:00)

**Madam Chairperson (Marilyn Brick):** This section of the Committee of Supply has been dealing with the Estimates of the Department of Family Services and Consumer Affairs. Would the minister's staff please enter the Chamber.

We are on page 79 of the Estimates book. As previously agreed, questioning for the department will proceed in a global manner.

The floor is now open for questions.

**Mr. David Faurchou (Portage la Prairie):** The last day we were speaking about the facility in Portage la Prairie, known as the Manitoba Developmental Centre. And I do appreciate the comments of the minister, and I do look forward to opportunities to discuss this matter further.

I just wanted to leave the committee of Estimates with the final thought being that the most important element of any branch or government is the staff. And, in the case with the MDC, I believe we have an extraordinarily, excellent nucleus of expertise and psychiatric care at the MDC in Portage la Prairie. And that's why I would like to leave the final thought with the minister is that the efforts we are undertaking to retask, redevelop the Manitoba Developmental Centre, it is absolutely imperative that we do it in a very short time frame because we do not want to lose that strength that we now have in the staff in the MDC. Thank you.

**Hon. Gord Mackintosh (Minister of Family Services and Consumer Affairs):** Well, that's a key component of what our—the process—what the processes that are under development will deal with. We do envision that there be a very careful analysis by all the stakeholders about how the great expertise and the caring community that the staff represent can continue to provide supports for persons with intellectual disabilities and, perhaps, in some other areas, which will be the subject of the exploration of other options.

But we do want to look at how MDC, in a refocused way, can continue, then, to service that community. When you look at the numbers, of course, the institutional approach is what is diminishing. And I think we have to, as the bottom line, discover how, then, we can use that expertise and that synergy to then support a greater emphasis on community living. But, you know, there's—we have to, as well though, have a good analysis of the needs of the resident community.

When I say community living, there may be quite a range, spectrum of services, and intensity of services, and it may well be that there are not only, of course, staff, but facilities that can continue at the MDC location but with a more community living

approach rather than the old, traditional, institutional-type accommodation.

So those are all options that are under consideration and I hope that the Province can frame some parameters for the consultation stakeholder process in the very near future. And when we come to that point, I would look forward to some one-on-one dialogue with the member amongst many other leaders that represent different stakeholders.

So I think that's the vision and I think it's—it really is—just reflects the reality of what is happening with the support services for this population. But a continuum, I think, will always have to be there, but that institutional approach is the one that, I think, is one that not only in Manitoba, but elsewhere, we are moving away from.

And I'll just say that the staff at MDC were recently given a rating of 98 percent by the Council on Accreditation, recognizing the service to clients. So MDC is an extraordinary place for the—giving to those in need by their—by the staff.

And I think for anyone who has visited MDC, and I know the member has, I'm sure, many times, you will see there the love and care and attention that the staff do provide to the residents. It is indeed a compelling visit, and life-changing, I think, when you see what happens there. I think there are some things that have been said from the outside about MDC that, on closer analysis, cannot be borne out.

And again, saying that, though, in the context of, yeah, that model is one that is waning and, of course, the Province, as policy, does support greater community living and has invested extraordinary amounts in order to grow community living in Manitoba.

But everything has to be done in a way that keeps the residents and their families' needs first and foremost, and we've been listening. And we continue to hear from all sides of this debate, but we always have to come down to the main point, which is, what are the divergent needs of those who rely on the department for services and how can they be provided? And we've continued to provide that spectrum of service.

And we were not—you know, this is going to be done in a sure-footed way, and in a consultative way. And perhaps, if that—I think we probably—the member is nodding that—maybe he'll ask his last questions. And I just wanted to put on the record that I did undertake to put on the record the contact

information for the Insurance Council of Manitoba. Just for the record, it's 466-167 Lombard, Winnipeg, R3B 0T6, 988-6800, fax 988-6801. E-mail is: contact us at icm.mb.ca.

**Mrs. Bonnie Mitchelson (River East):** Madam Chair, and just as we get started, I would like to ask the minister a few questions on disabilities and people with disabilities and their opportunities to gain meaningful employment.

\* (10:10)

And I've had contact from an individual, a Mr. Gregory Liverpool, who has been diagnosed with Asperger's and acute autistic disorder. And he came to my office on April the 14th very incensed by the answers to questions that were given to me by the minister in question period around supports to those with disabilities and my questions around the \$300,000 ad campaign that was used to try to encourage employers to hire people with disabilities. And Gregory Liverpool had had significant contact with the government and had made application for employment through the Civil Service Commission.

He saw the internship for people with disabilities program posted and he applied for that competition. He was not interviewed because he—it was indicated to him that a number of the answers that he gave to the questions were unclear. And his argument, and I think I would agree, is that if, in fact, it's an internship for people with disabilities and there's lack of clarity around some of the answers that have been provided, why would not human resources have gotten back to individuals to ask for some clarification from them to give them the opportunity to clarify? I would think that that would be one of the supports that should be in place for persons with disabilities.

Anyway, had an opportunity to discuss the issue with Gregory Liverpool and he indicates that he has spoken to the minister's office and wasn't connected to anyone within the department that does programming for disabilities, but the number for the Disabilities Issues Office was given to Gregory Liverpool, and that office referred Gregory to SMD, who referred him to EIA, who indicated that he wasn't qualified or he didn't qualify for EIA.

So it appears to me that all the talk from this minister about all of the wonderful things he's doing to try to encourage the private sector to employ

people with disabilities isn't followed through with within his government department or other government departments. So I guess I would just ask the minister—and Gregory Liverpool is here today in the gallery. He felt that he would like to come and maybe have the opportunity to connect with someone in the minister's department who has responsibility for all the programming.

And, you know, I did in the House the other day—and I believe it was in Interim Supply or maybe in speaking to the budget—question why the Disabilities Issues Office was moved from the Department of Family Services to another ministry, and it appears to me that Gregory Liverpool wasn't served well by calling the Disabilities Issues Office. It's this minister's department that has responsibility for programming for persons with disabilities, and I'm asking today whether someone from his department or from his office would meet with Gregory this morning and try to find someone within the system that could work with him to try to ensure that he can gain some meaningful employment.

And Gregory wants to work. It's not a matter of him trying to work the system. He wants a job and he wants to be a productive member of society. And he's routinely told that he doesn't have enough work-related experience, but how can he get that work-related experience if there's no one prepared to hire him or if government isn't prepared to work with him to see what options and opportunities might be out there for him?

So I would just ask the minister today whether he would—whether, if Gregory could go up to his office, maybe there would be someone available to meet with him, to try to explore options and opportunities where there could be some meaningful support to help him gain employment.

**Mr. Mackintosh:** First, with regard to Mr. Liverpool, we certainly would want to meet this morning, and perhaps after this conversation if he went to my office we can arrange a meeting with the executive director of Employment and Income Assistance, Mr. Dave Fisher, and Mr. Fisher, as the member may know, is well versed in this area and, hopefully, from that conversation there can be a breaking down of any of the contact barriers that may have arisen with Mr. Liverpool's attempts to look for employment.

When we have—you know, Mr. Liverpool's eagerness to get work is so important to what has to

be, of course, a concerted effort by everyone, and when an individual like him is actively pursuing opportunities it's important that we make efforts to be responsive. So I'm concerned, obviously, about what the member has put on the record, and I hope that we can alleviate Mr. Liverpool's concerns and provide him with some options that will help him achieve his aspirations.

The member raises, first of all, the issue of the campaign. It is one part in a relatively small part of the marketability strategy that was unveiled a couple of years ago under Rewarding Work. There are two fundamental barriers for persons with disabilities achieving their aspirations and their full participation in the economy and society.

The first are the physical barriers that often people themselves have put in place, and whether it's access to buildings like—including the Legislative Building, and the campaign that's under way across Manitoba to make buildings—sometimes ones that were put in place a long time ago to serve Manitobans—I think more recently of the Morden Court House, the historic building, where under the Opening Doors disability strategy that was launched in June, we're going to be putting a concerted effort into eliminating those physical barriers. But the other barrier is the attitudinal barrier, and that is often more difficult to deal with.

\* (10:20)

And those barriers exist both inside and outside government, and we admit that, because it's a barrier that we, as humans, unfortunately, have been carrying around and putting in place and not recognizing that persons with disabilities have tremendous abilities at the same time. And because a person has one disability does not prevent them from exercising and putting to work all of the other abilities. So the campaign is directed at that attitudinal barrier challenge, essentially saying, see what I can do, not what I can't.

Social marketing like that is always, of course, difficult to measure in its impact. For example, with regard to smoking cessation, I think that social marketing there, over extended period of time, has made a difference to the percentage of the population that smokes.

When it comes to myth busting—when it comes to the abilities of those Manitobans with disabilities, we are heartened by campaigns in other sectors, and the community of persons with disabilities

themselves have advocated strongly for a social marketing attempt in Manitoba. And so this is the first of its kind, and we've been commended for that effort.

But that doesn't say—that is no relief for someone who has been trying to find employment and has come across those attitudinal barriers, and I recognize that and I'm entirely empathetic to that, and it bothers me when I hear that. That's why we have to be relentless with these efforts both inside and outside government. And that's why the Civil Service Commission, now, in Manitoba has taken on a concerted effort to deal with the employment by the Province of Manitoba of persons with disabilities to increase their participation in the public service of Manitoba.

We know that that's easy, sometimes, just to say and to put in place resources, and that has happened. Because, yes, that's easy to do that part. The more difficult part is to deal, then, with those human thoughts and those attitudes and the prejudice that many people that are in the positions of employment can bring to an interview, and even a combination on the job.

So, yes, there's a great amount of work lies ahead. But we are trying to lead by example in the province of Manitoba, and so that's why I know that Mr. Liverpool can teach us lessons at the same time. And I know that, you know, we have a lot listening to do and we have a lot of work to do. So I'm not going to be defensive about it. I'm going to accept that those attitudes exist and a lot of work has to be done.

I want to just conclude by saying, well, two things. The initiatives that have been launched under Rewarding Work—it's important that they go on the record and that we not just talk about the effort, but some of the outcomes. For example, the marketAbilities team was put in place to provide specialized services for persons with disabilities on EIA to explore and secure employment. Whether Mr. Liverpool can benefit from that, I know Mr. Fisher will consider that.

The marketAbilities Fund is in place now to support the development of multisector partnerships, particularly in rural and northern Manitoba, where, I think, we've had to enhance our services. And that fund has gone to support five project in '09-10. And so 82 participants with disabilities have been provided support to find and keep jobs, and, of those, 47 obtained employment with 24 working in the

community at a minimum of 10 hours per week at minimum wage or higher. Oh, by the way, the marketAbilities team, I should have just put in a note there, but 269 persons with disabilities have worked with the team in '09-10 and, of those, 69 percent are in paid employment. So it's showing some early signs of success, and I think that sort of focused approach is really important.

We also have the earnings exemption increases. We increased it to \$200 a month for net earnings, plus 30 percent beyond that in January of '08. And now 13.2 percent of the EIA caseload receives the work incentives.

The Rewarding Volunteer Benefit, which has been warmly received—and that's probably understating it—provides persons with disabilities on EIA who are volunteering within the not-for-profit community an extra \$50 a month if they're volunteering four times a month, or \$100 a month if they're volunteering at least eight times a month. That allows not only participation and, you know, that interaction with people in the community, but it helps prepare people for employment by—you know, with the structure of regular attendance at a work site. But it also contributes to the non-profit sector which means helping vulnerable Manitobans.

We've got enhanced vocational rehab services. We've got, you know, a new initiative that is unfolding with communication devices. We've got a personal attendant program that we've been funding. We've got a rapid re-enrolment policy for persons with disabilities on EIA whose case is closed because of employment and then when they wish to apply, they don't have to get the medical eligibility reassessment done.

Those are some of the initiatives under marketAbilities, but we want to make sure it goes for work—to work for people like Mr. Liverpool. And I hope, and I expect, that there will be a meaningful discussion there.

In conclusion, I'll just add on the issue of the Disabilities Issues Office. The Opening Doors disabilities strategy recognizes that disability services are provided far beyond the confines of the Department of Family Services and Consumer Affairs and, in fact, the Department of Education, Department of Health, and I think almost every department in the development of that strategy has been involved in creating environments that are putting in place greater opportunities for Manitobans with disabilities.

So, it's also important, of course, to have a minister—and, in this case, the Minister for Persons with Disabilities (Ms. Howard) has heartfelt and great insights into many of the challenges facing Manitobans with disabilities and is able to provide a pan-governmental view and advice and consultation and direction for persons with disabilities.

**Mrs. Mitchelson:** I want to thank the minister for agreeing to have someone in his office meet with Gregory Liverpool, and I believe he's probably on his way as we speak. So thank you very much. And I do hope that some solutions are found.

I'd like to just move on to—and I did ask the minister yesterday, maybe he can just indicate to me, does he have a list of grants to external agencies available for me today?

\*(10:30)

**Mr. Mackintosh:** Yeah, I'm advised that staff attended to this matter last night, and we are in a position to table the '09-10 approved grants to external agency. I'll deal with that first.

This is the list that has been approved by Treasury and Cabinet, but the caveat is that there may have been some adjustments throughout the year to some of these lines, although there wouldn't be, most likely, significant adjustments, but there may have been some. Like, I'm aware, for example, of a community living organization, was it a year ago or two years ago, where they were having some difficulties and staff went and worked with them and discovered that they were entitled to some more amounts for—in particular areas like, whether per diem amounts or maybe the level of care was higher for some than had been recorded, and so there may be some adjustments here. That's the caveat.

So, in other words, this is the approved amount, but it might not be the actual. So I've got two copies of that.

With regard to the upcoming fiscal year, the—all of the approvals are not yet completed. I am advised that sometimes when Estimates are held a bit later, I think, you know, that list is often available before the Estimates process concludes. So from that advice, I take it that it's not far off when all of the due diligence for the coming year's grants are concluded.

So we'll provide that to member when that is concluded.

I'm advised that the expected time for approval of the external grants is certainly no later than the

time the budget is approved. It's a matter that is now going through the Treasury Board analysis.

**Mrs. Mitchelson:** Madam Chairperson, I will take a look at that, and I've been hearing some concerns out there in the community by external agencies that are funded, especially those that provide services to vulnerable children, that they didn't receive any increase in their funding last year, and they're not likely to receive any increase again this year, although we do see increases in other areas within the Department of Family Services.

And one of the organizations that I've been meeting with and having some discussion with is Macdonald Youth Services, and we know that they play a very significant role in working with vulnerable youth and children throughout our Manitoba community, not only in Winnipeg, but in the north and other areas throughout the province. And they are the central desk that takes calls for youth in crisis, and are able to deal with a lot of those issues without actually having to get the mobile crisis team involved in going out and intervening in the situation.

And my understanding is that they're having great difficulty as the result of no increase in funding over the last couple of years, and I wonder whether the minister might just explain why an organization such as this would be held flat for two years in a row. And certainly as a result, they would have to make some pretty difficult decisions around what services they can provide and can't provide—and can or can't provide to vulnerable children.

\*(10:40)

**Mr. Mackintosh:** The role of Macdonald Youth Services has to be acknowledged as certainly an extremely important contributor to youth well-being and is an important partner with the department in the provision of services for vulnerable children and youth. We've worked with them on many challenges, as well, over the years. I know there were challenges of federal funding at the youth—one component of their youth services. As well, Macdonald Youth Services was one of the more recent external organizations with which we concluded a service-purchase agreement, and the reason for that was because there was a long-standing discussion about the amounts that should flow to Macdonald Youth Services for administration. I know that, last year, the SPA was finally concluded after negotiations, and there were adjustments for the administrative component.

Now, when it comes down to what—how Macdonald Youth Services has been funded, the funding there has increased by 5.5 million or a 92 percent increase from '99 to '09. We recognize that much of that amount will be with regard to per diems and volumes, but, as well, there has, over the years, been significant amounts in respect of salary costs as well. We had, in '99, the funding of 6.1 million for Macdonald Youth Services and by '08-09 it was up 11.7 million. And so we've seen increases far beyond inflation over that course of time, with a very significant adjustment in '03-04, which comprised a number of service arrangements.

Now, when it comes to the salaries of those working at Macdonald Youth Services, we are well aware of concerns being expressed by staff there. There was a letter-writing campaign and communications that have been made from the workers, and I've had personal discussions with representatives, people who work very hard there. And, of course, we have to acknowledge their hard work and they have to be paid fairly. What has occurred is the development of an historic practice, whereby the salary changes in the residential-care facilities, although they've, you know, increased, well, I think nine times since 2000, have been adjusted according to the collective agreement arrived at at Knowles, where there is a unionized work force.

And those negotiations, I'm advised, got under way a year or two ago, and there was an expectation by the department and by the labour relations people in the government that that would have been settled. And, so, an amount for Macdonald Youth Services workers was contingent, then, on the settlement of—at Knowles. So, last year, there was an adjustment in respect to the grant to Macdonald Youth Services in respect of salaries because of that contingent matter.

The general approach for external agencies last year was 2 percent, effective July, and there was—an exception to that was in the child-care sector where grants were adjusted in respect of wages by 3 percent, and plus there was a low-wage adjustment to bring up the lowest paid workers. So we expect that the minimum would be a 2 percent enhancement in respect of wages to Macdonald Youth Services retroactively. But the pattern will be determined by the nature of the settlement at Knowles. That doesn't mean that they'll be paid the same as Knowles; it just means that the adjustment will reflect the scale changes that are arrived at through collective bargaining. There are other facilities that are also

affected. So that is why there has been that pause in that amount of the grant, recognizing that there have been some changes otherwise over the years, and sometimes very significant ones.

I just put on the record the Knowles Centre collective agreement expired in March 31, '09. So I hope that answers the member's concerns. And I have advised in the—the representative who spoke to me, I advised that there was that tie-in to what would happen at Knowles. And I think that's supportable because we're trying to have some comparability across the sector, and we've been able to achieve that in family violence and we're moving towards that in child care. So that explains why there is that amount.

So there will be an adjustment. It can be expected when the collective agreement—after the collective agreement is concluded, and that adjustment will be, hopefully, concluded in this fiscal year and will be retroactive. At that time, there would—and so that would be the expectation, something retroactive for last year and something coming shortly after the conclusion of the collective agreement at Knowles.

**Mrs. Mitchelson:** There's also been a frustration and a concern at Macdonald Youth Services around the lack of funding for an outreach worker. Now, my understanding is that those positions were created several years ago and facilities like Knowles Centre and Marymount received support and funding for outreach workers, and they were, I guess, to try to reach out to youth who were on the run from facilities and therefore at risk of exploitation within the community. And Macdonald Youth has always been told that they were on the list to receive such a position, and, to date, they haven't had any confirmation of that position being provided or when that might happen. And I wonder if the minister could indicate to me and to Macdonald Youth Services what does being on the list mean, and when can they expect to receive that position as other facilities have.

\* (10:50)

**Mr. Mackintosh:** Last December the Province announced, along with many community organizations, non-profits, and police in Winnipeg, and with the RCMP, as Tracia's Trust, which is the second phase of the sexual exploitation strategy for the province. That really represents a different approach to outreach work for those that are at risk of sexual exploitation, those that are at risk and are runaways.

It's different than the earlier model which really was focussed on outreach attached to particular organizations and not very well co-ordinated or connected across the other outreach positions. So I was advised that Macdonald Youth Services may well have sought an outreach worker over the last several years, but with the new approach now with—under Tracia's Trust, that model isn't as current any more.

The initiative that I'm talking about, though, is StreetReach Winnipeg—there's also a StreetReach North—but StreetReach Winnipeg is comprised of outreach workers from a number of organizations where StreetReach workers were employed but, as well, we've added more outreach workers. But they are directly accountable to StreetReach, not to particular organizations. And Marymount may have been one of them, had they had a position, of course, historically.

Now we know that Marymount and Knowles did—have had outreach workers, unlike Macdonald Youth Services, I'm advised. So the Marymount and Knowles outreach workers are part of StreetReach. We've added three positions to do outreach work that then are not based in particular organizations, but will respond to the concerns or the youth from many of the residential care organizations and others—including, by the way, referrals from Winnipeg police.

The three positions include the co-ordinator—Jennifer Berry is the incumbent—and the two new outreach workers. So the three of them now are in place, and, in fact, the—just coincidentally, just discovered who they were in the last couple of days, and I certainly know one of them is—has a long history, has a rich experience doing outreach work in the past.

So that is the new model, where it's a more co-ordinated approach that brings together the disparate outreach efforts and co-ordinates them geographically and by risk and by time of day. This is—this is based then on, really, a co-ordination effort and an administrative assistance that the department is providing. There's a view that the StreetReach will, in its early stages, as it is now, have this base with the department providing the supports, but we see it evolving into a more independently directed organization accountable to the StreetReach organization itself. So the model really looks at the whole issue, not an agency-by-agency approach.

I mean, I could go on with this, but I'll just maybe conclude because I did want to talk not just about initiatives but outcomes, but we're seeing some real impact by StreetReach. The police—the member may have heard, for example, Sergeant Bob Christmas who has been a key liaison with the department, talk about the efforts to go after those who harbour runaways and do it in a more co-ordinated way and, as well, we have received quite a bit of evidence of interventions with high-risk young women who have run away, and the member will also know there's been a very recent development where the media now are providing public alerts on a regular basis about high-risk runaways. This is all a part of this effort under Tracia's Trust to put a real emphasis on those that run away from facilities or homes based on a risk assessment.

And in the north, I should just add, and, as more than a footnote, StreetReach North has now been organized in Thompson, and there's been tremendous efforts there with the RCMP; they've been providing some real good leadership there.

**Mrs. Mitchelson:** And I am hearing good things about the StreetReach initiatives, so I'm, you know, certainly—and I've always been one to give credit where credit is due, but the concern by Macdonald Youth Services is, you know, they have the Youth Emergency Crisis Stabilization System that's centred at Macdonald Youth Services. They have significant presence in the north, and I think the department's working with Macdonald Youth on new initiatives in the north, which is, I think, to be commended.

But—and they have the emergency youth shelter housed at Macdonald Youth Services. And their concern, and it appears to me to be a legitimate concern, is that they haven't received the support from the department for the outreach worker position. That has led to significant frustration for them because they're out of the loop when it comes to the StreetReach communication co-ordination because they don't have an outreach worker, as Knowles or Marymount do have.

\* (11:00)

So, it is frustrating. It, I guess, would beg the question of, you know, when they are such an integral part of the youth emergency crisis system, why consideration wouldn't be given, and why they would've been led to believe that they were on the list by the department for an outreach worker position, and that hasn't occurred as yet.

So I guess I'd just like the minister to try to answer that and to, you know, let me know and let Macdonald Youth Services know why. And I understand the need for outreach workers that go across the system, but when Macdonald Youth is such an integral part of the system, providing supports and services to very vulnerable children within our Manitoba community, why consideration hasn't been given to this outreach worker position.

**Mr. Mackintosh:** I'm certainly sympathetic to the advice provided by the member. I even met with Ms. Chapman for a little while, although I may see her tonight. So I think that it would be a good idea for my office to meet with the director and anyone she wishes to bring to discuss this and their connection to StreetReach because, of course, they have crisis-mobile crisis services, and so on, and I know they are connected in various ways at different levels, but perhaps there's something more formalized that we can develop.

In terms of an outreach position, though, we don't have a budget for a new position in this area this year. The amount under Tracia's Trust has already been concluded after some hard work with the community stakeholders, but perhaps there are some alternatives in the meantime that can be explored with Macdonald Youth Services. So I'll take the member's advice and we'll set up a meeting with Ms. Chapman so we can have this discussion.

**Mrs. Mitchelson:** I thank the minister for that commitment. I—and I also want to thank him for the list of grants to external agencies, understanding the caveat.

I'm wondering, though, if the minister could provide for me the same grants lists going back to 2008-2009 and I guess it would be 2007-2008. So that would be for the two years previous to the '09-10 list. I'm sure it's there and available and it's probably not at staff's fingertips right at this moment, but could I have copies of that provided to me as quickly as possible?

**Mr. Mackintosh:** Well, I'm confident that there is such a record already composed, and so we'll go and find that and provide it to the member as soon as we can get it to her.

**Mrs. Mitchelson:** Thanks to the minister for that commitment.

I'd just like to move on to the issue of the death in Shamattawa back in January of a child in care of Awasis child and family services agency. And I

know that the child advocate apparently was undertaking a review and a—well, of—almost upon notification or public information being available on the death of the young boy in Shamattawa in the fire.

And I'd like to ask the minister for an update on where that review is at.

**Mr. Mackintosh:** First, with regard to the Children's Advocate investigation, as I recall I think around the time of the tragedy, the Children's Advocate had indicated that they had already launched some efforts, but I—the Children's Advocate would have to speak to the status of that investigation.

The ones that we're more directly associated with are the child welfare and the RCMP homicide investigations. So I've just been advised—and this is as of April 15th—that both of those investigations remain in progress, and that the Child and Family Services and the RCMP are sharing investigative information.

So that's ongoing. In other words, the police investigation has not yet been concluded.

**Mrs. Mitchelson:** Could the minister indicate to me what role the child welfare system plays in—actually what role his department is playing in that investigation?

**Mr. Mackintosh:** I'm advised that a provincial investigator from the branch has been to Shamattawa and—you know, more than one occasion in terms of the child protection matters that are related to this. As well, of course, the—and that is co-ordinated with the RCMP and there's an ongoing relationship that has been established with the police in respect of that investigation.

And the second is the agency did an initial internal review with interviews of parties to the matter and, as well, there's been co-ordination and co-operation with the police.

\* (11:10)

And the third involvement was supports for the community and families following the tragedy. That is the usual course, but there were, in this case, some extraordinary efforts in terms of flying in support services to deal with the impact of the tragedy on those that were affected—including the broader community, I understand.

**Mrs. Mitchelson:** And would the agency have completed its internal review, and would that be something that the minister would have seen?

**Mr. Mackintosh:** The internal reviews are usually shared. That's a practice with the branch, and, in this case, I'm advised—assured—that that, in fact, took place. And I received some, I guess, relatively more high-level information about the initial review, just in terms of what the initial interviews with respective stakeholders or respective parties found.

**Mrs. Mitchelson:** As a result of receiving that internal review, were there any flags raised with the minister around protocol, standards being met or not being met?

**Mr. Mackintosh:** The initial indications did not show that there was any breach of the usual protocols, but the final view on that will hinge on the conclusion of the investigation by the branch and by the Children's Advocate, because we are always looking to see if something could have been done that wasn't done. And I know that there will be very thorough investigations into that, including by the Children's Advocate by law. And I'm confident that review will be very detailed.

There were, of course, interviews with many people, and I remember being advised of some of the difficulties that followed with that approach, but that may explain why the investigation continues. But I'm advised that, because of the nature of the investigation, the final judgments will, you know, remain yet to be made, and that many of the circumstances in this matter, because they're related to the homicide investigation and in the criminal allegations that have been made, because they're tied together, the provision of further information, of course, we should be very concerned about. You know, I'm going to be guarded in terms of getting into any further details of the circumstances unless, you know, the police want us to or are okay with us speaking.

But I understand from the department, that we've been advised that because of the ongoing homicide investigation, we should be careful in coming to any conclusions or speaking about the circumstances as we know them so far. So this is an evolving investigative matter.

**Mrs. Mitchelson:** I understand, certainly, that the caution that might be provided by the investigation that is ongoing—or the homicide investigation that is ongoing—but the reality is, we've had an agency do an internal review of itself and its own operations. We have the branch that's involved. We also, in the death of Gage Guimond, had a major review done. And we had, certainly, the release of a review that

indicated where issues arose in the system and what checks and balances weren't in place and that there was still the ongoing police investigation. But the reality was, there were recommendations that were made—and many recommendations made, that would have asked agencies and authorities to put new checks and balances in place so that that wouldn't occur again.

So I don't think that the ongoing RCMP investigation should prohibit the department's—the branch's ability to get to the bottom of what happened in the child welfare system, and what failed this child so miserably that he went undetected for two or three days and nobody knew he was missing.

We're a few months down the road, three or four months now, and we still have this veil of secrecy. The agency's done an internal review. I guess my next question would be: What has the authority done? What role are they playing in any type of review?

**Mr. Mackintosh:** In light of the circumstances and, my understanding, the RCMP involvement, the authority had requested the branch to provide the—to lead the provincial investigation. And, as well, the—*[interjection]*

**Mrs. Mitchelson:** I'm sorry, I just didn't hear that last comment. The authority asked the branch—and I just didn't catch the rest of the sentence.

**Mr. Mackintosh:** Yeah, the northern authority had asked the branch to co-ordinate the provincial investigation and take a lead on that, given the RCMP involvement and the skill sets of the provincial branch. And, as well, the authority provided leadership in coordinating the resources that were deployed to the community following the tragedy. Of course, the authority, as well, oversees the agency and would be involved in reviewing any matters that come to light including the application of any protocols and policies.

\* (11:20)

**Mrs. Mitchelson:** This is certainly a departure from the Gage Guimond review when the southern authority took the lead on the review. And I guess my question would be, did the southern authority, in that instance, ask the branch whether they could take the lead on the review and why—I mean there's—we have exactly the reverse in this situation, where the northern authority has asked the branch to take the lead, where, it appears—and maybe the minister could

clarify for me, was it the southern authority that said to the branch, in the case of Gage Guimond, that we want to take the lead on the investigation? What's the difference here, in the two situations?

**Mr. Mackintosh:** Under the legislative scheme, the authority can take on the review, or can work with the branch with co-operation, or can ask the branch. So that's an option that the authorities can always consider.

So, in the Gage Guimond matter, the southern authority took on the lead there. And, for the tragedy in Shamattawa, it was just determined that the branch could take the lead there. But there was always co-operation and co-ordination with the authorities and the branch, in any case.

**Madam Chairperson :** Is it agreed to take a five-minute recess? [*Agreed*]

So we will return at 11:30. Thank you.

*The committee recessed at 11:23 a.m.*

*The committee resumed at 11:34 a.m.*

**Madam Chairperson:** Order. The floor is open for questions.

**Mrs. Mitchelson:** I'm wondering if—and I'm just wanting to go back to the Gage Guimond review that was done and ask a question again on the review that was commissioned. And my understanding is that there were two parts to the review. There was a part 1 that was conducted by Andrew Koster and Alice McEwan-Morris, and then there was a part 2, I believe, that was undertaken by the southern authority.

Am I correct in that assumption?

**Mr. Mackintosh:** It's my understanding that the review was led by the southern authority, which is essentially an operational review, it was comprehensive in nature, and that the case management part was contracted out to the individuals named and have considerable experience in this area. There were also some other parts, I understand, that were contracted out—particular tasks.

**Mrs. Mitchelson:** Could the minister indicate to me, then, who paid for the contracted services? Was that the southern authority or was that the department?

**Mr. Mackintosh:** Although there's a developing partnership with the involvement of the federal

government through INAC in supporting operational reviews, now we have, in the review the member talks about, the southern authority that would likely have paid the amount, but, of course, it comes out of the budget of the southern authority, which is, in turn, then, provided by the Province.

\* (11:40)

**Mrs. Mitchelson:** So in the instance, then, of—I'm just looking at the two different reviews, the one for Gage Guimond and the one that is being undertaken right now in the Shamattawa case. Are there any external reviewers that have been contracted to do a review of the circumstances in the Awasis incident?

**Mr. Mackintosh:** The authorities can, you know, make decisions about who they contract with. Press with the member—and I might've missed what matter she was asking about—but the authorities certainly can make contracts with outside agencies and accounting firms and so on, given the different components of operational reviews.

**Mrs. Mitchelson:** Madam Chair, I'm not sure that that answer is a good answer or an answer that—I guess maybe if I might just clarify because the minister indicated earlier on that the northern authority wasn't doing the review, that they had asked the branch to do the review of the circumstances, where, in the other instance, it was the authority that did the review and contracted.

So my question would be, has the branch then—because it wouldn't be up to the authority to hire whoever, because they weren't—they, in this instance, in Shamattawa are not taking the lead. The branch is taking the lead. So has the branch contracted with any external reviewer in the process at Shamattawa?

**Mr. Mackintosh:** The child abuse investigation or review with regard to the Shamattawa tragedy is being done by the provincial investigator of the branch, and I'm advised that there hasn't been a contracting out of services, at least not as of yet.

**Mrs. Mitchelson:** Madam Chair, last year in Estimates we had significant discussion around the review that was done by the southern authority into Gage Guimond, and the minister indicated that there would be a comprehensive report on the progress of the recommendations that were made in the Gage Guimond review. And I guess I would ask him: Would the comprehensive review be the document that is—I do have a copy of it somewhere here. Just let me check and see.

The document that was tabled at the Southern First Nations Network of Care in November of 2009, the Progress Report on the Implementation of the Recommendations of the Section 4 Review into the Death of Gage Guimond, would this be what he was referring to when he said it would be a comprehensive progress report?

**Mr. Mackintosh:** As I recall, the southern authority had undertaken to provide a public report on the action on recommendations at a six-month and one-month period, and I understand that that was provided publicly in late 2009. So I think that the answer is yes to the member's question.

**Mrs. Mitchelson:** But that report is significantly lacking in what the minister's commitment was in the Estimates process last year, and we had much discussion around why the department would be submitting their actions or inactions to the southern authority so that the southern authority would report.

I also did ask the questions on whether the other authorities were going to be providing information to the southern authority that would be included in that report, and the minister assured me that there was going to be—the systemic issues were going to be addressed by the progress report that was put out by the southern authority. And as I read through that document I find out that the southern authority has reported on actions that it has taken to implement recommendations, and there is actually no reference to any of the other authorities and what action they have taken to implement the recommendations that were system-wide, not just pertaining to the southern authority.

So could the minister indicate to me what assurances that he has or what confirmation he has had that the other authorities have taken action as the southern authority appears to have reported on its action to the systemic recommendations?

**Mr. Mackintosh:** I've just got a copy of that report in front of me. I just opened it up and I see, for example, it talks about the recommendations about training, the joint training unit, of course that is comprised of the stakeholders across the board. There's recommendations that were directed at the department, and I'm looking at the next page and so there's a progress report on that. So without going through each recommendation I'm sure the member will find that there are departmental and system-wide recommendations where there is some progress reported there.

And as I recall at the time that we had this conversation last, the authority had asked, presumably for the six-month report, for some updates from the Province which we were more than happy to provide so that the report could be put out in one version rather than coming from either the department or the southern authority.

So the CEOs in the Child Protection branch—which really goes I think to the heart of the question—meet regularly and work on the issues across the system that are joint or where shared action needs to be taken.

**Mrs. Mitchelson:** But I mean this report does not in any way address what's been implemented or what's in progress in any other authority except the southern authority, and there were many recommendations in the Gage Guimond report that said across the system there should be significant changes. And I've read through recommendation by recommendation, highlighted the ones where only the southern authority is mentioned in any progress.

So I would ask the minister, who is responsible for all children across all authorities, where the information is or why isn't there information on the implementation of these recommendations system-wide across all authorities. Is that not his responsibility?

And that was one of the reasons I asked the question on why the southern authority would be putting out a progress report, because my concern was that the other authorities wouldn't believe that they reported to the southern authority, and that information wouldn't be readily provided to the southern authority in order to include it in the progress report.

So why or where is the information that indicates on a system-wide basis where these recommendations are at?

\* (11:50)

**Mr. Mackintosh:** The system that has been put in place to deal with cross-authority and cross-agency issues—system-wide issues—are addressed through the standing committee. That's the organizational response to the need for continued co-ordination, given the four authorities and, of course, the agencies.

So we see examples in that same report, for example, on case management recommendation No. 1. It says: the Department of Family Services

and Housing complete the task of redrafting the provincial Child and Family Services Standards from the remnants package at the earliest time frame possible.

So there you see the one-year progress report, and in the—it talks about the development of new standards and, in fact, I think now we're up to—how many? 19?—I think that in the new standards are 19, but, of course, the work has gone way beyond that. But it says there: All authorities have received hard copies for distribution to agencies and so on. So it is the process not to have the authorities all individually working on this, but where there are system-wide issues that are raised in reports like this, it goes to standing committee.

And you'll see their responses in there accordingly.

**Mrs. Mitchelson:** But that response is not good enough. This was a significant issue where a child died because he fell through the cracks in the Child and Family Services system that this minister and his government set up.

And he hid behind the guise of the southern authority doing a review and stated very clearly last year that the progress report was going to put out a comprehensive report on the progress to date on the section 4 review. Now a comprehensive report, in my mind, would be a report that talks about implementation system-wide of recommendations that were made system-wide.

Now, if the standing committee, which is comprised of the minister's department and the four authorities, is the vehicle for system-wide implementation of recommendations, why wouldn't the standing committee put out a report that would indicate what is happening system-wide?

Why haven't we got a report that the minister had said last year would be 'comprehensible,' that doesn't address the issues in the other authorities, and whether they are complying with the recommendations that were made in the Gage Guimond report?

**Mr. Mackintosh:** First, in terms of the role of the authority in responding to concerns about the tragedy of Gage Guimond, the legislation agreed to—that was agreed to unanimously by the Legislature, including, I believe, the member opposite, or at least I'm not aware of any record indicating her opposition to it. But there was a unanimity in agreeing that, rather

than the branch always taking the lead on reviews and oversight of agencies, that there should be greater shared responsibility and a devolving of certain responsibilities specifically to authorities for authorities. And I think we've seen some benefits from what has been called devolution.

You know, historically—and the member knows this full well—there has been a very real challenge about getting children out of hotels. It was a challenge that dogged her administration and dogged the early part of our administration, but it was devolution that went to work and the authorities with the agencies that put in place a systematic strategy to deal with that. And, you know, I'm vigilant; I'm getting those reports on a regular basis in terms of hotel use, because hotel use is still allowed for exceptions because we didn't want children to be sleeping on the floors of police stations or in the back of social workers' vehicles.

But the statistics indicate that hotel use is, in fact, used at a minimum. I think they were down to an average of one a day, or something like that. That was one of the last reports I had. And sometimes there are weeks with no children and sometimes there are some sibling groups. So we might have four or five and sometimes some—but, so that's one example of devolution going to work.

We were seeing a real concern about a recruiting foster parents, historically. And we've seen that right across the country, but by the Circle of Care campaign that was launched, we've seen recruitment of foster families way beyond any projection or expectation. And we're also seeing now the systematic review, the operational review of agencies that are addressing long-standing shortcomings and, indeed, a system that was broken by way of how these agencies are administered. And so that has happened under devolution.

So there are positive changes and some very core, fundamental, positive changes that have happened, but I think the most fundamental, positive change has been that there is now this shared responsibility, this shared governance of child welfare that has better engaged, particularly Aboriginal people, whether they are First Nations or Métis, and that have led to a more collegial approach to the challenges and improvements that are required in child welfare. So the standing committee has been an important part of how that has evolved.

Now, in terms of the report itself, I'm looking at 52 pages in front of me here that went—examined all the recommendations, and it does appear to be comprehensive. In terms of the point that the member, I think, is making here, is that the development of standards does require, under our commitment, a collegial effort, buying in. And, in fact, in the development of standards, there's often a very extensive involvement of the front-line workers and the agencies themselves in getting feedback and fine-tuning the development of stronger and new standards. And that sometimes takes time. Sometimes we've underestimated the time it takes to arrive at the stronger standards, but that's—that is the work and, I think, an example of good progress—because it was recommended by the Ombudsman and, I think, the Children's Advocate as well, that we have to engage better the child welfare agencies in the development of systematic change.

So, in—oh, you know, I don't want to leave out the training initiatives either that are being done through the joint training unit, and there—those initiatives, I think, are also reflected in some of the pages of that report from the southern authority.

So it was done collegially. It was important that we send a signal that, yeah, we work together and they can put in their information that was arrived at from the branch or from the standing committee.

And the member says, well, why isn't there a standing committee report? But we have over the last couple of years done just that.

\* (12:00)

There has been a Changes for Children status update report provided publicly, and I'm more than happy to determine if they're going to continue that, because I think that that would be worthwhile to continue that. If the member has advice in terms of, you know, if there's additional information that she thinks should be in there, we could ask the standing committee to consider that. But I'm certainly prepared to pursue, with our partners, further reports on Changes for Children that are from the standing committee, because it is about accountability. And, of course, now there's a new role for the Children's Advocate and the Ombudsman, and I think if we accompany that with a continued report from standing committee on progress, that we've made a fundamental change in how the system is responsive to its role and its need for change, according to the recommendations that have been made.

**Mrs. Mitchelson:** I know the minister got into the whole issue of devolution and legislation that was passed and that was supported, and, certainly, the concept of devolution is not anything that we as a party didn't support, but we do not believe that it was implemented in a way that created an opportunity for children to be safe within the system. It was rushed ahead. And we saw by the Gage Guimond report that there were people that were unqualified that were providing services and support to Gage Guimond, his foster family, and the checks and balances weren't in place. And, as a result, we saw a child die under a system that had been created by this government and rushed ahead without ensuring the proper training and the proper processes were in place within agencies to handle the significant increases in caseloads.

So we do have concern that this government has botched the whole devolution process to a degree where children like Gage Guimond fell through the cracks. And I'm still hearing from foster families that are indicating that children are contemplated being moved out of long-term foster care placements without any rationale or any reasoning by the agency or by the authority—and any reasons given.

And one of the very significant recommendations in the Gage Guimond report was, again, recommendation CM47, that any decision to move a child when there are no child protection concerns contain a written reason for this decision, including reference to the impact on the child, the appropriateness of the move in accordance with the child's stage of development and the degree of attachment to the caregiver. And, Madam Chair, that recommendation is not addressed to any satisfaction within the progress report that was provided by the southern authority.

And, I guess, I would just—because I know last year in Estimates, the minister indicated that it was a worthy recommendation. He said that and he has, in the past, said all of the recommendations would be implemented. I would like to ask him today whether he agrees that this recommendation should be implemented, and where is it at? Are we seeing today written reasons why a child should be moved and why it's in the best interests of a child to be moved?

**Mr. Mackintosh:** When it comes to the debate on devolution, I know the member has from her comments, as I recall, been very unsupportive of devolution, and—

**An Honourable Member:** Point of order, Madam Chair.

**Point of Order**

**Madam Chairperson:** The honourable member for River East, on a point of order?

**Mrs. Mitchelson:** Point of order, Madam Chair. How can the minister contradict himself from one answer to the next? He just indicated that all members of the House supported the legislation on devolution and now he's saying that he recalls that we didn't support that. He can't speak out of both sides of his mouth, and maybe you could call him to order.

**Madam Chairperson:** In regards to the point of order by the honourable member for River East, this is a dispute over the facts and not a point of order.

\* \* \*

**Madam Chairperson:** The honourable minister has the floor.

**Mr. Mackintosh:** No, when I—when the member talks about speaking out of both sides of the mouth, what I'm meaning is that the members opposite voted for the devolution legislation. But then along comes the member, and repeatedly in this House talks about how it was a failed experiment. And everything that she has been putting on the record in terms of devolution over the last couple of years, have been most negative and have been rightly perceived as that by those that are watching. So the member is trying to have it both ways, having supported the legislation, but then individually coming in here and trying to trash what is an effort to make improvements to child welfare. And, of course, every time there is a tragedy, it's an exercise of the member linking that to devolution. And, as I have said in the past, there have been many, many tragedies occurring, unfortunately, in child welfare over many decades. And, under her watch when there wasn't devolution, I asked her: Who did she blame then?

We have to deal with the challenges in child welfare from many fronts, because there are many challenges. But devolution has, according to the Ombudsman and Children's Advocate, offered—and it provided promise to improve the system and to turn the corner on the challenges that have historically dogged the provision of services under the legislation.

And I know the member has said sometimes that, oh, well, now, I do perhaps support devolution,

which belies, I think, earlier sentiments on the record. But it was how it was implemented that it was too rushed. I asked the member if she might want to explain, then, why no action was taken on the recommendations made in 1991 to get devolution going immediately. And, in fact, the word "immediately" was used by the AJI commissioners. And, as I recall, there was no action on a comprehensive basis to move towards the recommendations set out in AJI on child welfare by the member opposite when she was in office.

I do know that there were efforts made to enhance the consideration of culture in the provision of child welfare services, but the fundamentals of the recommendations that were made in 1991 were not moved on. So I think anyone looking at the unfolding of devolution, they see a huge gap in movement from '91 to 2000—when did it start—until the files were completed in 2005, and, of course, a tremendous effort made to prepare for the rearrangements that were made in 2005 with a view to acknowledging that we could continue to get to some of the core challenges better through devolution than before.

\*(12:10)

So, you know, and I'm always welcome or welcoming hindsight on any—in any matter of systemic change, but what we have to deal with is on an go-ahead, go-forward basis and make sure that we continue to make enhancements with the system that have put in place here in Manitoba.

And I think it really compels the support of all members of the House, having supported the legislation initially, to provide support in principle for the path that we are on. And, of course, the vigilance of members opposite is fundamental for accountability. We don't discount that, but I think we have to be fair in our assessment of devolution and when it has had shortcomings and when it has not. And so I think we should always be vigilant not to blame devolution for ongoing shortcomings that have long predated the legislation in this House and the transfer of files in 2005.

So jurisdictions across the country are looking at Manitoba's experiences, and other jurisdictions are moving in the direction of greater empowerment for First Nations people and Métis when it comes to child welfare. And I remember just very recently in British Columbia there were some recommendations that they get moving more quickly on action in that province.

**Mrs. Mitchelson:** Madam Chairperson, let's just get back to recommendation No. 47. Can the minister indicate whether, in fact, within the system, system-wide, when there is a decision to move a child when there are no child protection concern, is he satisfied that there is a written reason for that decision, including reference to the impact on the child, the appropriateness of the move in accordance with the child's stage of development and the degree of attachment to the caregiver? Has that recommendation been implemented system-wide?

**Mr. Mackintosh:** The member brought a bill into the House that put in place some criteria or proposed criteria when a child is being moved, and I know that she was responding to some concerns from some foster parents. And we know that any time a child is moved, it can be very traumatic for everyone, and we have to put in place processes and supports that, I think, are more fitting in those circumstances. And that's why, for example, we have to ensure that appeal processes and information are robust. And we're continuing to look at how we can improve that because it is my view that we should do more to acknowledge the impact on foster parents of moves.

So I'm sympathetic on that, but, in the bill, the member has proposed that there be a number of requirements that have to be followed that may, in particular circumstances, not always be in the best interests of the child, which is the overriding test of the appropriateness of standards or legislation. Now, under the Foster Parent Appeals Regulation right now, foster parents have to be provided with written notification of the agency's intention to remove a child and the reasons for the removal.

Now, I might just want to remind the member that it may not always be in the best interests of the child for former foster parents to be provided with information about the child's new placement or with the agency's final assessment in particular cases.

And we also are—the concerns that have been expressed to me from those that practice child welfare is that the member's bill does not provide exceptions for when there is a breakdown in the placement and where a child has to be moved immediately. It puts in place delays and requirements that could detract from the best interests of the child. And placement breakdowns do happen, and disproportionately where there are complex needs of a child and it is very difficult—it's a very difficult environment for both the child and the foster family, and there has to be action taken at once. And the

other is where there is a court order and that comes into play.

So there—those pieces are missing, and we have to be very careful when putting forward these suggestions that we go always back to the test of what is in the best interests of the child. The—you know, if that legislation was in place, there may be circumstances where we actually bring on, you know, trauma and potentially harmful impacts if a child is left in the foster home after a, you know, a breakdown. You know, well, that's just—I think a fundamental concern about the legislation.

These things are usually dealt with by way of standards, and we'll undertake to determine the current status of the implementation of this recommendation. It's my understanding that the southern authority had engaged in a consultation with its agencies on the practicalities and the benefits of an added layer of review and further documentation on the file—which I think really is the essence of what the member was looking for in her legislation—and will determine the up-to-date status of that, and, as well, the—where that's going in terms of a system-wide action.

**Mrs. Mitchelson:** The minister is off-base in his comments about what the legislation does, because I've taken it exactly from recommendation No. 47, and there's nothing in the legislation that would say that if there is a child that's in need of protection or there are issues or concerns, that that child should stay in a foster home. The legislation is clear, and it follows the recommendation—the recommendation in his own report to him that he has stated publicly he would implement all recommendations.

And the recommendation—I'll read again into the record—that any decision to move a child where there are no child protection concerns contain a written reason for the decision, including reference to the impact on the child, the appropriateness of the move in accordance with the child's stage of development and the degree of attachment to the caregiver.

And this is—this recommendation was written because there was a very specific case, and that was the Gage Guimond case, where the foster family didn't have anything written that would indicate that it was in Gage Guimond's best interests to be moved to the home in which he was placed and then moved again to the home in which he was eventually killed.

This recommendation is basically the Gage Guimond recommendation that would have protected

him, if, in fact, those things were put in writing and there was justification or rationale when he was being cared for and looked after by a loving foster family. And he was ripped out of that foster family's home as a result of poor case management and moved into an unsafe situation and circumstance.

\* (12:20)

And I really could have called it the Gage Guimond amendment, and I guess for the minister to sit there and say that there might have been a breakdown in the foster care placement of Gage Guimond and that's why he was moved and there was no reason to have anything written, I believe there was a reason to have something written, and I believe there's a reason that this recommendation is here.

And so I would ask the minister, does he not agree that, when a child is taken out of a foster placement where there are no protection concerns and no issues, should there not be some rationale on record that would indicate that it was in the child's best interests and the child's safety to be moved to another location? And I would ask him to please answer that question, because this very clearly is a recommendation that speaks exactly to what happened to Gage Guimond, and it's inexcusable and it should not happen to another child. And I know that there are circumstances within the system where this is still happening today. And I'm putting the minister on notice that there are red flags within the system. And there are children today, years after Gage Guimond was put in this unsafe situation—and I don't want to see, and I don't think he wants to see, either, another child end up like Gage Guimond.

This recommendation is here for a purpose. He committed publicly to implementing the recommendations, and now he's trying to make excuses why there should be nothing in writing. I would like to ask him today for a commitment to implement this recommendation and ensure himself and Manitobans that no other child will be put in the same circumstance as Gage Guimond because there was nothing in writing and nothing on the file and no rationale for the move or for the change.

**Mr. Mackintosh:** Well, just to restate the recommendation, as the member notes from the progress report is being acted on, and we will determine what the latest status is on that by the southern authority.

The existing standards manual in section 2 states that an agency must give foster parents written reasons for its decision to remove a foster child and also written notice of the right to review, reconsideration and appeal, and a copy of the reg.

So that is now the rule that's in place, and the recommendation is to provide some enhancements to that, which we support. And so, we'll—now, when we get to the issue at hand here about the tragic circumstances of Gage Guimond's death, the shortcomings were largely an agency that was not adhering to standards with regard to safety.

The focus on the standards is always important, and it's important to learn lessons from these tragedies, but it was—and it is well documented that the agency that was responsible failed Gage Guimond. That is the conclusion in that report, and it failed in a number of respects. The agency was, to say the least, not well run, and those who were assigned did not fulfil their responsibilities under the standards manual. So, as a result of the review and the oversight, significant changes were made. There was basically an overhaul of the agency, as well as many other changes, some system-wide and some unique to the southern authority.

But the agency changes really go to, I think, the heart of what fundamentally failed here. There was documented nepotism, for example, a lack of sufficient training and serious questions about the actions of agency staff. And, indeed, the director was a key figure in what had transpired and had gone wrong with the agency in terms of its delivery of service.

So, action, both in terms of the agency, many system-wide changes, and, as well, in terms of the recommendation 47, action has been ongoing. As I understand, the agencies have had an input into that recommendation, and the southern authority will provide an updated status report on that and we'll advise the member.

**Mrs. Mitchelson:** And I'm wondering if the minister could have that update available for me by Monday when we resume the Estimates on Family Services.

**Mr. Mackintosh:** Well, we'll certainly endeavour to get an answer and provide the status. We'll make enquiries of the southern authority.

**Mrs. Mitchelson:** And I guess, just following up on that, because the minister did indicate in his last answer that there was required written information to be provided on why a child would be moved from a

foster family if that was to occur. Is he satisfied, or has he heard anything in his office or have his departmental officials heard anything from any foster families that would indicate the same practice that was happening several years ago in the Gage Guimond case is still happening today? Has there been any correspondence or communication with either the minister and his office or his department that there are still issues around getting written information on what is happening with children that have been in long-term foster care and agencies are moving to make decisions without putting anything in writing to foster families on the reason or the rationale?

**Mr. Mackintosh:** We do have, of course, the appeals that are launched when there are concerns by foster parents about the removal of a child, and I'm not—I don't have information on the latest trending of the level of those complaints or those appeals. But that is one way that concerns have been brought forward.

The, of course, there—the branch, I'm advised, does receive complaints from time to time about the removal of children, and sometimes there are differences of opinion about the appropriateness of placements, and sometimes those are even brought to the minister's attention and then are sent to the branch and to the respective authorities or agencies.

But we expect that the standards be followed and because that—those are the rules in child welfare and it is our expectation that agencies do follow those standards, because that—they're in place for a good reason.

**Madam Chairperson:** Order. The hour being 12:30, committee rise. Call in the Speaker.

#### IN SESSION

**Madam Deputy Speaker:** Order, please.

The hour being after 12:30, this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Friday, April 23, 2010**

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