

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

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Speaker*

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-Second Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ADAMS, Danielle	Thompson	NDP
ALTOMARE, Nello	Transcona	NDP
ASAGWARA, Uzoma	Union Station	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian	Keewatinook	NDP
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy, Hon.	Kildonan-River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
DRIEDGER, Myrna, Hon.	Roblin	PC
EICHLER, Ralph, Hon.	Lakeside	PC
EWASKO, Wayne	Lac du Bonnet	PC
FIELDING, Scott, Hon.	Kirkfield Park	PC
FONTAINE, Nahanni	St. Johns	NDP
FRIESEN, Cameron, Hon.	Morden-Winkler	PC
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin, Hon.	Steinbach	PC
GORDON, Audrey	Southdale	PC
GUENTER, Josh	Borderland	PC
GUILLEMARD, Sarah	Fort Richmond	PC
HELWER, Reg	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
JOHNSON, Derek	Interlake-Gimli	PC
JOHNSTON, Scott	Assiniboia	PC
KINEW, Wab	Fort Rouge	NDP
LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan	Selkirk	PC
LAMONT, Dougald	St. Boniface	Lib.
LAMOUREUX, Cindy	Tyndall Park	Lib.
LATHLIN, Amanda	The Pas-Kameesak	NDP
LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya	Notre Dame	NDP
MARTIN, Shannon	McPhillips	PC
MOSES, Jamie	St. Vital	NDP
MICHALESKI, Brad	Dauphin	PC
MICKLEFIELD, Andrew	Rossmere	PC
MORLEY-LECOMTE, Janice	Seine River	PC
NAYLOR, Lisa	Woleseley	NDP
NESBITT, Greg	Riding Mountain	PC
PALLISTER, Brian, Hon.	Fort Whyte	PC
PEDERSEN, Blaine, Hon.	Midland	PC
PIWNIUK, Doyle	Turtle Mountain	PC
REYES, Jon	Waverley	PC
SALA, Adrien	St. James	NDP
SANDHU, Mintu	The Maples	NDP
SCHULER, Ron, Hon.	Springfield-Ritchot	PC
SMITH, Andrew	Lagimodière	PC
SMITH, Bernadette	Point Douglas	NDP
SMOOK, Dennis	La Vérendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
TEITSMA, James	Radisson	PC
WASYLIW, Mark	Fort Garry	NDP
WHARTON, Jeff, Hon.	Red River North	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, Oct. 3, 2019

*The House met at 1:30 p.m.*

**Madam Speaker:** O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom and know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

Please be seated. Good afternoon, everybody.

### ROUTINE PROCEEDINGS

**Madam Speaker:** Introduction of bills? Committee reports?

### TABLING OF REPORTS

**Hon. Kelvin Goertzen (Minister of Education and Training):** I am pleased to table the Red River College Annual Financial Report for the fiscal year 2018-2019.

**Hon. Scott Fielding (Minister responsible for the Civil Service):** I am pleased to rise today in the Assembly to table the Civil Service Superannuation Board 2018 Annual Report, and also to table the Civil Service Superannuation Fund Actuarial Evaluation Report as of December 31st, 2018.

**Hon. Ralph Eichler (Minister of Agriculture):** I am pleased to rise to present the 2018-2019 annual report for Manitoba Agricultural Services Corporation.

Madam Speaker, also pleased to report there's—present for 2018-19 annual report for the Food Development Centre.

**Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade):** Madam Speaker, I am pleased to table the Research Manitoba 2018-2019 Annual Report.

Also, I am pleased to table the Manitoba Opportunities Fund Limited 2018-2019 Annual Report.

And I am pleased to table the Travel Manitoba 2018-2019 Annual Report.

### MINISTERIAL STATEMENTS

**Madam Speaker:** The honourable Minister for Indigenous and Northern Relations—and I would indicate that the required 90 minutes notice prior to routine proceedings was provided in accordance with our rule 26(2).

Would the honourable minister please proceed with her statement.

#### Missing and Murdered Indigenous Women and Girls Honouring and Awareness Day

**Hon. Eileen Clarke (Minister of Indigenous and Northern Relations):** Today I'd like to ask all members of this House to join me in recognizing October 4th as Missing and Murdered Indigenous Women and Girls Honouring and Awareness Day.

Today gives us the opportunity to honour the memory of missing and murdered indigenous women and girls, to honour the strength of their mothers and fathers who have lost their daughters, to honour the courage of their children who reach for a hand that is no longer there, and to honour the spirits of the many who have been stolen from us far before their time.

Today gives us the opportunity to recognize that there is much work to be done to address this very important issue, gives us time to recognize that our government is committed to working with all levels of government, indigenous leadership, as well as communities to put an end to this cycle of senseless violence, and to recognize that we all play a role in ensuring that generations to come will never have to experience such profound injustices.

The disproportional statistics on violence against indigenous women compared to non-indigenous women in Canada is staggering.

Our government fully supported and participated in the national inquiry and we worked collaboratively with the Manitoba co-ordinating committee that was established to ensure the inquiry was family- and survivor-centred. We will continue to support the families, the survivors and indigenous communities.

I would like to take this opportunity to thank the survivors and family members who have shared their stories and who have never stopped advocating for their loved ones.

Addressing these incidences of murdered and missing indigenous women and girls and working to end gender-based violence is a priority. We are committed to engaging indigenous women, leaders and communities in determining our shared priorities and the next steps to addressing the calls to justice identified by the inquiry.

We took a proactive approach to improve relations with indigenous communities after the announcement of the inquiry, including reforms to the justice, health-care and child and family service systems.

Today and every day, we must ensure that their stories are never silenced and that their memories never fade and that we continue to work together as a community to eliminate violence and protect future generations.

Thank you, Madam Speaker.

**Ms. Nahanni Fontaine (St. Johns):** October 4th is recognized as missing and murdered indigenous women and girls and two-spirited honouring and awareness day: a day to recognize not only Manitoba's MMIWG2S and their families, but all families across Canada. It's a day to show kindness, compassion and support to families who often feel alone and forgotten, a day to commit to real action in addressing the epidemic levels of violence against indigenous women, girls and two-spirited.

Last week, the member for Union Station (MLA Asagwara) and myself attended an MMIWG2S meeting organized by Isabel and Agnes Daniels.

Families specifically wanted to know what the Premier (Mr. Pallister) has done in respect of the national inquiry's recommendations. Well, I can definitively report today: nothing.

The minister for indigenous and northern affairs confirmed so on Monday in Estimates. When asked about this government's commitment to the recommendations, she said, and I quote: There has been no public statement at this point, and I would think that we would probably be waiting for a statement of process from the federal government as it was their initiative.

I remind everybody in this House and across Canada, the national inquiry concluded violence

against indigenous women, girls and two-spirited is genocide. And what is the Premier's response? Nothing. No comment. No commitment. No action.

And then to stand in this House pretending that he actually cares about MMIWG2S is particularly shameful. MMIWG2S and their families deserve better. Indigenous women, girls and two-spirited deserve better. We deserve action today.

Miigwech.

**Mr. Dougald Lamont (St. Boniface):** Madam Speaker, may I have leave to speak to the minister's statement?

**Madam Speaker:** Does the member for St. Boniface have leave to respond to the ministerial statement? *[Agreed]*

**Mr. Lamont:** It's a solemn honour to recognize Missing and Murdered Indigenous Women and Girls Honouring and Awareness Day.

We sometimes speak of women and girls being at risk when we should recognize that they are vulnerable to attack. We sometimes refer to domestic violence or violence against women and girls, but violence is not committed on its own. The reality is that it is almost always men who are committing that violence, and we must also recognize that there are vulnerable women and girls right now in Winnipeg and across Manitoba who do not have a safe place to go.

It should be no surprise to any of us that the intergenerational trauma that exists because of the role governments have had on many files, whether that be justice, CFS, education or residential schools.

As legislatures—as legislators, we must acknowledge and implement the recommendations of the national report into MMIWG and the Manitoba children's advocate.

\* (13:40)

For example, the MMIWG inquiry called for the creation of a specialized indigenous police unit led and staffed by First Nations to complement and enhance the work being done by First Nations police forces.

Madam Speaker, crises don't work around a 9-to-5 schedule and neither should community supports. Twenty-four-hour safe places, whether for youth, homeless or individuals experiencing violence, can work to protect vulnerable Manitobans.

And youth in our CFS system are consistently the highest rate of missing persons in Manitoba, and some of them never come home. Reuniting families and reducing the number of children in care is one of the most important issues we all face to ensure that indigenous youth are safe.

Less than a year ago, the Manitoba children's advocate made it clear that on any given day in Manitoba there are many girls being preyed on, and our current laws are not adequate to protect them.

I hope that all parties in the Chamber can unite in asking whoever forms the next federal government to change the laws around consent in the Criminal Code in order to protect young people from exploitation.

Thank you. Merci.

## MEMBERS' STATEMENTS

### Southdale Constituency

**Ms. Audrey Gordon (Southdale):** I rise today to thank the residents of Southdale for putting their confidence and trust in me to be their MLA. I am deeply honoured to be the first MLA for the new boundaries of Southdale. From tight-knit neighbourhoods to major thoroughfares, the constituency is vast and diverse. In fact, if the riding was featured on the game show Jeopardy!, the question would be: Which Southdale community is called the hidden gem?

I look forward to partnering with the families, schools, community clubs and businesses to build an even stronger constituency.

This quote by Isaac Newton is very fitting for this statement: If I have seen further, it is by standing on the shoulders of giants. Today, I stand on the shoulders of several giants: my parents, the late Leonard Simms and Satira Simms; my husband, Winston, who is here in the gallery today; and our two sons, Andrew and Darnell. Your support and love means the world to me.

The volunteers who worked on the Southdale campaign, from the door knockers to the sign installers; Matt Penner, the campaign manager; Laura Marrast, the official agent; and the donors whose names are too numerous to mention: thank you all very much.

There are two individuals who deserve special recognition for their volunteerism, and they are here in the gallery today: Ed Onyebuchi, and Ralph Akimade. I would not be in this role today if it wasn't

for your unwavering support. To you, gentlemen, I say daalu and ese pupo [*Thank you*].

Thank you, Madam Speaker.

### Mitch Podolak

**Ms. Lisa Naylor (Wolseley):** Madam Speaker, today I am so pleased to take this opportunity to honour the life of a man who has been a key figure in the Wolseley community to which I have been humbly elected to represent.

On August 25th, Manitoba lost Mitch Podolak, a legend in the music community. Mitch Podolak was a true visionary and was widely respected for his activism and his work in the arts. Mitch was the founder of the Winnipeg Folk Festival, the co-founder of Winnipeg International Children's Festival and also helped to launch music festivals in Edmonton, Calgary and Vancouver.

When an old church went up for sale at the corner of Ellice and Sherbrook, Mitch pursued the resources required and co-founded the West End Cultural Centre. Thousands of Manitobans, from infants to elders, have been enriched by Mitch's contribution to the music and cultural scene in our province.

Mitch was inducted into the Order of Manitoba in 2015 in recognition of his accomplishments for the music and cultural community in Manitoba.

Today, I also want to recognize and honour the man who has been described by many in his community as a citizen of earth. Mitch made the world a better place through folk music while also advocating for people, social justice and environmental sustainability. Mitch did this while shining as a father, a family man, a mentor and a friend to many.

The impression that Mitch left on the province will never fade. His memory lives on in the rich cultural scene of Manitoba, in the friends and family who are here today, and with all who knew him.

Madam Speaker, I would like to ask for leave to include the names of my guests in Hansard.

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

*Ava Kobrinsky, Tim Osmond, Leonard Podolak.*

### Tyndall Park Constituency

**Ms. Cindy Lamoureux (Tyndall Park):** I want to use this opportunity to first and foremost thank the constituents of Tyndall Park for their support this past election. I feel incredibly honoured and fortunate to

represent the community in which I grew up and where I live.

I'm so grateful to be able to serve and give back to my community, and I'm committed to working hard and bringing the issues, concerns and ideas of those living in Tyndall Park into the Manitoba Legislature.

Madam Speaker, I want my constituents to know that our 'constit' office is now up and running and that I have continued on with my weekly McDonald's commitment every Saturday at 2 p.m. at the McDonald's on Keewatin.

I'm excited to invite the schools in my riding down to the Legislature, to continue my work with NorWest Co-op, to serve the residents of Tyndall Park through casework and community events.

Madam Speaker, in addition to my constituents, I want to thank who I am convinced are the best volunteers. Whether it's my campaign manager, my sign crew, my exceptionally polite phoners, our team is amazing, so a big, big thank you for those who contributed to our campaign.

I should also thank my friends, family and partner for their patience with my scheduling and franticness during the election. Thank you for keeping my life balanced and filled with scary movies, Scrabble and coffee.

Lastly, Madam Speaker, I want to congratulate my colleagues. Whether it's my leader, my late-night votes buddy, you as the Speaker or all the newly elected MLAs, I'm looking forward to working with so many of you, especially my colleagues from The Maples and the—and Burrows constituency, to make our North End a better place.

Thank you, Madam Speaker.

#### **Borderland Constituency**

**Mr. Josh Guenter (Borderland):** Madam Speaker, I rise today to recognize the constituency of Borderland, and wish to thank my constituents for granting me the privilege of serving them in this place.

During the past weeks and months, I have been inspired by the can-do spirit of hard-working, resilient people across the constituency who love their communities, and know that under this PC government, the best is yet to come.

Borderland is home to one of the youngest populations in the province and, indeed, the country. Supported by strong, healthy families and immigration, the RM of Stanley, according to

Statistics Canada's 2016 census, is the second youngest area in the country, after Mackenzie County in Alberta.

Our low crime rate, entrepreneurial spirit and old-school belief in individual freedom means Borderland is home to thriving family farms and businesses and healthy families and community organizations.

During the campaign, I had the distinct pleasure of meeting some of the people and organizations that make our part of southern Manitoba such a special place: the Hutterian Emergency Aquatic Response Team, or HEART, is a professional search and rescue dive team from Oak Bluff Hutterite Colony, entirely volunteer-based and only funded by donations, Madam Speaker, an example of heroic and selfless caring; Blue Sky Opportunities in Altona, where compassion meets action and people with disabilities are employed, cared for and given hope by staff who have the biggest hearts you'll ever find; and Neuberghthal, a single—and Neuberghthal, a national heritage site and the best-preserved single-street Mennonite village in North America, where residents take pride in safe-keeping and retelling the stories of our local past.

Madam Speaker, once again I thank the constituents of Borderland. I am honoured to represent an area of such quality and calibre.

\* (13:50)

#### **Fort Garry Constituency**

**Mr. Mark Wasyliv (Fort Garry):** I rise today to thank my riding of Fort Garry for entrusting me to represent them and their families in this Assembly. I am privileged to be able to speak here on their behalf, and with that privilege comes a responsibility, a responsibility to address the issues facing very diverse residents of Fort Garry.

Fort Garry is a riding in transition; 25 per cent of its population are newcomers to Canada and 48 per cent of the the population have moved into the riding in the last five years. This community is changing from one of Winnipeg's original car suburbs to a vibrant and diverse and increasingly urban riding.

My riding is younger than most, with a medium age of 37 and a significant international student population. As a former school trustee, I understand the issues facing young people in the city and this province.

The University of Manitoba is a source of great pride in this area. The pull of the university has brought talent, both young and old, from all over the city, the province and the world. The population of Fort Garry is very educated and they represent the future leaders of Manitoba.

Although many residents of Fort Garry are non-citizens, I hope to bring awareness to the issues that they face. It's important to give this large and growing population the attention that they deserve. I plan to advocate on their behalf in order to support them and keep their talent in this province.

I want to thank those who worked hard to get me into this seat in this House today, and I look forward to representing the people of Fort Garry and the diverse perspectives that we are lucky to have in our constituency.

Thank you, Madam Speaker.

#### Introduction of Guests

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

I would like to draw the attention of all honourable members to the public gallery, where we have with us today guests of the honourable member for Point Douglas (Mrs. Smith) and the honourable member for St. Johns (Ms. Fontaine) who are with the Taiwanese subcommittee on reconciliation. They are: Jolan Hsieh from Siraya Nation, Sifo Lakaw from Pangcah Nation, Pisuy Bawnay from Tayal Nation, Yi-Jen Tu from Ketagalan Nation and Kuljelje Patiya from Paiwan Nation.

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

#### ORAL QUESTIONS

##### Health Sciences Centre Nurse Staffing Levels

**Mr. Wab Kinew (Leader of the Official Opposition):** Madam Speaker, winter is coming and so is the flu. We know that the flu can be a major cause of illness in our province, and it's particularly threatening to seniors, to young people and to other folks with underlying conditions.

Now, we're very concerned that there appears to be a shortage of the flu vaccine this year, but what is more concerning for the deliberations of this Chamber is that there appears to be a staffing shortage at our most important hospital, Health Sciences Centre, even

as flu season is approaching. Health Sciences Centre management yesterday put out an urgent call for more nurses, then the media found out about it and then they re-sent the email deleting the word urgent from that message.

But the question for the Premier is simple: Will he now admit that his cuts to health care are putting patients at risk?

**Hon. Brian Pallister (Premier):** Well, there's real risk, Madam Speaker, and the member personifies that, and then there's pretend risk and he personifies that too.

The fact of the matter is that the vacancy numbers are better than they were a year ago. That's the facts.

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

**Mr. Kinew:** Well, you know, the Premier was in charge a year ago when the situation was pretty bad too.

So the current vacancy rate at Health Sciences Centre is 19 per cent; one in five nursing positions at Health Sciences emergency room sit empty right now because of the cuts that this Premier has made.

Now, we know that there is always a bump in flu cases which causes increased traffic to emergency rooms across Winnipeg and across Manitoba. We know that the situation is made worse by all the cuts to staffing positions and all the closures of emergency rooms. These are cuts that the Finance Minister signs off at at the Treasury Board table, and the Premier himself has admitted, in this very Chamber, that he approves at his very desk.

The question is simple: Will the Premier admit that these cuts are harming patients and he will—will he commit to hiring more nurses immediately for Health Sciences Centre's emergency room?

**Mr. Pallister:** There they go with the pretend again, Madam Speaker.

Two hundred more nurses hired year over year, 300 more than were ever working as nurses in the system under the NDP and close to 400 million more dollars being invested in the health-care system. So much for the member's phony theory, the one he tried to espouse before the election, during the election and now, obviously, hasn't gotten any new material yet, right?

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

**Mr. Kinew:** Madam Speaker, the problem with this Premier is that he fires 200 nurses, then he hires them back and said, hey, we hired 200 nurses.

The numbers just don't add up when it comes to this First Minister, Madam Speaker. *[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** Day after day he cites the statistics of the Canadian Institute for Health Information. What does CIHI have to say about nursing numbers in Manitoba? Well, they say that there's 500 fewer nurses working in Manitoba today than when the Premier took office.

The issue at hand, however—*[interjection]*

**Madam Speaker:** Order.

**Mr. Kinew:** —has to do with Health Sciences Centre. As we speak, as we gather here today one in five nursing positions are empty in that emergency room. Flu 'seasing' is approaching. The hospital is saying they have an urgent need for more nurses.

Will the Premier admit today that his cuts are making it hire—making it more difficult to hire nurses in our health-care system?

**Mr. Pallister:** Well, what the member seems to find difficult to admit, Madam Speaker, is that he's wrong. He continues to cite a CIHI number that was clarified five days later by CIHI. He uses the old stat that was mistakenly misrepresented and then corrected. He refuses to use the actual data, the actual honest information is more nurses working in the system than ever before, and the fact is the system has been recognized as making more improvements than every other region in the country of Canada.

So our wait times are getting shorter. The challenges remain, and the challenges are being addressed as opposed to the previous government where the challenges remained unaddressed and the system deteriorated. We're getting better care sooner for Manitobans.

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

#### **Efficiency Manitoba Carbon Reduction Programs**

**Mr. Wab Kinew (Leader of the Official Opposition):** Well, unfortunately, it sounds like flu season is going to get here, but we won't have more nurses when it arrives and it's exclusively a result of the cuts this Premier has overseen to our health-care system.

We know that Manitobans want a government that is going to show real leadership and real action when it comes to solving the climate crisis. We also know that because of the investments that our province has made over the past five decades that we have a real opportunity to be a leader when it comes to solving this climate crisis.

We know that Manitobans want a safe, a clean and a healthy environment for all of our kids to grow up in for the generations to come. That's why it's so puzzling that the Premier has already made so many mistakes when it comes to the newest Crown corporation, Efficiency Manitoba. To start with, he has cut the furnace replacement program. This is a program that would help Manitobans reduce their carbon footprint.

Why is the Premier cutting the very program that helps Manitobans do their part to solve the climate crisis?

**Hon. Brian Pallister (Premier):** Well, the intriguing wait continues, Madam Speaker, for the NDP's next position on respect of environmental cleanup. They had one in May, but they changed it in June, and then they flipped it to something different in July; and then they came up with a plan where there'd be \$300 million of Hydro money used to give everybody a rebate before they had even decided how they were going to address a carbon tax from Ottawa, one they supported for three years which now they say they don't.

So it's hard to say where the NDP is on this except to know that their record is one of ignoring the problem and hoping it'll just get better by itself.

Madam Speaker, we have a green plan for Manitoba that's exciting and we're enacting it. It's a made-in-Manitoba plan. It was designed by Manitobans. It was designed for Manitobans, and we're going to continue to make sure that Manitoba maintains and strengthens its clean, green reputation.

\* (14:00)

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

**Mr. Kinew:** Madam Speaker, careful observers of question period will note that nowhere in that answer did the Premier actually say the words Efficiency Manitoba, and it's no wonder that he is embarrassed of this Crown corporation that they've launched. It's probably more rightly called inefficiency Manitoba,

seeing as how not only does it duplicate services that were already offered—[interjection]

**Madam Speaker:** Order.

**Mr. Kinew:**—previously, but it is being delivered in a very inefficient fashion, Madam Speaker.

Now, again, ending the furnace replacement program is a mistake because it will make it more expensive for people in Manitoba to do the right thing when it comes to the environment and, as a result, it will lead to us increasing our carbon footprint as the province of Manitoba.

So will the Premier cancel this experiment with Efficiency Manitoba—inefficiency Manitoba, rather—and commit to renewing programs that help Manitobans reduce their carbon footprints?

**Mr. Pallister:** Well, interestingly, Madam Speaker, the NDP leader has, I suppose, the benefit of naivety when it comes to understanding the history of the previous NDP government when it came to Efficiency Manitoba. Other members over there who remain from that time do not have the benefit of such naivety.

The NDP released a green plan, Madam Speaker, which—for which they failed to meet every single target. In 2011 they said their No. 1 item, their No. 1 priority, was to take Power Smart out of Hydro's hands and create Efficiency Manitoba. However, they didn't do that. They didn't do it in '12, they didn't do it in '13, '14, '15 or '16.

Then they released a new plan a few weeks before the provincial election in '16, and at that point in time, according to the Auditor General, their plan involved taking every gas- and diesel-using vehicle off the roads of Manitoba.

Madam Speaker, this is the height of naivety, and the member opposite continues that naivety. Where we implement the made-in-Manitoba green plan to protect our environment, he continues to spout empty rhetoric.

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

**Mr. Kinew:** Madam Speaker, the contrast is very clear. On that side of the House all they have is cheap partisan attacks and lawsuits—lawsuits that, I would add, nobody in Manitoba believes is actually going to do anything to help solve the climate crisis.

On this side of the House, on the other hand, we have a team working hard each and every day to help

solve the climate crisis and to deliver Manitobans—[interjection]

**Madam Speaker:** Order.

**Mr. Kinew:**—the change that they need when it comes to the environment.

I'll tell you one thing that is not going to help us meet the challenge of our time, Madam Speaker, and that is this Premier's misguided decision to cut the Affordable Energy Fund, and along the way he has also changed the mandate of the Affordable Energy Fund. This was actually supposed to help Manitobans reduce their use of natural gas and, by extension, reduce their carbon footprints.

However, he has removed that mandate from the Affordable Energy Fund and, as a result, is making yet another decision that will lead to us missing the science-based targets we know we need to hit if we are going to meet the challenge of our time.

Will the—

**Madam Speaker:** The member's time has expired.

**Mr. Pallister:** I appreciate any preamble from the member opposite on credibility, Madam Speaker.

The NDP failed to take action on greenhouse gas reduction targets. They critically endangered the sustainability of our animals in our province. We established new night hunting regulations that respect treaty rights and ensure that night hunting doesn't occur anymore. We established a \$100-million Conservation Trust. They presided over a period when Lake Winnipeg was named the most endangered lake in the world. Under the NDP they destroyed our fishery. We've re-established our fishery and passed The Sustainable Watersheds Act to improve the health of our waterways.

Madam Speaker, we are taking action on green; they talk green. The only green they ever cared about was the green in the pockets of Manitoba families.

### **Efficiency Manitoba PUB Recommendations**

**Mr. Adrien Sala (St. James):** The Pallister government has established a pattern of political interference in our Crown corporations, first at Manitoba Hydro, and then at MPI.

Yesterday we learned that the new minister interfered again. He stopped Efficiency Manitoba from following the rules and has undermined the oversight role of the PUB in the process. And he

stopped Efficiency Manitoba from submitting their plan for all Manitobans to see.

Why has the minister interfered in the work of Efficiency Manitoba?

**Hon. Jeff Wharton (Minister of Crown Services):** I really appreciate a question from the member opposite about political interference.

Let me remind the member, who is new to this House and I welcome him to this House, about a little project called the Bipole III, Madam Speaker.

**An Honourable Member:** Let's hear about it.

**Mr. Wharton:** Yes, let's hear about it. We'll educate the members opposite on Bipole III: 500 kilometres further down the west side, \$1 billion more invested in a waste of money, Madam Speaker, a waste of taxpayers' money.

Where the NDP failed with Bipole III, Madam Speaker, we'll get it right with Efficiency Manitoba.

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

**Mr. Sala:** Section 12 of the act says that the minister can only approve Efficiency Manitoba's plans after the PUB has reviewed and made its own recommendations. The minister is interfering in this independent process for political reasons and he's breaking his own law in the process. That's wrong and it's denying Manitobans the right to review the plans of our Crown corporations.

Why is the minister politically interfering in the work of a Crown corporation?

**Mr. Wharton:** Back in 2014, Madam Speaker, when the PUB made the recommendation for the NDP government at the time to move forward with Efficiency Manitoba, what did they do? Absolutely nothing.

The NDP have a record of doing nothing with recommendations, Madam Speaker, for the betterment of all Manitobans.

Madam Speaker, 2016, we moved forward. We will continue to move forward with Efficiency Manitoba and our partners at Efficiency Manitoba.

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

**Mr. Sala:** As we can see, we still don't have a response as to why this minister is breaking his government's own law.

The Pallister government is directing the activities of Efficiency Manitoba from the minister's office. What's more, he's attacking the role of the Public Utilities Board. The minister passed a regulation ending the furnace replacement program in August, and that program helped homeowners invest in a new furnace—and that program was created by order of the PUB.

The government cannot ignore the PUB's orders whenever it pleases.

Why is the minister ignoring legitimate PUB orders and making it harder for Manitobans to be more efficient and keep more money in their pockets?

**Mr. Wharton:** I certainly appreciate a question from the member on breaking a law, Madam Speaker.

Back in 2011, Madam Speaker, the NDP went door to door in our province, knocked on every door and promised that they would not raise the PST. That was nonsense, the leader at the time said, total nonsense. Fourteen months later we know what they did. They broadened the PST and then they raised it from 7 to 8 per cent.

I can tell you, Madam Speaker, that I'm extremely pleased to be working with the board of Efficiency Manitoba, the great work they've done, unlike the member—the Leader of the NDP, throwing them under the bus, we will support Efficiency Manitoba.

### MMIWG Inquiry Findings Implementation of Recommendations

**Ms. Nahanni Fontaine (St. Johns):** Indigenous women, girls and two-spirited are under constant attack with unprecedented levels of violence. The national inquiry concluded violence against indigenous women, girls and two-spirited persons is genocide. And I quote: The truths shared in the national inquiry hearings tell the story—or, more accurately, thousands of stories—of acts of genocide against First Nation, Inuit and Metis women and girls. This violence amounts to a race-based genocide.

The commissioners demand governments do better, do more—and what is the Premier's (Mr. Pallister) response to this? Nothing.

What is the Premier waiting for to act on the national inquiry recommendations?

**Hon. Eileen Clarke (Minister of Indigenous and Northern Relations):** Our government continues to be involved in community-based, intergovernmental and interdepartmental work to help address the issues

related to missing and murdered indigenous women and girls, and our government is engaging with community organizations as well as the national inquiry commission and the federal government to ensure that supports will be in place.

\*(14:10)

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

**Ms. Fontaine:** The report is a valuable tool for governments and leaders to improve systemic failures, ensuring that indigenous women, girls and two-spirited peoples are protected.

When asked in Estimates if the minister is committed to implementing the recommendations, the minister's response, and I quote: There has been no public statement in this point, and I would think that we would probably be waiting for a statement of process from the federal government as it is their initiative. End quote.

It is simply unacceptable to delay taking action on the implementation of recommendations.

What is this minister waiting for?

**Ms. Clarke:** We're examining opportunities for collaboration with the indigenous leaders and communities and determining our shared priorities and next steps.

Manitoba's worked in a collaborative partnership with the families, the organizations and our chiefs and grand chiefs and presented a united voice to the national inquiry, and we will continue working with these avenues and partners to continue the work with all of Manitobans.

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

**Ms. Fontaine:** Tina Fontaine, Jennifer Catcheway, Cherrisse Houle, Claudette Osborne are not just tragic statistics. They are all of our relatives who are wanting and needing justice.

Real action is needed now, not whenever the minister and the Premier (Mr. Pallister) decide to make this an issue. We have a Premier who's waiting for Justin Trudeau to tell him what to do on MMIWG. The Premier needs to immediately direct all of his departments to undertake a review and action immediately on all of the recommendations.

Will the Premier and his ministers agree to do so today?

**Ms. Clarke:** I'd like to acknowledge the many organizations that have been working diligently for years to support the families. This work has been ongoing, and the fact that we did have an inquiry in Canada is a very significant step.

But there are many people and many organizations, whether it's in Winnipeg or throughout the province of Manitoba, that are always willing to help and are there supporting families, supporting survivors; and our government has now a Gender-Based Violence Committee of Cabinet. We are working with these groups and organizations and we will—continued. Our Department of Justice has instilled steps to work with the law enforcement to ensure that they are also a part of this. We will all be engaged. We will do it.

### Provincial Economic Forecast Out-Migration Concerns

**Mr. Jamie Moses (St. Vital):** Manitoba lost nearly 10,000 people to other provinces last year, the worst such loss since 1989. On top of this, the Conference Board is projecting near-recession conditions. Simply put, the Pallister government's actions have contributed to a lack of opportunities for young people in this province, and as a result they're leaving. A generation of young people are leaving this province.

Madam Speaker, why is this minister running away from his responsibilities to grow our economy and opportunities for young people?

**Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade):** Madam Speaker, before I address the member's question, I would like to tell the House that I was at the Winnipeg Chamber of Commerce annual general meeting just before lunch hour today, and we certainly want to welcome the new chairperson, Jessica Dumas, as the incoming chairperson of the Winnipeg Chamber of Commerce.

As for the member's question, Madam Speaker, for 17 years the NDP drove business and drove investment out of Manitoba.

This government is encouraging and giving opportunities for businesses to invest in Manitoba.

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

**Mr. Moses:** Thousands of good jobs have been lost in our public sector; thousands more are being lost right now in northern Manitoba, and this Pallister government has cut hundreds of millions in capital spending.

This government's approach has been harsh and unnecessary. Their own public commitments up to even a year ago were for a much slower approach. Their actions have contributed to a serious problem. Nearly 10,000 people have left to other provinces last year, the worst since 1989.

Why has this minister and this Premier (Mr. Pallister) cut so hard so fast when they promised they wouldn't?

**Mr. Pedersen:** Well, speaking of jobs, Madam Speaker, besides Manitoba Works! kickoff this morning, I'm very pleased to tell the House about Paterson Global Foods, their \$93-million private investment—and on top of that, 70 new private sector jobs which will have increasing impact on the agricultural industry in Manitoba. Lots of new jobs, private sector jobs, coming to Manitoba.

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

**Mr. Moses:** The minister and the Premier have promised a different approach. They have not delivered on that.

The public service is smaller than under the Filmon government. Thousands of jobs are being lost in the North. Ten thousand people have left the province of Manitoba for other opportunities in other provinces.

This Pallister government could have made different choices. Could have had a measured approach to balance sustained capital spending. They could have invested in our North and a healthy public service. They haven't.

Will this minister change course and choose a path that is different and better for all Manitobans?

**Mr. Pedersen:** Madam Speaker, Manitoba's leading the country in terms of private sector investment which is—

**Some Honourable Members:** Oh, oh.

**Mr. Pedersen:** We're reducing trade barriers to help those businesses in Manitoba increase their trade all across-country. We signed the New West Partnership Agreement after coming into government, which the former government refused to do. We are helping our businesses grow their—grow the economy in Manitoba by reducing red tape. The list goes on and on.

Manitoba's on fire in terms of creating jobs, and no help from the NDP.

### **Manitoba Beef Producers Ag Recovery Program**

**Mr. Diljeet Brar (Burrows):** Madam Speaker, farmers feed the world, but our farmers are facing exceptional challenges this year. Manitoba's beef producers have faced enduring droughts in Manitoba. Access to feed has been especially challenging. It truly is a disaster for thousands of producers across the province.

Will the minister commit to exceptional programming like AgriRecovery to ensure that the producers can cope with this incredible challenge?

**Hon. Ralph Eichler (Minister of Agriculture):** I welcome my new critic to his role and welcome you to the House.

Of course, the situation in Interlake and other parts of the province—there's—certainly has been some dry conditions. On Monday I asked my department, through MASC, to defer loan payments for six months with a review of another six months, as well as we asked for an increase from the AgriStability from 50 per cent to 75 per cent in order to give them the cash—cash flow they need to make them stable and home.

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

**Mr. Brar:** Madam Speaker, 12 rural municipalities declared a state of agricultural emergency. The Manitoba Beef Producers are calling for more action from this government, including using an AgriRecovery initiative to aid our beef producers.

Given these calls and the challenges our producers face, it is entirely reasonable that the minister consider an AgriRecovery initiative. Will the minister even consider the use of AgriRecovery?

**Mr. Eichler:** I thank the member for the question.

In regards to the beef producers, I did meet with them, actually, tomorrow—yesterday morning at 7 a.m. In the afternoon I met with the 12 municipalities that were affected.

\* (14:20)

I can tell the House that I'm pleased that under our consultation and—making sure we get the right programs in place at the right time for our producers. We'll continue to have that dialogue.

Unlike the previous government, we consult with our farmers and our farm organizations.

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

**Mr. Brar:** Madam Speaker, our producers need strong support to endure these conditions. The current initiatives proposed by the minister are simply not enough. We need to ensure all producers and especially our young producers can make it through these challenging times.

Will the minister commit to an AgriRecovery program, and why won't he commit to even considering it?

**Mr. Eichler:** Considering whatever the member's wanting to be talking about is what we do with our beef producers, our cattle producers, our farm families, to ensure our programs are in place at the right time for our farmers to make those farm decisions about next year and future years.

We want our producers, no matter where they are in whatever sector of the farm 'bibess' to make sure those programs work for them, and we'll do exactly that.

#### **Personal-Care-Home Improvements Need for Upgrades to Standards and Training**

**Hon. Jon Gerrard (River Heights):** Madam Speaker, we're very concerned this government is not adapting to the reality of caring for seniors who are living longer. Seniors living in our personal-care homes today have much more challenging health-care conditions than those who were in similar homes even five years ago, and yet the staffing formula, or minimum personnel requirement, is over 20 years old. Too few care aides and nurses are adequately trained to look after residents with dementia and multiple chronic health conditions.

I ask on behalf of many—in particular, Dolores Minkus-Hofney [*phonetic*], who is in the gallery today: Will the minister increase training and staffing requirements for personal-care homes in Manitoba to bring them up to date?

**Hon. Cameron Friesen (Minister of Health, Seniors and Active Living):** I thank the member for a question about how this government is working to expand services and expand capacity when it comes to personal-care homes.

This morning I had the opportunity—joined by the member for Steinbach (Mr. Goertzen), as well as other members of the House—in Steinbach to officially turn the sod for a brand new 143-bed personal-care home.

**Madam Speaker:** The honourable member for River Heights, on a supplementary question.

**Mr. Gerrard:** Madam Speaker, it's not enough to build new spaces. We must provide excellent care for seniors already in homes.

One child of a personal-care home resident said: It was easier to watch my dad die in the personal care comb—health care home than to watch him live in the personal-care home.

This is not a one-off occurrence. Nurses and aides are often so overworked that they don't have time to help patients with basic needs like making it to a washroom or being fed on time. Fresh food has replaced—has been replaced with frozen. Quality nutrition and being treated with dignity are basic elements of health care. Quality food is one of the real pleasures for—

**Madam Speaker:** The member's time has expired.

**Mr. Friesen:** I thank the member for that preamble. It gives me an opportunity to say that last week I was able to attend, personally, the official opening of the Alzheimer Centre of Excellence at Riverview Health Centre in Winnipeg.

This is another one of the facilities, like the Steinbach new rest haven home, that will feature not hospital-like environments for people, but home-like environments for people in neighbourhood-style approaches on the most recent data, using best practices—all the ways that we are driving forward better understanding of how to provide appropriate spaces for our seniors when they need those spaces.

**Madam Speaker:** The honourable member for River Heights, on a final supplementary.

**Mr. Gerrard:** Madam Speaker, I heard from relatives of personal-care-home residents that they were told, over and over again, that their loved ones just came here to die. Relatives are regularly angry, frustrated, disappointed and shocked at the care their loved ones now received in personal-care homes in too many places in Manitoba.

It is our Liberal belief that seniors, toward the end of their lives, should be able to live where they are cared for well and with respect.

Does the minister believe that personal-care homes are just places for seniors to die, or is this government willing to invest to make sure residents have the best possible quality of life in their last few days, months and years?

**Mr. Friesen:** Madam Speaker, once again, the member's style is regrettable; it's a personal insult to everyone who works hard every day in personal-care homes to provide exceptional care for our seniors.

That member should apologize.

**An Honourable Member:** You're the one who should apologize.

**Madam Speaker:** Oh, oh. Order, please. Order, please.

I would ask the table to stop the clock, please.

I have, on numerous occasions, had to stand in this House when we are experiencing heckling or language and behaviours that are unacceptable to the deliverance of democracy in a province, and the member for River Heights (Mr. Gerrard) has just yelled across the House in a very, very inappropriate way to a member across.

And I would ask the member, because what he did was extremely rude and inappropriate—and I know there's a lot of passion around these issues, but that does not allow us to go down that road of poor behaviour in here like that, because that's not going to solve any problems or it's not going to enhance progress in democracy, nor is it a good example for our kids or any of the guests that happen to be watching.

I would ask the member for River Heights to apologize for his outburst.

**Mr. Gerrard:** Madam Speaker, I will not apologize after what the minister said.

**Madam Speaker:** I would urge the member for River Heights to give this some very serious concern and to give some serious thought to what he has just done and to my request.

Certainly, if he wants to serve his constituents best, his presence in the Chamber is certainly a better way to serve his constituents than to be away from this Chamber and other opportunities in this House to represent his constituents. I know the issue can be a very passionate one. We all do care about a lot of those issues, but there are rules that are important and rules that we must abide by in this House, and I would urge the member—I will give him one more chance, because I think he was elected to serve his constituents here and, in respect to his constituents, he may want to give some thought and rise in this House and apologize for his outburst.

**Mr. Gerrard:** Madam Speaker, after what the minister said and accused me of, I will not apologize.

**Madam Speaker:** I will give the member a third and final chance to apologize to this House—withdraw his comments and apologize—this House. And I would ask the member to do that.

This is the third and final opportunity he will get.

**Mr. Gerrard:** Madam Speaker, the minister accused me of insulting seniors when I'm standing up for them.

I will not apologize for standing up for seniors.

\* (14:30)

**Madam Speaker:** I have requested, directed and instructed the member to explain or withdraw his comments and apologize. I have no alternative but to name Mr. Jon Gerrard, the honourable member for River Heights, pursuant to our rules for disregarding the authority of the Chair, and to direct that he withdraw from the Chamber for the remainder of this day.

I do not—I'm not sure that the Minister of Health had finished his response or whether he wishes to continue with it. There may be a few seconds left.

**Mr. Friesen:** Madam Speaker, this government is tremendously proud of the work that we have done since 2016 to engage with experts and communities and seniors to better understand how to develop models that will serve our seniors better. I'm proud of that work. I won't apologize for the work that we've done and the results that we're getting for all seniors.

#### **Paterson GlobalFoods Announcement New Oat Processing Facility**

**Mr. Greg Nesbitt (Riding Mountain):** Our PC government understands the importance of growing the private sector to build a brighter economic future for our province. When we formed government in 2016 we sent a clear signal that Manitoba was once again open for business, and the results are clear: Manitoba is now leading the country in private sector capital investment.

This morning a very exciting announcement was made regarding a new facility that will bring even more private sector investment to our province.

Can the Minister of Agriculture share the details of this announcement with the House?

**Hon. Ralph Eichler (Minister of Agriculture):** This morning Paterson GlobalFoods announced a \$93-million oat processing facility to be located in the

northwest part of Winnipeg in—around their terminal, around the Perimeter. This will create 70 new jobs to set us forward with our \$40,000 new jobs going into the future. This will help Manitoba become the No. 1 most-improved province in all of Canada.

Thank you, Madam Speaker.

### **Neighbourhoods Alive! Funding Concerns**

**Mr. Matt Wiebe (Concordia):** Madam Speaker, we know that supporting programs that build community and help give young people hope and opportunity is a central duty of government, and yet we see year after year the Pallister government is failing in this duty.

After freezing funds and cutting supports, we've now learned that Neighbourhoods Alive! was cut by 25 per cent last year. That's \$1.3 million less for communities and youth programs that are desperately needed.

And what's worse, the minister hid this cut from Manitobans for months while its impact that it's having on communities is real.

Why did this minister cut \$1.3 million from Neighbourhoods Alive!?

**Hon. Jeff Wharton (Minister of Municipal Relations):** We're very proud of the partnership that we've made with all our community organizations, Madam Speaker. As a matter of fact, we announced last year rolling in seven old funding agreements to one, Building Sustainable Communities, which was more inclusive across Manitoba and the city of Winnipeg.

That is working very well, Madam Speaker, will continue to work well, and we will continue to fund our friends in community organizations.

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

**Mr. Wiebe:** Madam Speaker, in my own community we can see the impact that the work that the Chalmers Neighbourhood Renewal Corporation has in that community. Neighbourhoods Alive! has helped make them—helped them make life better for families—they—helping people improve their homes; access to better, healthy food; access to recreation opportunities for kids and for families.

But instead of using those Neighbourhoods Alive! funds to help these organizations and youth, the minister decided to cut \$1.3 million. The impact is real

and the ability to act is there, but the minister has made the choice to cut instead.

Why did the minister cut over \$1 million of support from Neighbourhoods Alive!?

**Mr. Wharton:** This year—just for the record, Madam Speaker, and the member opposite—we have invested over \$7.7 million in 227 community projects throughout Winnipeg and Manitoba.

That doesn't sound like a cut to me, Madam Speaker. That sounds like good support for our neighbourhood friends and families that need it at the grassroots, at the ground level. We will continue to do that.

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

**Mr. Wiebe:** Madam Speaker, the reality is—according to this minister's own report—that for the past three years, Neighbourhoods Alive! has been under attack by this Pallister government. First they froze the funding and then they continued to make cuts year over year. Then they refused to tell the public that they cut an additional \$1.3 million that won't be going to help families access good quality housing and safe communities. It won't be going to helping children and youth access recreational services in their community. And it won't be going to help build up our communities for our most vulnerable Manitobans.

That's a choice that this government made, and it's wrong.

Will the government—will the minister reverse his cut to Neighbourhoods Alive! today?

**Mr. Wharton:** We are certainly proud of an area called the Building Sustainable Communities, Madam Speaker, that—really, the NDP had 17 years to deal with seven old programs that had been around for years that, quite frankly, left hundreds of thousands of dollars on the table. That's correct: hundreds of thousands of dollars on the table that should have been going to the front lines of neighbourhood community organizations right across this great province of Manitoba.

Madam Speaker, where they failed community organizations, we're going to get it right.

### **Child Protection Funding Concerns**

**Ms. Danielle Adams (Thompson):** Madam Speaker, the Pallister government reduced its actual over-year-over-year funding to child protection last year by

\$19.5 million. This is the largest such reduction in the last generation.

We wish we could attribute this to a reduction in children in care, but is a—it's unfortunate that is not the case. Through creative accounting, the minister has made reductions on paper, but we need to continue the growth.

Why has the minister reduced the funding for child protection?

**Hon. Heather Stefanson (Minister of Families):** Well, in fact, Madam Speaker, the member opposite is quite wrong, again, with the facts.

In fact, we had the first reduction in the number of kids in care a couple of years ago, Madam Speaker, and once again I am proud to say today that we have reduced those numbers of kids in care again in Manitoba.

**Madam Speaker:** The time for oral questions has expired.

Petitions? Grievances?

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

**Hon. Kelvin Goertzen (Government House Leader):** Madam Speaker, could you canvass the House to see if there's leave to allow the standing committee considering Bill 22 on Monday evening, October 7th, 2019, to start at 6:30 p.m.?

**Madam Speaker:** Is there leave to allow the standing committee considering Bill 22 on Monday evening, October 7th, 2019, to start at 6:30 p.m.? *[Agreed]*

**Mr. Goertzen:** Madam Speaker, I thank the House for that leave.

I would then like to announce that the Standing Committee on Social and Economic Development will meet on Monday, October 7th, 2019, at 6:30 p.m. to consider Bill 22, The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended).

**Madam Speaker:** It has been announced that the Standing Committee on Social and Economic Development will meet on Monday, October 7th, 2019, at 6:30 p.m. to consider Bill 22, The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended).

**Mr. Goertzen:** Madam Speaker, could you please resolve into Committee of Supply?

**Madam Speaker:** It has been announced that the House will consider Estimates this afternoon.

The House will now resolve into Committee of Supply.

Mr. Deputy Speaker, please take the chair.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### EXECUTIVE COUNCIL

**Mr. Chairperson (Dennis Smook):** Good afternoon, everyone.

Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for Executive Council. As previously mentioned, questioning for this department will proceed in a global manner.

\* (15:00)

The floor is now open for questions.

**Mr. Wab Kinew (Leader of the Official Opposition):** Just to put on the record before the committee, I do apologize for starting a few minutes later today than we have in the other days this week. Was just doing some media interviews before I came to committee and all those proceedings were a little bit delayed on account of one of our colleagues having a bit of an outburst in the Chamber.

So I just want to put that on the record so folks know that I am sincere about doing the work here and do take seriously everybody's time around table.

In terms of, you know, topics, you know, certainly appreciate all the ground we've covered in various different areas under the government's purview. Climate change is another issue that I'm very passionate about and keenly interested in, and so I would like to talk about climate change for a bit this afternoon, ask good questions of policy, a few questions of approach and philosophy as well, too.

So I thought maybe just as a starting point in, you know, trying to get a shared understanding, if I might ask the First Minister, how does he define climate change?

**Hon. Brian Pallister (Premier):** I suppose, most commonly, people who have heard of the climate change reality is being associated with carbon. I don't know that I would limit my concerns about climate change expressly and solely on carbon. I don't quite—though that seems to be the link that most people

make and most consistently is referred to as the causative factor around climate change. I think it's broader than that.

Our initiatives certainly in the made-in-Manitoba green plan, which I'll refer to when I see a copy of it, are not confined solely and expressly to reducing carbon outputs. But I suppose that would be—by the nature of the federal government's approach on the issue, in particular, the discussion seems to have shifted to—away from climate change as the causative thing. So I appreciate my colleague raising the concerns about climate change, because that's uppermost, I think, in his mind and mine.

As a consequence, an impactful consequence of several factors—not exclusively carbon, as I said—I think the disappointing part of the approach the federal government's chosen to take on this is that it seems like a dialogue all too often just goes to a carbon tax, and then everybody starts talking about a carbon tax—which is easy to fight about.

There are real consequences to the approach that the federal government has chosen to take on this, and the most damaging of them, I think, could be that we end up talking about a carbon tax when we should be talking about fighting climate change. We end up creating division among people who are very likely of like mind on many things on an issue of taxation when we should be trying to unify people and bring them together around the real challenges that climate change presents not only to us, not only to our generation, but it's going to present to future generations if unaddressed, so.

\* (15:10)

That's—I suppose that's a broader response to the issue. It's a—you know, climate change is often in the news lately. I would say it's too bad that it's often used as a topic of division, because of the discussions around carbon tax all the time, when we should really be talking about issues we can join together and unite around.

I've definitely—I think I would have to believe all members of the Legislative Assembly would prefer to see a more united approach, a national approach taken, a provincial approach like the one we've taken. I mean, I've listened to the comments across the country from others about you know, resisting the federal government's tax, but I would prefer to see more unified efforts made by all, regardless of political stripe, in the direction of co-operative

strategies we can use together to address the issues around climate change.

I think the science is undeniable. I'm not a scientist. I'm not a climate scientist, but I read a fair bit and I'm interested—as I think most members are—in making sure we leave this place we're given a chance to be stewards of, better than we found it. And I think that for us, our obligation is to do that. To make sure that our precious resources aren't squandered and they're not anything that is unavailable—air, water, soil, our animals—that they're protected, that these resources are there for future generations is a general statement. But it's taking specific measures—that's why we've worked so hard on our made-in-Manitoba green strategy because we believe very strongly this is our obligation to future generations.

There's a bit of response to the member's entreaties on the topic, and I thank him for raising it.

**Mr. Kinew:** I do thank the First Minister for that response. Certainly is helpful I think in ascertaining some of his views. Curious just to clarify a bit—he's talking in part of the answer there at looking at things beyond carbon. So I guess part of what I'm curious to know a bit better—when he says about looking beyond carbon, is he talking about, you know, other sources like maybe nitrous oxide, methane, other things that are sometimes lumped together as CO<sub>2</sub> equivalents, you know, other chemical compounds.

So I guess that's one thing that I'm curious about. Is that sort of the direction the Premier (Mr. Pallister) is going in, or is there perhaps something that I missed there, and that's not captured?

The other thing that I guess I'm curious about, you know, I heard the Premier say there, the science is undeniable. One of the sticking points that a lot of—maybe the more activist voices on the environment always say is that it's human-caused too, climate change. So I'm curious to know if the Premier views that these phenomena called climate change are caused by human activity?

**Mr. Pallister:** Just to start with, I would refer members of the committee if they are interested—I know some of them will have already read the work that resulted from the tremendous amount of work that we did in the consultative process—but the report itself is available at [www.manitobaclimategreenplan.ca](http://www.manitobaclimategreenplan.ca). And it's a—I considerate it a tremendous output, the report itself. Of course, it's the actions we're taking as a consequence of the report that are more important, but the actions resulted from the input of literally

thousands of Manitobans who are interested in what we're talking about right now and who wanted to see us take action.

And so there is a multi-faceted strategic framework that is outlined in this plan that focuses on four key pillars. And the pillars of climate, but recognizing jobs matter too, water, nature. And this is fitting right in with what, I think we're all proud to say, this sustainable development concept is essentially a Manitoba invention, but it's now worldwide in its proponent—people who support the concept, its proponents.

And under the area of climate, there's clean energy, and there's a section on carbon pricing, sector emission reductions and adaptation. But we also have to recognize, of course, that jobs matter, and so there's a section on skills and training, innovation, clean tech, financing and investment and green infrastructure in that section.

Under the section on water, we get into agriculture and land use, wetlands and watersheds, flood and drought, and water quality. And finally in the section on nature: parks and protected areas, wild species and habitat, forests and natural areas, and conservation.

And I would, as I've said before, but I will say again because it needs to be said, say thank you to all the Manitobans who took part in this. Not just Manitobans either but organizations who have Manitoba membership that are national and international as well took part in providing input on the development of this plan. And it starts from the foundation of understanding that knowledge is the key, that we need to educate people on the realities of the importance of what we're talking about to encourage their resolve and to help build in them the foresight that's necessary.

Foresight: it's a concept we don't talk so much about, but it is important because the challenges that have been faced by those who've advocated for better environmental stewardship over generations, in fact, have been made greater by the lack of foresight by folks who say, you know, live for today, let's use our resources today; we have urgent needs to create jobs today, to take actions today. But with an absence of foresight, such a focus can cause the depletion of resources. That can create—basically make a mess that has to be cleaned up by someone else, right?

We saw this with the situation we inherited from the previous government, in a sense. A lack of

foresight created problems fiscally, problems with our service delivery, problems in terms of our economic structure. And cleaning up a mess is a challenge for anyone who has to do it, but I think Manitobans who supported and designed our plan, along with, I believe, people around this table, don't believe it's fair or right to leave a mess for someone else to clean up—that being future generations when it comes to environmental issues. We have a stewardship obligation.

So this plan is based on the foundation of knowledge, but it's also based on the foundation of foresight.

**Mr. Kinew:** So I do appreciate this kind of higher level discussion on the issues.

I think one of the key metrics that's used in a lot of the public discussions on this topic is the Paris climate accord. And, you know, those targets are ambitious and I think necessary. There's certainly also a voice—of course, the voices out there that says that the Paris climate accord maybe is the baseline, but we should actually do better than that. Rather than just two degrees, we should try and limit to 1.5 degrees. So just curious, just on this higher level, before diving in to some of the program specifics or objectives, if the Premier (Mr. Pallister) supports the objectives of the Paris climate accord?

**Mr. Pallister:** I would say to the member that what often happens with a discussion when it gets to Paris or targets-specific discussions is that people start arguing about who's more green because they've got a more ambitious target. And then that's about where the discussion ends, and then we agree—well, we agree to disagree because your target's higher than my target. Okay.

\* (15:20)

Jurisdictions have set targets for decades and not achieved them. We've got a plan of action. We're prepared to be measured on it. That's what Manitobans told us they wanted to see: a plan of action, and be prepared to be measured and accountable on it, not based on anything other than that you are agreeing to enter into that action with a goal to make sure that you are reducing your carbon output. And this was the measurement that Manitobans said they wanted us to establish.

So in June of this year we set our first carbon savings account up, and based on the advice of an expert advisory council of, you know, certainly non-partisan experts around the province, they said, set

this up, put the province on a path to reduce the emissions that they have, so not an externally set target, but our own internally set target to reduce emissions in Manitoba. So, therefore, we would be doing our part towards achieving the Paris goals but instead of using Paris targets we use Manitoba targets, and our targets are to reduce our emissions outputs and to be measured on them.

The first measurement period is four years between—beginning with the '18 numbers which we are getting, move into '22, and this was part of our commitment to the federal government in terms of their wanting to preside over our plan as they wanted to preside over everyone else's around the country. The federal government said, well, we have to nod in the direction of approving your plan. They said that we had a great plan and they objected to it on one basis, one basis only. They said they wanted a higher tax. They wanted us to have a higher tax.

And back to my original point, even though we have a greener record than virtually every other province, even though we've made more investments per capita than any other province in things like, you know, clean hydro energy and many other initiatives, even though we have a better plan and even though we're prepared to be measured on it, the federal government said, no, you have to have a higher tax. They made it all about the tax and then they imposed the tax. This is a mistake.

So, you know, we're going to do our plan with or without Ottawa and we've done significant investments as people here in Manitoba without any respect from the Ottawa Liberal government—frankly, more investment per capita in hydro than any other province, growing investments. In fact, the bill for hydro is just going to keep coming in and getting larger. Hydro debt will pass the provincial debt here in probably four or five years. And yet the federal government decided under Liberal leadership that they would make exceptions for several other provinces on issues that they haven't addressed yet because they promised they would, when we've already entered into the addressing of them—for example, the elimination of coal-produced power—but they exempted other provinces, Quebec and the Maritime provinces on a number of these things just because they said they'd deal with them when we've already dealt with them.

And one of the realities of this situation is that under the federal government's so-called leadership on this file, which you can tell by my tone, Mr. Chair,

I'm not impressed with, they actually gave permission for a couple of the Atlantic provinces to raise a carbon tax while they lowered a gas tax.

So in effort, and in effect, they didn't make any change at all. No change at all. And that was supposed to be okay. And I'm not sure how that would help, you know, Atlantic provinces achieve any progress in respect of Paris targets or any other targets for that matter. Simply lowering one tax and raising another to create a no zero-net effect doesn't seem to me like a carbon plan. It seems like a non-plan. But that was fine with the federal government.

I would note those provinces at the time that were exempted both had Liberal premiers. I would hope that wouldn't be the reason they did it but I expect they were anxious to have allies so they could say that everybody agreed with them. Right now they've got provinces representing well over almost two thirds of the province population of the country where they have now created adversaries because they refuse to accept carbon strategies in those provinces even though the fact of the matter is a province like ours has a better plan than the provinces they've approved. And they've admitted that. Federal Environment Minister has admitted that to our environment minister, the Prime Minister has told me in our meetings that we have the best plan that they have seen—Manitoba's plan, made by Manitobans for Manitobans, and they just want us to have a higher tax. That's it.

**Mr. Kinew:** Mr. Chair, we're getting the Premier (Mr. Pallister) all wound up and then his time run's out right when he's hitting his stride there. And I'll admit that I think, I don't know if the Free Press reported it exactly this way, but it was like one of the few moments perhaps in the last Legislature where I think the Free Press described it as getting an assist from Kinew, where I actually agreed that the federal strategy to exempt coal in New Brunswick and Saskatchewan was a mistake.

So perhaps on some issues we do find common ground. You know, I think that the discussion is a worthwhile one when it comes to figuring out the interplay between the provinces and the federal government on the issue of the climate file, I should say, specifically.

I am curious about, you know, some of the comments there that the Premier just made. So sharing the example of one of the Atlantic provinces where they increased carbon tax and then it decreased the gas tax to offset it.

If I'm understanding the Premier (Mr. Pallister) correctly, the net impact was, I guess, no change in the price of fuel in that province, and then the Premier said they didn't do anything at all.

So, just, you know, taking that at face value, I'm curious to know what that says about the Premier's views on the effectiveness of price signals in fighting climate change. I'd note that, you know, the Premier did previously champion the idea of putting a price on carbon, and then for reasons that have been well documented in the media and through other comments, there was a change in policy there. That may have been due to, you know, political reasons or other considerations, but I'm not going to *[inaudible]* But I think what I'm more interested in is just the Premier's views of price signals and putting a price on pollution as part of an overall climate strategy.

So my question is, you know, does the Premier accept that putting a price on pollution is effective in reducing carbon emissions?

**Mr. Pallister:** It's a matter of debate, of course. The terminology the member just used in his preamble is the terminology that the federal Liberals like to use because if anybody doesn't agree with them on the level of the carbon tax, they choose to impose. They claim they are climate change deniers and don't—aren't willing to price pollution. The price pollution line is a Liberal attack line that they use against premiers and against provinces who don't want to impose a tax that they choose to impose.

I would argue that, clearly, prices matter, and it's the first rule of economics, an incentive matter. Incentives matter, of course; of course, they matter. The question is, you know, to what degree do you want to impose a carbon tax on a person who's trying to heat their home? That matters too. And what degree do you want to impose a higher gas tax on somebody who has to drive to work and doesn't have as many options for public transit? These are public policy debates.

What I objected to, and I continue to object to, is the inability of the federal government to accept the fact that we did a ton of work on this plan, that it was supported by Manitobans and we offered the olive branch, saying: Yes, give us a carbon levy. We'll use the money and we'll put it back towards Manitobans. Let us do that and you can get the heck out of our province.

What the Liberals said instead was, well, you can do it for a year, then we'll take you to court and make

you raise it, and that's not a plan that I would like to see Manitobans have to subscribe to because it's not the plan Manitobans developed. Manitobans worked very hard on our green plan. It's a great plan. And they said, let her be flat. Don't have it raised because if you raise it, it's going to get harder and harder on families.

Now, the federal government tried to soften the thing, give us a sugar pill and tell us they'd send the money back. But they forgot about the fact that, you know, we have a lot of small businesses we shop at that they're not sending anything back to. So where do Manitobans shop when they need goods and services? Well, they go to small businesses, right?

So the Liberals say, well, they're giving us back most of the money they're taking from us. Well, is that an incentive for you to change your habits? Is that going to work? Let's see, so you're taking some money from me and my family and then you're giving it back and you're telling me that's an incentive to make me change my mind? Of course not; of course, it doesn't work. That plan, the federal plan, isn't going to work to change habits. It's not going to change behaviour.

\* (15:30)

So that isn't the plan that Manitobans said they wanted us to subscribe to, and our concern, of course, as a province, and we're very, very reluctant to have to go to court. I mean, this is not my idea of fun, making lawyers money when we should just have the federal government allow us to bring in a plan that Manitobans develop, that we believe can work, and that we're prepared to be measured on.

I would far prefer to see that happen, but the reality is you're talking about a federal government that's proposing to take hundreds and hundreds of millions of dollars away from Manitobans and then send us some back while at the same time creating significant danger to our economy by raising the price for—of all goods and services that we must purchase from the small-business community, which we depend upon to shop. You know, we don't get our goods from anywhere else.

So, according to the Canadian Federation of Independent Business, you're talking about \$1 out of seventeen that they would pay, would come back to them. So where's the small business going to get its other \$16 from? Well, the member from Fort Rouge knows very well where they'll get it from and it'll be the customers at the store, and those customers are Manitobans and Manitoba families have to shop there. It's just a—in effect, that's a punishment. That's a stick,

that's not a carrot. It's not a way to change behaviours, not effectively.

The member speaks about the Paris accord. You know, you just use a carbon tax and our plan—well, I'm getting much more into detail on the plan and the magnitude of the initiatives that we're ready to undertake and are undertaking, you know—but I would just say, just using the carbon tax to achieve the Paris accord, you're talking about needing about 200-plus dollar carbon tax. That's a very, very significant load on a family and we've got lots of families that are struggling to make ends meet in this province, and we do not need to make it worse for them.

So, yes, we have to do our part but we also have to balance the reality of what we're facing as a province and what our families are facing as people, and I don't see that balance in the federal approach.

**Mr. Kinew:** There are a lot of families in Manitoba who struggle to make ends meet or, you know, find an extra 50 bucks at the end of the month to do something with their kids. I was kind of amused during the one televised debate that we had during the campaign, when the Leader of the Green Party turned to me and accused me of—I think his words were—only caring about making life more affordable, and that was his big insult to me. Yes, I do care about that, you know, I was thinking to myself. And, you know, we went on with the rest of the debate but that was kind of one of those moments that make you scratch your head.

So, in terms of just a follow-up here, I do kind of like keeping the idea of—maybe more on the—I guess, kind of building-a-common-ground side of the ledger, if you will.

So I know the Premier's (Mr. Pallister) made some comments there about the federal carbon tax plan and, you know, certainly I don't think they're getting it right with that plan. So I don't wish to kind of, you know, pick one side of that debate as though I'm arguing for that, but I do just want to share with the committee, the Nobel Prize winner in economics this year did a lot of the work that they're recognized for on pricing pollution—on putting a price on carbon—on carbon tax. And one of the things that they did point out there in their research, is that it should be revenue neutral if you do this. And I think that whether you're on the more left-leaning side of the spectrum or if you're on the more conservative side of the spectrum, you probably appreciate the rationale for why this economist was arguing that it should be revenue neutral.

And one of the arguments that they made, that I found persuasive, is that, you know, because this is a source of revenue that you eventually want to see disappear, that government shouldn't get attached to collecting this revenue, and that's why keeping it revenue neutral, among other reasons, makes sense.

So, just to sort of spell it out there, Mr. Chair, eventually, over a long term—decades timeline—we do want to see us get away from using fossil fuels, which means there wouldn't be a carbon revenue collected at that point in the future. And then so the thinking is, however, if the government's treating it as a money-maker, rather than keeping it revenue neutral, then they're going to have an incentive to slow that process down and maybe not complete that transition. So I just kind of wanted to put that on the record because I think that, again, a shared understanding of what the—some of the background is.

So the situation is certainly much bigger than just a price on carbon, other steps need to be taken. There's a lot of other areas where emissions are coming from in our province. We know that there's a lot of emissions from transportation; some are from heavy industry, agriculture. There's sort of like the personal consumption, if you will, of heating homes and stuff like that—and I think most Manitobans do want to do the right thing and just need a little bit of help trying to make that happen. And so I think good public policy should try and make it just as easy, just as affordable, just as convenient for somebody to make the more environmental choice rather than, you know, just leaving things as they are and seeing things get worse for the next generation.

So I'm curious, you know. Perhaps we could return to the carbon tax issue a little bit later on.

But I'm curious about, like, some of the other steps that are going to be taken by the government. Again, maybe this is returning to some of the earlier commentary in terms of, like, it's not only carbon, there's also methane, there's also nitrous oxide, there's also other sources of pollution that we need to think about.

So just, you know, setting aside the issue of the carbon levy or that—the court case that's ongoing. Can the First Minister talk about some of the other, maybe the larger scale programs, anyways, that are going to help meet the emission reductions targets that are going to be very progressive on the environment?

**Mr. Pallister:** Well, I'd just clarify on the court case, it isn't really ongoing because it hasn't started, and I

hope it doesn't need to. *[interjection]* Yes, hope it doesn't have to.

On the issues of other issues that we've acted on already, and in terms of implementation I referenced earlier that the carbon savings account that we've launched, this is based on the advice of this expert advisory council—and maybe get the names of the advisory council so we can put that out there too for the members—of course, last year finally phasing out all the coal-fired power and establishing new more renewable generation.

We do have the cleanest electricity grid in the country. We're 99.7 per cent renewable, which is something to be proud of and something certainly that we just *[inaudible]* this morning some of the economic development specialists that are involved in the team that's working towards creating more job opportunities in the province, and this is something that they spoke about.

We talked about strengths of the province of Manitoba, things that we can build upon. One of them is the—is this green energy, and I can say to the members when we were working on recruiting a company called Roquette that's family owned.

About 85 years ago, I think, the grandfather started this company in the Normandy region of France. They—very, very responsibly managed, very environmentally, ethically run company. And when I sat down with them the first time I did my best in my *débutante français [beginner's French]* to say to them that I thought their proposal to come to Canada made good sense. But I thought especially it was a perfect marriage. *Pois verts et le pouvoir vert*—the green power and the green peas—they should go together. Because I knew they were looking at Saskatchewan. I didn't think they should use that dirty power over there. No—and no disrespect meant to my friends in Saskatchewan, but we have the green and the clean power here. And fortunately they made the decision, they chose to come here and that plant is now under construction as my colleague, newly elected. I'm sorry, the riding again?

**An Honourable Member:** Burrows.

**Mr. Pallister:** Burrows, of course, sorry about that. The riding of Burrows knows quite well because he knows that region of the province is a very exciting project.

But I should reference this because this is a very legitimate benefit for Manitoba to use in attracting new investment, whether internally, nationally or

internationally. And something we should all value is that environmental stewardship we demonstrate as we use renewable power sources.

\* (15:40)

So phasing out the coal-fired power, establishing and moving forward on Efficiency Manitoba—a little hiccup, because thanks to the NDP, we lost our minister there, but, you know, that's the nature of politics. But the fact is now that the new minister is acclimatizing himself to that file. Efficiency Manitoba has the opportunity, I think, to do even more to assist us in helping Manitobans achieve savings on their consumption of both electricity and natural gas. They've been given a mandate to do that.

Of course, the Minnesota-Manitoba transmission line, we're making progress on that, finally, after some significant federal delays, in terms of the approval process there. That will actually—that line alone will displace about 5 per cent of Manitoba's total annual greenhouse gas emissions. Just that line. And this is a significant and important concept. We are not being given credit.

You know, I hate to lament Ottawa, but I have to on this because they have not given us the respect we deserve. Manitoba is helping our neighbours to displace greenhouse gases by exporting our hydro to them. So, for example, in Wisconsin, in Minnesota, they're going to be using less coal-fired—gas-produced power. They're going to use more green power.

Yes. Yes, zero credit. And zero dollars from Ottawa, I might add, invested in these hydro lines that we have had built, at great expense, you know.

Also, not just internationally, but nationally, building more power transmission lines to Saskatchewan is on the horizon. And that—we should—we deserve some credit on that as well. The Paris accord negotiators are—have recognized that this is a legitimate point we're making: that not just the, you know, the emissions within your jurisdiction..

**Mr. Kinew:** Just a small note there. Like, I think it is important to remember the Paris climate accord to help other jurisdictions offset their emissions, which Manitoba certainly has done, and will continue to do, maybe do more of. It's my understanding of the Paris climate accord, though, that there needs to be sort of like an agreement, a formalized agreement, between the two jurisdictions in order for it to count towards the Paris climate accord.

So perhaps—I think that would be over and above just the agreement to sell power. So perhaps that could be an area of further development in the future, you know, sort of a joint accord between the jurisdictions that the First Minister mentions, like Wisconsin and Minnesota, so that we actually get the credit under the Paris accord for helping those jurisdictions displace their power.

Sort of just—I do want to continue exploring the climate issue. But I was just reminded of the Roquette plant. So I'm just wondering if the Premier (Mr. Pallister) can update us on the current status of that project. I know he was meeting with leadership from the corporation in France when he was there. What's going on? Is there, you know, something at stake in that conversation? Is there a timeline? What's going on with Roquette lately—or currently, I should say?

**Mr. Pallister:** Yes, those discussions—I think we should give credit where credit's due to the—some of the Economic Development people within the Department of Agriculture, because I know that they did considerable work there, as did the minister, the member for Lakeside (Mr. Eichler), in not only providing information for the initial decision-making process, but also in working hard to build the relationships that need to be there, to encourage the investments to be made.

Those investments will be made. There were delays from the initial intention that was expressed in part because of the Simplot's potato-processing expansion. Because of what—and this would be sort of more good news than bad: Simplot was—is expanding their facility just west of Portage La Prairie by doubling the size of their processing on potatoes there. This will be the biggest Simplot plant in the world. And it's under construction and slated, I believe, for completion some time mid-2020.

However, when Roquette went out and introduced its intentions to shop for its subtrades for contracting and site-readiness and so on, and immediately discovered that the prices were higher than it thought because all of the companies were working for Simplot about a half mile away. And so the bids came in higher than they had anticipated and they said, well let's just hold off here for a minute and let's let Simplot get their project done.

These workers, these companies, will then be available for us, and, lo and behold, common sense would prevail. Guess what happened? The prices came in, the companies weren't so busy down the

road, they had the chance to go and bid on the work. They bid lower and Roquette had better responses, closer to its estimated cost of construction, I'm told.

That being said, the actual—I had some data on the plant. Plant completion, late for Roquette—plant. Roquette's plant—plan to be completed later in 2020, is under construction now. It's entering the skyline as we speak. I was just actually by the construction site last week and it is very exciting.

It's very exciting for that area of the province which has been pretty static in its population for a long, long time to know that—well, it's speculation at this point, but the next census it's speculated we'll see a growth in population in that region of the province that—and when I say that region, not just Portage la Prairie, but the central region to include several rural municipalities—we'll see growth in population—first time since the 1930s. So it's very exciting.

Those two projects are the ones we think of mostly, but there are some other—a number of other smaller projects going on in that region as well that are contributing to that good news.

So it is exciting. It's exciting too, because both companies—back to the theme the member has raised—both these companies are very environmentally conscious companies. They're very, very concerned about management practices, not only themselves as companies, as processors of potentially of protein products, peas, or potatoes in the case of Simplot—not only environmentally conscious companies in the operations of their plants—am I done? No? Okay. Not only conscious in the way in which they process potatoes or peas, but also tremendously cognizant of the need to work with the farm families that are producing these materials for them to make sure that their practices also are environmentally sustainable.

I would—I'll elaborate on this a little bit more for the member in a minute, but I'm proud to see companies like this demonstrating an interest in coming to our province because this consciousness of managing our resources to sustain them is something that I think's engrained in the—to me it's a part of Manitoba's thinking.

It's not just our indigenous people or some of our first European settlers; it's the later—it's the people who've come here who have immigrated here to build their families. It's a consciousness that Manitobans have, and it's not exclusively something we own, but it is something I think we deserve to be proud of, managing it as a steward of our resources, not to use

our resources just for us, but to manage them so they're there for later generations. It's a good thing.

**Mr. Kinew:** I think, you know, most Manitobans do live off the land, like most of us were taught that by our parents or grandparents, you know, for our cultures. And you know, that applies to people of all backgrounds, including people who maybe weren't born in Manitoba, and I mean that generally. Like, some of us literally do get our food from the land, you know, or at least some of our food from the land, and we do that.

Others are, you know, working in the ag industry, and still others work in, like, the value-added space, right. And so yes, a lot of Manitobans do actually live off the land, and so I think that that does create a relationship with the food. It creates a relationship with the land too, and it's something that I'd like to see more of, to be frank.

There's a cool initiative in my area called sustainable south Osborne. It's like a reclaimed urban space that allows people to plant food and, you know, grow their own nutrition in an urban environment, which I think is great—good initiative to help people learn more about having a relationship to what they eat, have a relationship to the place that they live, and I think that that makes people healthier, not just physically healthier, but also mental health and your emotions benefit when you work with your hands and you're outdoors on the land.

\* (15:50)

So I think those are good. And then just returning to the issue at hand, you know, that Simplot plant does look like it's nearing completion. So it's good to hear the timeline shared by the Premier (Mr. Pallister) there.

With respect to the delay on Roquette's side, it's, you know, interesting to hear the rationale behind what was going on there. And I guess that makes sense, given a relatively limited pool to be drawing on for contractors and subcontractors.

I'm curious: Is Roquette receiving any sort of consideration from the government to help manage that delay? Like, I know there was some initial announcements. So just wondering whether there's anything new being announced like as a stopgap support for Roquette, or are they getting any sort of deference on taxes or otherwise on account of this, the delay there?

**Mr. Pallister:** For—in respect of the decision—which was Roquette's, and pretty logical, as I've just outlined—to defer or delay their construction, no additional support's coming from the provincial government to them as a consequence of that.

I would mention, without maybe getting into—because there's some confidentiality aspects to the agreement, but I will say that the Province has previously announced certain assistance, in the form of a service road. There's some infrastructure that's gone in there to assist—both companies, in a sense—if you travel the Trans-Canada Highway just west of where the bypass comes around Portage—just before the Portage Diversion, and you go another half mile, you're at the turnoff to go to the south, left turn if you're going west. And to go to that left turn, there was no turning lane there. So we've added a turning lane.

And this is just simply public safety. It's logical. It's not just for those two companies. There'll be other companies locating there. We're anticipating other investments. There's—their industrial park for the municipality is there. And I know that our partners in the municipal level are working very hard to attract more investors. There'll be additional investments being made there, more traffic there, so we have to keep people safe. It's the Trans-Canada Highway.

So that, I think, was a very logical contribution. Also, the water and sewer plant there at Portage la Prairie that services the rural municipality and other clients also had to be expanded. That had been on the radar for some time. This—these developments necessitated expansion at that plant. So there's an investment there.

I would add, also, there's—there are other businesses. So, again, I'd emphasize, not exclusively, that this was done for Roquette or Simplot. Enns Brothers, for example, has a major implement dealership on that—at that site, as well.

In addition, infrastructure investments were made in the south road allowance, so—which parallels the Trans-Canada Highway. And, again, if you're unfamiliar with that area, you would know at least that the junctions of highways 1 and 16 is—the Yellowhead Route—is about six miles west of Portage la Prairie. That's a major traffic route and there have been fatalities at that intersection over the years, tragically. Just—I won't say—I'll say in part because it is a busy intersection, but also we're looking at other ways to make it safer.

One thing we have to recognize is that the increased—in particular truck traffic, not exclusively truck traffic, but construction—during the construction time, there'll be a variety of workers coming to the work site and so on.

So the decision was made to improve that service road on the south side of the highway so it would aid—well, reduce congestion on the Trans-Canada Highway, reduce traffic coming into the intersections at 1 and 16, and other intersections along that stretch of road. So if you travel to that area, you would see new paving, new construction on the service roads. Not—it's not inexpensive to do, but it will—clearly, it will reduce accidents, I would expect save lives.

So those are some of the investments that have been made. The approximate investment was originally slated to be around \$400 million—I'm back to the Roquette project now. But the company is now using estimates of approximately 50 per cent higher, about \$600 million. It's not a small amount of money, and they are not exclusively—though initially they're going to deal with peas, they're not exclusively tied to peas. They are—this company is looking to diversify its involvement with potentially other crops and to produce other products.

They're—I actually tried their pea ice cream when I toured their plant. I'm a little bit of a sucker for ice cream and this is very tasty. Who knew? Never touched a cow, that ice cream. It was just peas, but very tasty. So they're diversifying as a company into other products. Health—healthy foods for seniors and seniors residences, beauty products; they're—it's a very creative and innovative company.

**Mr. Kinew:** You know, we all got to do our part on the climate change thing, and I think the diet that we eat, you know, factors into it, so I guess that kind of brings that Roquette conversation back to the initial one we're talking about, which is climate change.

I do recall shortly after being elected in 2016, the government talking about, you know, plant-based protein, about pulses quite a bit. Sounds like the Premier's (Mr. Pallister) suggesting that, you know, the Roquette operation is in that space, and I think that part of the necessity to reduce greenhouse gas emissions or to reduce CO<sub>2</sub> equivalent emissions, all that attention, I think, shone a spotlight, I guess, on what we eat and the impact of what we eat and how it affects our environment.

So I'm curious to know, maybe moving to that side and then returning more to the climate change

discussion, what are the government's plans in terms of, I guess, the ag industry and how we can work to ensure that we're being fed, that there's jobs and economic activity there, but also that we're reducing emissions, that we're working to counteract climate change, that we're solving the climate crisis?

**Mr. Pallister:** I'd just share with the members of committee that one of the—is foci the right word? Is that the plural of focus?

**An Honourable Member:** Foci?

**Mr. Pallister:** Foci? One of the areas of focus that we are engaging in is the protein advantage. We have a real advantage here that we have demonstrated some of that advantage in the past but we can capture more of it.

I just attended along with the Ag Minister here a couple of weeks ago the what we call the protein summit, and this is a strategy for sustainable protein production. It's right in the line of what the member's wanting to address. Not just production, sustainable processing and sustainable innovation.

So I'll just share with the members some of the initiatives here, but we have some clear advantages to attract investment in this area specifically. We already have, of course, but going forward this is one of the areas with our economic development strategies we want to really focus on because we have renewable, low-cost reliable electricity. And this is critical in many industries, but, in particular in terms of value-added agricultural industries, this is very important.

We have a great location, central location here: access by rail, access by road, access by sea as well, and these benefits we can take advantage of. We have leading-edge research. We have innovators. We have talent. We have facilities where people with talent can work. We have high-quality and sustainable plant and animal production, and we're blessed to have some of the best farm families managing farm operations anywhere in the world, right here in Manitoba. If I sound like I'm high on this issue, I am because I think it's one of the major areas that we can explore.

\* (16:00)

We have a really diverse workforce. This is significant. We have people from all over the world choosing to come to Manitoba ready to work, developing skills if they don't have them already, and those skills and that diversity are a tremendous strength in a global marketplace. We have a business—increasingly business-friendly low-cost environment

leading the way on the hard work of reducing unnecessary, duplicative red tape which costs small businesses so much, in particular, small business.

One thing, if you're—I'll use the analogy if you're Canada Life across the road, and you hit that company with an additional regulatory burden, they can hire some people and they deal with it. But what if you're a little company? What if you're a five-person company? And the little shop I established when I started my company, it was me, and, you know, gradually, not a multinational, but, you know, a few jobs created and a few people working together. And you hit me, hit that small company, and Manitoba's a small-business economy, you hit that small company with a red tape burden, that's a big burden to a small company, a smaller burden to a big company.

And for Manitoba with our mix of very vibrant small businesses it's critical that the red tape be lessened. So we've worked hard on that. The Canadian Federation of Independent Business says we're leading the way in North America, and we're continuing to adopt an approach which is business friendly and particular to smaller family owned and run firms.

Our quality of life, as we all know, is enviable here. We had at the jobs summit this morning—*[interjection]* Oh, okay. At the jobs summit this morning we had, as I mentioned earlier, we had a variety of our partners: world trade, north—the economic development experts come together to speak about what they do and to develop a better understanding so they can work better together, not compete with each other, but knock the siloes down, so to speak, and benefit from the synergies of working together. And at the end of it we had a guest speaker who spoke about the wonderful quality of life we have here. And it's nice to hear someone say that who's achieved success, as this guest speaker had in his life.

But he said one of the things—you know, he'd spent some time in Toronto, and he said, you know, here we're small enough that we can network so much better than in a large, large city, you know. We know that we have the capabilities to work together much, much more readily than many do in these enormous cities we must compete with.

So we have abundant natural, cultural opportunities, recreational opportunities and a client-centred business approach based on relationships that is an advantage to us. So those are the advantages. I'll get into more detail on the specifics, though, of the protein

thing because I see I've used all my time up in this allotment.

**Mr. Kinew:** Yes, I would like to hear the details around the protein strategy, for lack of a better term there. And maybe I'll just share where I'm at and the Premier (Mr. Pallister) can correct me if I'm misunderstanding what's meant here.

So, certainly, part of the emissions come from, I guess, the way, you know, livestock is raised. Part of it also comes from the way it's processed. When we're talking about processing, so I guess we're talking about the value added part of the supply chain, and because we have lower emission electricity grid here in the province, then locating business here would be, I guess, a proposition to improve the environmental impact, I guess. Is that what's meant there? Or are we talking about shifting consumption away from, like, from animal protein towards a plant-based protein? Is it some combination? Is there, you know, all the above? Maybe the First Minister can talk about some of those things.

**Mr. Chairperson:** The honourable First Minister. *[interjection]*

**Mr. Chairperson:** The Leader of the Official Opposition.

**Mr. Kinew:** And who was the guest speaker at the jobs summit?

**Mr. Pallister:** It's a fellow named Charlie Spiring who founded Wellington West Capital and built it up from, you know, a relatively small company in Manitoba to be—well, I think it was sold to National Bank. I could have the exact figures wrong, but I don't think there's going to be a tag day for Mr. Spiring very soon. I think it was a very successful effort on his part, and I know he's got a new enterprise under way, but won't find a better booster of Manitoba and a very, very energetic and innovative person who's worked very hard to earn his success.

I was incidentally—coincidentally good friends with his younger brother, Patty *[phonetic]* who we lost too soon to cancer years ago, but there are many other initiatives. I know that the Minister of Agriculture (Mr. Eichler) will be able to share in great detail some of the specific to agricultural programs that we're partnering with, some of which are shared funded programs from the federal government, and there are many of those.

In terms of better management practices, coaching up farm operations, I can say that there are

numerous educational programs. Environmental plans are being developed now by most farm operators and I would say, coming as I do from a small farm background—not so small now, but small when I was on it—that one of the things I have observed in my life in working with farm families is that almost all farm families that I've had the privilege of getting to know are environmental stewards by their nature, because they are not, as we were taught—as I know the member from Fort Rouge was taught—we are not here to use nature. We are here to be stewards and to make sure it's better for those who come after. This was ingrained in my grandfather by my great-grandfather, who homesteaded southwest of Portage la Prairie. That soil and that water was precious and we have always treated it that way.

Farmers who I respect, and there are a great many who respect their role as stewards of the environment, they protect their soil. I remember—we're now—well, we—I'm not an owner of our family farm. I'm just an interested observer now. When I was—three in our family, my brother and sister and I—when I graduated high school, I was given a watch and when my sister graduated from high school, she was given a car, and when my brother graduated from high school, he was given the farm, you see.

So this is succession planning. It's kind of a joke, but it's not entirely untrue that my brother was always by my father's side, as my father was always by my grandfather's side, as my grandfather was always by my great-grandfather's side. So now we're into the fifth generation. It's good.

We're proud of that, but I have never seen my brother so sad as I saw him about seven, eight years ago, a very dry spring, and he had some soil blow. Farmers don't like that. They don't like to see the soil blow. In the old days, farmers didn't like to see it blow either, but the habits that we used in those days—I remember my grandfather burning all the stubble off the farm. It was a practice that was engaged in which was inappropriate to the good management of the soil.

Now many, many farmers, as my colleague from Burrows would know, use a tactic to save their dirt, their precious soil, called zero tillage, and they do not break that crust of that soil, and they protect it. This is just one example of how the caring and good management of farmers has protected that beautiful asset we're blessed with. That prairie soil is something we should be thankful for, all of us, because a good year for farm families is a good year for all of us in

Manitoba. But I'll say more specifically about the protein advantage in a second.

**Mr. Kinew:** Sure. Yes, I do wish the Premier (Mr. Pallister) and his siblings well, and I would like to have more information on the protein strategy there, and if he's willing to share that.

Again, what comes to mind is maybe a few different areas. You've got 'regeneter'—'regeneterit'—regenitive—I can't even say the word. I think the Premier knows what I mean—regenerative ag.

**An Honourable Member:** Regenerate your pronunciation.

\* (16:10)

**Mr. Kinew:** That's right, I'll keep regenerating the syllables, whether they string together to form a coherent and cogent sentence shall be seen. So we've got those kind of approaches. You know, some younger farmers in southwest Manitoba, I think, are exploring that, doing some interesting things. They're still producing livestock, but maybe looking at doing it with a smaller carbon footprint. You've got maybe other folks who are trying to switch maybe away from animal protein towards plant-based protein. I don't know if that's part of the strategy there. And then you've got others who are maybe doing animal processing, but maybe by locating here it's with a lower footprint than if it was in another jurisdiction.

So I don't know if that's what's being contemplated. So, if maybe the Premier wants to talk on some of those ideas in his answer and—maybe correct if those aren't part of the strategy. I'm curious to hear what it's all about.

**Mr. Pallister:** Sure. So there's numerous things. There's a fascinating area of discussion and action as well because ag emissions are a significant source of greenhouse gas emissions, right? But, as my brother, the farmer, likes to remind me, he manages several thousand acres of solar panels for Justin Trudeau. Those solar panels are green crops, and they eat carbon.

So there's a give-and-take in the ag industry. The carbon emissions reduction strategies farmers use, many of them are logical ones. For example, using lower gas consumption implements, lower gas consumption vehicles, is just common sense. And one could argue, well, then, a big new carbon tax should help farmers do a better job. But there's already a big tax on gas for farmers. And farmers don't have a choice. They have to run their vehicles.

I would say, too, interestingly, the innovations don't stop at the farm gate. The innovations are in the manufacturing of better, more environmentally friendly implements, too, at the construction and manufacturing stage. There are tremendous savings that have already been achieved, and more is being done.

I was shown by one of the implement dealers a combine that he had for sale. You know, I—this, of course, I'm going to reveal my—the bias of my age. But, when I grew up on our farm, it was a half section. And it isn't a half section anymore. And I was at Ag Days, which is—I would recommend to any who haven't visited. It's Disney World for farmers, as far as I can tell. It's incredible. And I saw a grain wagon, just, you know, used to take the grain from the combine and transport to an auger for storage. I saw a grain wagon last year at the Ag Days in Brandon that would have taken our entire farm's output times two. Like, incredible. The cost to farm these days is incredible. The investments that are required are incredible.

But this implement dealer was showing me this combine in particular. I honestly—somebody probably down there on our committee would know the approximate cost of a combine, but I think it was \$700,000—\$700,000 combine. And he had it started up, and he took me to the engine output, you know, and kicked the exhaust. And he took his—he had a handkerchief, and he put it against the exhaust. He pulled it away, and there was zero—zero—indication of any emissions. He says, the emissions from this combine are less than one fifth of 20 years ago. One fifth.

And there's more coming. Now, he says, if anybody tells you that farmers aren't environmentalists, you can tell them the farmer who buys this combine is paying \$50,000 for that. Farmers are investing all the time in cleaner environmental practices. They are investing in the approaches that will lead to a better quality of air, better soil management.

I'd encourage—okay, I'll—I'm not going to read you the whole report, but I'll encourage you to read our green plan because there is a major section on the issues—the very issues that the member for Fort Rouge (Mr. Kinew) is raising.

On page 22, again, Mr. Chair, of [www.manitobacclimategreenplan.ca](http://www.manitobacclimategreenplan.ca), there's a whole section on diverting non-organic waste from landfills, on ag emission reductions, on ag soils, biomass as a

carbon sink and how we can manage that better, a section on reducing outputs in beef production, decreased enteric fermentation emissions per litre of milk, large decreases in areas of crop residue burning. I mentioned that earlier as a tactic that isn't used as much now—still has to be used in some areas of the province with certain soil types. If you don't take the straw off of Red River clay, you can have a brick next year. It's kind of tough to farm bricks, though some farmers have tried.

Reducing emissions from ag activity while supporting the sector means you've got to do research, you've got to do innovation, you've got to do planning and you've got to have support. And we're committed to doing that as a government. And I believe this is—as I've said to the member before in the House, I think this is a non-partisan thing. I think we should—what we're—the way we're talking about these issues right now is the way to get a better job done going forward on environmental issues. So I welcome that discussion.

**Mr. Kinew:** So perhaps we could move on to another area.

There was an output-based pricing system as part of the green plan. I think when it was first brought forward, I think the title was voluntary output-based pricing system, which I think, you know, describes what it's all about right there in the name.

But I'm curious to know what the status of that is. Will that continue moving ahead now that the aspect of the plan that had the carbon pricing in it—now that that's been removed, is the output-based pricing system going to stay in place? Is it going to remain as a voluntary program? What is the current status of that?

**Mr. Pallister:** I'll ask for my colleague's indulgence while we dig up some more information on the specific he asked. But I'll go back to the early question he asked, which I failed to answer, on the protein advantage—

**An Honourable Member:** You admit it.

**Mr. Pallister:** Yes. Yes, but I'm endeavouring to, as you well know, Mr. Chair, endeavouring to share the information.

On the protein plan, I'll just—and I've got too much for one thing here, it's going to take me two, but I think this is very interesting information and relevant to what the member was asking.

We expect, under this protein advantage that we have, that we can capture more than a billion dollars of plant protein processing investment in the next four years. Now, if that sounds too high a target, consider that we've achieved that in the last three. So maybe I'm not being ambitious enough in our targets. Five hundred million, as well, in new animal protein production and processing investment. And that—and between these two, we expect over 1,500 new jobs just here in this category.

On the processing side, 35 per cent increase in animal protein processing, 35 per cent increase in animal protein production, leading research and development centre in North America for plant protein extraction—we're on our way with that. New value for producers from crop innovation and value chain collaboration.

As far as sustainability, we believe there can be a 15 per cent of reduction in carbon intensity per kilogram of animal protein. And I would invite the members when the Ag Minister gets into Estimates to pepper him with questions about this. He'll be able to give you more detail on programs specifically that we're entering into in this area.

We also believe there can be a 15 per cent increase in the productivity of ag Crown lands and privately owned grassland and forages. There will be an increase in the public trust of the protein production and processing industries as a consequence of this. These are all advantages.

Focusing on research, innovation and commercialization, mobilizing the industry in government investments and equipment, protein innovation and partnerships like the Food Development Centre, for example, in Portage la Prairie. Developing a protein development consortium to co-ordinate protein industry development and alignment on strategic projects, focusing one-third of our department research and innovation resources towards protein production and processing innovation. A third of our Ag Department targeting protein ingredients, whole product value and packaging innovation.

For example—and I would ask the members to keep this totally secret, no tweeting on this—we have some real opportunities with by-products. Some of our companies produce by-products in Manitoba that have value, but have been discarded, entering our—placing demands on our disposal sites and our waste management resources when they could be useful. They could be used for other by-products. And we're looking at some projects there.

\* (16:20)

This chain sometimes ends sooner than it should. You know, the value chain—we give up on giving value to by-products sometimes when we should not, and we throw them away. This is—I call it planned obsolescence by design, you know, by lack of innovation.

You know, in some distribution systems they plan for their products to break; certainly, it's been my experience with a lot of electronic products, but we'll leave that there.

In the value-added ag process chain, there are by-products that have—can have very good uses. And, for example, for some years McCain's in Portage la Prairie—well-known potato processors, among other things—was disposing of a by-product which now is fed to livestock and has considerable value as a plant—as an animal feed, whereas before it just entering into our waste-processing systems at great cost. And so these are just examples of some advantages we can use.

In terms of sustainability, which is what the member had originally raised here, facilitate research and innovation to reduce greenhouse gas emissions per kilogram of animal protein, reduce water usage, energy use and waste, as I just referred to in that example, in terms of the production and processing, and strengthen the partnerships to identify and manage things like disease and pest threats to production because that's a reality that many of us have encountered. And support early adoption and innovative beneficial management practices to enhance water quality, biodiversity and increase carbon sequestration.

This is just some of the areas of focus on this particular, very—I think, very interesting way of going about developing our economy and taking advantage of Manitoba's existing advantages.

**Mr. Kinew:** And—we'll definitely, you know, grill the Ag Minister on all these percentages up and down and how he's going to accomplish all that when we get to that part of Estimates, and I look forward to having our colleague from Burrows lead that process.

So just returning to the output-based pricing system that was proposed by the government. I'm wondering what the plan is there now. And the reason why is because this is another pricing mechanism with a goal towards reducing emissions; one part that dealt with a similar technique that was more consumer

facing, that part has been withdrawn as has been widely reported, discussed even today.

But I'm curious to know about the—this program which is targeted more towards the large emitters. Is this going to continue and, if so, is it going to operate under the same timeline, is it going to have the same program design as was outlined previously?

**Mr. Pallister:** I'm going to refer the member to the detail that he requires. And rather than read it to him, I'm just going refer him to—because it's public information—manitoba.ca Report of the Expert Advisory Council to the Minister of Sustainable Development. This was produced in June, and this references the carbon savings account concept, which I outlined earlier.

And it's contained within that is a significant amount of detail in respect of not—beginning with the executive summary, which would be always a convenient way to get on top of the Coles Notes version of what's in here. But there's a 60-page report on how this emissions program would work, how the carbon savings account would work, with recommendations and conclusion.

Either the Minister of Agriculture (Mr. Eichler), well, the Minister of Agriculture, but probably the Minister of Sustainable Development (Ms. Squires) would be best equipped to deal with the detailed questions. But I just recommend that as, perhaps, preparatory to the discussion, that would be the document to refer to, rather than me doing injustice to the topic.

But I—I'll—this document I can table, if the member would like to read it, it's just an overview document but it's protein summit document, so we could make that available if any members are interested in reading it, if that is—if that's possible.

And also, I'm going to go back to page 23 of the report because the member had asked earlier about, specifically about ag emissions and how—was there a plan to deal with the ag emissions. I referenced a couple of aspects of that in the context of protein production, but I would go back to say that I don't think you'll find more motivated people to deal with climate change than farmers these days.

I think we've seen some of the—and there's always the danger we call weather patterns climate change. Weather patterns can, you know, can come and go, and they generally don't work the way we would want, especially on weekends if we're people who like to, you know, hike or bike, but the fact of the matter—the

fact remains that the weather patterns measurably have changed in the last number of years.

And farmers, I have found over the years, have changed their attitude towards climate change as a consequence. There seems to me to be a much more elevated concern as we see higher variations in terms of things like drought and flood, things like fire incidents and so on. Farmers become aware of those things and concerns, so I would say that there's no industry that I can think of off the top of my head that would be more at the front line of dealing with climate change than the ag industry, and we're seeing that with both drought and flood in the same year in Manitoba, and we're seeing it more frequently.

So farmers want to be at the forefront of the solutions. They've seen the impacts of changing climate, extreme weather, precipitation events. It negatively impacts on production. It alters growing seasons as climate changes. It impacts on the selection of crops. The Ag Minister could outline in more detail, this.

One symptom of an increased growing season due to warming would be the increased acreages in corn, for example. So we're seeing changes in the cropping patterns of our ag producers as a consequence of climate change, and there are numerous examples of creative responses that farm families have already engaged in to deal with these issues, but there is no doubt of the issues.

Extreme weather and climate change impacts are felt, of course, as I say, at the front line by farm families, so adopting a new, innovative, effective climate change strategy is something that forward-thinking farmers are doing and will continue to do because their livelihood and the livelihood of their family and future potential for their farm business depends upon the ability to be nimble and responsive and thoughtful in the way that they react.

Reducing emissions while—from the Ag sector while simultaneously supporting it is possible, but it requires research; it requires innovation; it requires planning; it requires supports—educational supports I referenced earlier. Manitoba government's committed to working with our producers and with consumers alike to make sure that we identify and develop the solutions we need.

Agriculture is such a big part of our pie chart; it's such a big part of our pie chart as far as our economics or GDP is concerned, and of our emissions profile that

to do anything else would be to not—would be to make it highly unlikely we'd find real progress.

So we're implementing a province-wide ecological goods and services program in partnership with land owners, NGOs, and the municipal governments, which is very exciting, and it's called the Alternative Land Use Services Model, and I'll explain it in much more detail given then next opportunity, as I see that committee members are, you know, ripe with enthusiasm to learn more.

**Mr. Kinew:** I certainly do appreciate that, and I'm looking at some of the documents that the Premier (Mr. Pallister) is making reference to, and I certainly do welcome that protein summit document if he is able to table it—would like to review that because I don't have that one with me right now, so if that could happen that would be great, and I don't think that needs to be an undertaking. I think it's just going to happen as a matter of course this afternoon, communicating that to the First Minister—*[interjection]*. Kumbaya, day two. Still waiting on the clarification from the member from Brandon East on the Latin phraseology.

So just getting back to the other part of the—that response that the Premier shared there, having to do with the output-based pricing system, and again, we'll follow up with the Sustainable Development Minister on some details. But on the higher level, I guess I'm just trying to seek clarity here.

\* (16:30)

So does that mean that this directive to the expert panel about the carving—carbon savings account, rather—does that replace the previous information that was shared public? So, like, it—I guess what I'm trying to figure out is, is the carbon savings account—is that the entirety of the emissions reductions strategy? It's all covered under that umbrella? Or is it fair to say that you've got the carbon savings account over here, and then the output-based pricing initiative will continue along its own track? I'm just trying to seek clarity there as to what's all being pursued by the government right now.

**Mr. Pallister:** So I've got—I can answer the member's most recent inquiry, but I'll go back and answer an earlier inquiry first which is in respect of how we're proceeding to do—pursue reductions in the ag sector. I've just got a bit more detail there. And then I'll get into the recommendations from the expert advisory panel in respect of the issues the member's raised as

far as the carbon savings account and the mechanisms, how it works and so on.

But I'll just finish up and say on the resiliency and sustainability of the ag sector, the province-wide ecological goods and services model is called—well, we call it for short ALUS, and it's been around as a proposal for some time. It's been adopted as an experiment in a couple of rural municipalities some years ago. And basically, what it involves—and I'll oversimplify, but conceptually, what it involves is offering incentives to reward stewardship of environmental resources. So making an incentive work. Almost a reverse of the carbon tax concept in the sense that instead of punishing someone, you're actually rewarding them.

And I—so that model can be used, for example—and we've just released our—I don't know if I'm using the right phraseology—our water management strategies have just been made public, I think. But we're—we've adopted new water management strategies to enshrine certain protections so that what happened, for example, to a great extent in eastern parts of Saskatchewan, say, over the last decade, where the government of Saskatchewan—I think they'll regret this—let it be known to ag producers that they were planning to come up with new water management rules and drainage rules but then didn't adopt any new rules.

As a consequence of that, many drainage projects were undertaken because it was easy to do it, regardless of the environmental consequences. This, I think, was a mistake in public policy making, to put it mildly.

What happened then was that significant—I'm not talking about small areas of a field where a bit of water would congregate once every four years. I'm not talking about that. I'm talking about drains of lakes occurred. You can travel through many parts of eastern Saskatchewan, and you will see farms that are on very, very rolling contour that once, to a significant degree, were wetlands, homes to a variety of species, the kidneys of a water system, cleansing the other water, and instead now are all farm. And where did the water go? Right to the member for Riding Mountain (Mr. Nesbitt). Straight into the drainage system in the Assiniboine River and North Saskatchewan and other rivers operate.

What does that mean? Well, I say, in the long term, that will mean the loss to Saskatchewan of a tremendous amount of water storage, which they'll regret when dry cycles return and they may regret

now. But it has meant severe flooding along the Assiniboine basin that Manitoba has had to deal with.

So better water management is critical, and sustainable water management practices are what we must adopt. So our water management plan basically forbids the drainage of what we call level 4 or level 5 waterways, permanent wetlands. If farmers wish to drain their fields in the normal course of what we would call to strengthen the soil base which is there, that's a different thing. That would be—in some areas of the province, you would use a technique called tile drainage. You would inject the drainage materials to allow the soil to act like a sponge essentially so that it doesn't allow water to congregate in one area which would make the soil over time alkaline, would reduce crop yields, just because of the presence of too much water, let alone the presence of too much residue.

So thousands of acres in Manitoba are being repaired through that technique right now. That's perfectly legitimate, and we would want to see that continue. But to drain large water bodies, and absent province from wetlands that are so important to the ecological system that we must maintain is not on. Saskatchewan did this, I say to their detriment long term and certainly to ours in the short and mid because it increased our water management challenges markedly.

**Mr. Kinew:** I remember covering the 2011 flood as a journalist and following the course of—well, I think the Interlake saw flooding first when there was basically overland flooding, but when the big deluge came, you know, I remember following it along the Souris and then the Assiniboine and then eventually up to Lake Manitoba and then back to the Interlake again. So definitely hear what the Premier (Mr. Pallister) is saying there.

I am curious, though, to get more details on the output-based pricing system and whether that initiative's continuing. Is that continuing on its own track? Is it continuing under the carbon savings account approach? What's going on with the output-based pricing system?

**Mr. Pallister:** I appreciate that I've digressed by giving more background than perhaps members are interested in, but on the issue of draining wetlands from Saskatchewan and running the water into Manitoba, I have a little bit of an emotional attachment to the consequences of that. I've seen how that's affected people in our province, and I've seen how it's profoundly affected and damaged the lives of a lot of people on various water basins and not exclusively

along the Assiniboine. I could talk about southwest Manitoba as well, where water has been running there. We used to think that southwest Manitoba was an arid region. We don't think that so much anymore.

So I react in part to this because I think we are a Canadian family. I like to believe that you wouldn't—as I said to a certain Saskatchewan premier one time, I grew up on a farm and we didn't solve our water problems by running them over onto the neighbour's field.

In terms of the actions, in terms of the ag emissions resiliency sustainability ag sector I'll just—I'll wind that up and then go on to the member's question, but the ALUS model can be, I think, very effectively used and we have plans to do so.

On the education piece, supporting on-farm beneficial management practices that provide climate change adaptation and mitigation benefits to ag operations, here the Ag Minister can give much more detail, but that is under way.

Sustainable agricultural educational centres to support adaptation and resilience research seek new technologies to decrease emissions from the crops, livestock, explore commercialization opportunities.

In addition, expanding the adoption of new precision farming technologies: machine learning that improve the environmental efficiency of fertilizer use and farming patterns.

There's data management systems that are beginning to be pioneered now. One is—well, there are many. But precision farming, there are companies in Manitoba that offer these services that are very, very advanced, award-winning companies that are helping farmers to find profitability through better management, more sustainable management practices than they've ever had the chance to utilize in the past, so. I won't mention their names because I'd be accused of promoting them, but I will say that there are companies that are very, very well acknowledged as supporting the ag producers in the province.

\* (16:40)

Supporting research and commercialization of technologies for the use of natural fibres, for bio composite applications, expanded use of bioenergy, bio products—there's a number of initiatives there, and evaluating risks, vulnerabilities and opportunities facing ag regions or sectors in 'Manitoba' due to extreme weather events and climate change. And we have weather services that are available through

government, but also through the private sector, that can assist in helping farmers to manage as best as is possible, weather, which is of course, some would say, largely unmanageable and others would say, unpredictable challenge.

Coal phase out I've mentioned previously. Carbon offsets we've talked about conceptually. I would go back and say it appears that the federal government has nodded in the direction of Quebec, that they have a plan that's acceptable to them, which is in fact, as the member for Fort Rouge (Mr. Kinew) well knows, it's a carbon credit and carbon transfer strategy which currently has an impact of about 13. That's as of about three weeks ago. I'm not sure what it is now. About 13 cents.

And of course, we proposed the plan 25 flat and were rejected, but Quebec has planned 13 and theirs is fine. Doesn't seem to make sense to me. I don't think it makes sense to most observers, but, hey, it's Quebec; seems to be the attitude of the federal government.

So, on the carbon savings account, I'd just say that the reality of it is that it's going to be, we think, a very good advantage in acknowledging that we're ready to be accountable in Manitoba and ready to be measured. And then offer something—it would be the first of its kind in Canada, this concept that we've begun—but what it does is, it's the sum of all emission reductions over a five-year period, on a cumulative basis. And it's tracked against a set cumulative emissions-reduction goal for those five years.

The emissions reductions are the carbon savings and the tracking is the account. So that carbon savings account makes us transparent in terms of how we are managing our carbon in our province.

**Mr. Kinew:** I appreciate being recognized again. So is it accurate to say then that the carbon savings account replaces the output-based pricing system, is that an accurate way to characterize this?

**Mr. Pallister:** I think I get what the member's asking, yes. He's asking if—I think what the member's asking is—I think the honest answer for the member for Fort Rouge is this: I think that some of our plans have been put up in the air because the federal government hasn't accepted it and imposed their own. So on the output-based pricing, they've imposed their own plan. So if we impose ours, we're double imposing, to a degree, which we don't want to do. And so we're up in the air until we see out what happens on October—what date's

that thing happening in October that everybody's making noise about?

**An Honourable Member:** Twenty-one. But who's paying attention?

**Mr. Pallister:** That's it. So, well, as the member knows, I try in my responses to be transparent. I think the thing that's probably got us a little bit uncertain here is the fact that we don't know how—what's going to happen here later in the month in respect of the federal government's imposition of an output plan that they have put on our people in Manitoba. And so to impose them in tandem would be more punitive, perhaps, than would be constructive.

And the second thing, of course, would be, depending on the outcome of that democratic exercise, we don't know at this point what the outcome of the challenges to the federal strategy would be of other provinces, either. So I think that that would be—I hope that addresses what the member's asking. Trying to be careful not to create a situation where we're double punishing some of our small- and medium-sized enterprises in Manitoba because the federal government has—at this time, has invoked its plan on Manitobans, as he knows.

**Mr. Kinew:** So I do think that that's some progress there. Like, I don't—wasn't sure where the First Minister was going to go there. I thought maybe he was going to troll me a little bit and crack some jokes, but then, you know, actually maybe shed a bit of light there.

So I'm just going to reiterate maybe my own terms, just to ensure that I'm accurately following what's being said here.

So the output-based price system was part of the initial plan put forward by this government. It had a certain timeline, which included—and I'm just looking at the document here—was supposed to come into place at the start of this year. And then I think at the start of next year is when the large emitters were going to start the voluntary participation under that process.

So that was the timeline up until the current dispute with the federal government came into place. Now the federal government has, I guess, rejected the Manitoba position. So, as a result, the output-based pricing system is not going to come into place and, essentially, it will be on hiatus, at least until October 21st.

If we see a Liberal government after October 21st, then it's likely that the output-based pricing system is

just going to stay on the sidelines, if you will—that it won't be enacted because of, I guess, the First Minister's view that it would be a duplication. On the other hand, new federal government, maybe we do see the output-based pricing system return.

Is that—am I accurately capturing the minister's comments there?

**Mr. Pallister:** I think there's another possibility, and that is one that I raised with the member all—year ago. And that is that if we can develop an agreement—which we're closer to because of the position taken by the NDP during the election campaign, which was different from the previous position taken by the NDP.

This current position, should the member consider this, is much closer to the original proposal we made to Ottawa. But we couldn't, at the time we were attempting to negotiate with the Prime Minister, say we had unanimity here in Manitoba because the position of the official opposition was not in support of our plan. Now, however, frankly, we have agreement that a flat carbon levy is supported by the NDP.

This is a new position. It is an exciting position to hear because it coincides with our original proposal, whereas previously we had, from the former member for Wolseley, some expressions of a desire to see the carbon tax rise to some astronomical height that would exceed even the Minister McKenna's most fervent desires. And that was not a position which was in congress with our advocacy and our made-in-Manitoba plan—which, as I said earlier, thousands of Manitobans designed and supported.

Now we are much closer to being able to say we have a unanimous position. Should we have a unanimous position and should there be a new federal government or a congress of some different coalitions or whatever, we can now enter into a position of unanimity here in Manitoba, which would have been desirable some time ago and in which case we would strengthen our negotiating position, rather than seeing us divided and conquered by a federal government committed to imposing their own plan.

It'd be better that we present a unified face to something in support of a Manitoba plan, which—significant work done into designing. And now it is apparent the NDP has taken a position much more closely aligned with the original plan that was designed by Manitobans, than was the case previously.

\* (16:50)

So therefore there could be an opportunity here, could be an opportunity for Kumbaya to come into action. Then we could actually see a federal government that might be of a different makeup and might be with a unified approach, whether you, you know, we could—heaven forbid based on the display I saw today in the House from the Liberals—that we would get unanimity over there, but that being said, two out of three is better than one out of three, in terms of political organizations that would support a made-in-Manitoba carbon strategy that isn't focused solely, as the member and I have been sharing sincerely, our views that this is not just about a tax.

This is about broad-based strategies on a variety of fronts, many of which I believe there are points of common agreement. If we could demonstrate that unanimity, I would hope—I'm not sure today how many people the Liberals believe it takes to have a party. I suspect it might be less than three, but that being said, even if they do not choose to support a made-in-Manitoba strategy, if—hope against hope—the NDP could take the position that they would support a made-in-Manitoba strategy, belatedly, that would be helpful.

Obviously, as someone once said, stand together or fall together, and I think if we could stand together—the two major parties, even in the absence of the third, hesitate to call it a group, but the third apparition—we would have ourselves a better position in which to enter into some negotiation. I think that would be useful, and I think it might be worth considering.

**Mr. Kinew:** Oh, Mr. Chair, I must say that I'm pretty excited by what the First Minister's advancing here because I do think it's the first time that he's put this out here and I've got to say I'm quite excited by it, because I think this—if I'm understanding him correctly—is the first time the First Minister has talked openly about the possibility of the federal NDP forming government on October 21st.

And what he's saying here is if we have a Prime Minister, Jagmeet Singh, starting on October 22nd, or maybe a coalition—it could be a coalition, I guess. It could be a coalition that Jagmeet Singh is the leader of, that maybe there'd be an interest in working together with—I think that's what maybe the First Minister was advancing there, and I've got to say it's quite a magnanimous proposal on his part, to be able to work with a future Prime Minister Singh on solving the climate crisis. I think it's an interesting proposition.

Okay, we're going to text Jagmeet. I don't know if he'll be able to respond right away because the debate was just last night and there's probably another one coming up soon. But, anyways, I think that that is quite an exciting proposition.

As far as the other stuff that the Prime Minister is saying, I'm not sure that I follow. There is a bunch of, kind of, arrows pointing in different directions and stuff like that, but I guess, you know, it certainly does mean that we're in interesting and uncharted territory.

For the Hansard, I guess, you know, I'm having a little fun being a little sarcastic there.

Returning to a more serious kind of approach to inquiring what the First Minister here. I guess, it's fair to say, based on what we've been talking about the last little while, that a lot of what's going to happen with this government here in Manitoba, when it comes to climate, is going to depend on the outcome of the federal elections, whichever party does end up forming government, whichever leader does end up being the next Prime Minister. And, sort of, you know, the joking aside, you know, the elements of jest aside, on a more serious level, what I did sort of hear the First Minister say there—indirectly—and so I'd ask for clarity, is there is some openness to the First Minister bringing in a price on carbon in Manitoba, if the next federal government doesn't do so.

Is that a fair statement? Is that what the Prime Minister is suggesting? If the next federal government changes or removes the current carbon tax that the First Minister would go back to, I guess, his initial Climate and Green Plan which did include a price on carbon? Is that accurate?

**Mr. Pallister:** I wouldn't want the member to be overly confused in every respect. Certainly in respect of the hypothesis about the next federal government being formed by Mr. Singh. That would be speculative, at best. And certainly, part of the danger of that would be, as I alluded to yesterday, the—its *[inaudible]* willingness to stand in the way of any national project by permitting vetoes to be held by various provincial governments, as he said in Quebec in respect of the concept of Energy East or subsequent energy pipeline of any kind. It—as long as the Quebec Premier didn't want it, then he didn't want it either. Wouldn't want the member to be confused about that.

No, I was referring only to the possible perpetuation of a federal Liberal government or some type of coalition government which could concern him or NDP whatever, you know, whatever results are

achieved in the federal election will determine that likelihood.

No, just to be very, very clear, what I'm talking about is making sure that now and in future on every possible issue that we work together and develop—especially on issues as important as climate change, is that we develop positions in concert with those of Manitobans.

And Manitobans spoke very clearly when they participated in the thousands in designing our made-in-Manitoba green plan, that they believed in a position which—while the bromance between the Prime Minister and the Leader of the Opposition was flourishing for the first two or three years that he was in that chair, it was clear neither the Prime Minister nor the NDP wanted to support a made-in-Manitoba plan.

They were both opposed, and they were in concert with one another on an almost daily basis. *[inaudible]* from this, I'm not sure what's motivated the breakdown in the Kumbaya relationship between the provincial NDP and the federal Liberals, but it seems to have frayed somewhat.

And so now I see the position that was held in May, which was in concert with the federal position, largely, has changed in June to something different and in July to something different again. The July position is much more closely aligned to what we had originally proposed, and so that would give me hope that the Leader of the NDP might be now seeing the logic in what Manitobans had proposed in respect of addressing climate change, but I see by his next preamble that I—my hopes may well be dashed, that it may not happen.

But I would not accept the preamble that we are not—that we are waiting in any way for the federal government. We're waiting to see the outcome of the federal election, not waiting to enact our green plan. We have committed to doubling the number of young people who will be working in jobs supporting clean, green communities.

We are acting on our enviro team's commitment already, a \$10-million additional investment there. We're going to add active transportation pathways. We are acting on the carbon savings account I'd mentioned earlier. We're phasing up with power, acting on establishing Efficiency Manitoba.

We've launched a \$102-million conservation trust. We've created a \$52-million Growing Outcomes in Watersheds, or GROW trust, to work with partners

on conservation of ecosystems, enhance natural infrastructure, improve water quality. We've been urging the federal government to allow us to begin to flood proof areas around Lake St. Martin, Lake Manitoba outlets, to protect the folks in that area and around that basin.

And we'll continue to invest significantly in flood prevention infrastructure. And we will continue to work with the private sector to reduce and eliminate the use of plastic bags in Manitoba as well.

\* (17:00)

So these and many, many other initiatives should demonstrate that, as opposed to the previous government, which never hit a target that it set and made virtually no progress, according to the Auditor General of the Province of Manitoba. Achieving its environmental goals, we are serious about it and are doing it.

We're going to be building, by the way, as well, 20 new schools to LEED standards that will reduce their energy consumption significantly and put daycare spaces in each and every one of those schools, too. So we're very serious about pursuing a green agenda and we believe that the plan we have—designed by Manitobans—is an excellent plan.

**Ms. Nahanni Fontaine (St. Johns):** First, let me just begin by—it's my first opportunity to congratulate the First Minister on his election. I know there was a whole bunch of us in St. Johns watching as the election results came in and Fort Whyte came up. And actually there was somebody ahead of you, so we were all kind of thinking, is this it? But you obviously have a definitive win and so I just want to congratulate you on that.

Of course, now the speculation is that you're getting ready to retire, so we're looking forward to seeing—

**An Honourable Member:** You should throw a party for him.

**Ms. Fontaine:** Well, I don't know if I'm going to throw a party for him but, I mean, I do want to acknowledge the First Minister's career. Obviously, we are at opposite and polar ends of what we think is right on behalf of Manitobans and Canadians, but I do want to just congratulate him on that.

I would ask the First Minister: The government, in its mandate letter, outlined a plan to allow restaurants to deliver alcohol directly to customers. So is the Premier (Mr. Pallister) planning to expand the

ability of local stores to privately sell alcohol directly to customers?

**Mr. Pallister:** I appreciate the congratulations from the member, and I congratulate her, also, on her re-election in St. Johns. It's a convincing win.

And I'm not as accepting of the thesis as she is that we're at opposite ends of the spectrum, though I know she adopts that position openly. I think we're actually similarly concerned on a number of issues. And I would—again would emphasize, both to her and to all members of the committee—that we need to continue to look forward in our efforts to co-operate with each other on issues of shared concern. So I would say that to her.

I'd also say, in terms of speculation, that I've heard a great deal of speculation about her future career as well, but I don't choose to dwell on it. I think it will be what it is. And as it is, I'm sure we'll all observe with the same level of interest that she observed my re-election in Fort Whyte.

So in respect with the restaurants issue, that's one that can be raised at Estimates with the Crown Services Minister, and I'm sure that that minister will look forward to answering any questions about alcohol distribution changes.

**Ms. Fontaine:** So is the First Minister saying he doesn't know what the government doing in respect of selling alcohol, or he's just refusing to answer the question? Like, he does know, but he doesn't want to answer the question, and every single question that I'm going to ask here, he's going to tell me to go to the minister responsible, which I suppose, to be fair, would be okay except for the fact that we all know around the table that the ministers don't actually answer the questions, either.

So kind of you're in this Catch-22. You want to be able to ask the questions to the gentleman that actually all of this kind of precipitates from or is predicated from. And so I guess the question is: Is the minister not answering, or the—does the First Minister not know, or?

**Mr. Pallister:** No, simply referring the member to the minister who would be best qualified to answer the questions that she poses. And I think that's the best way to expedite a response that she may need. And I certainly would take exception to her observation that ministers don't answer questions. I think if she's been observing this session at all, she would know that I most certainly answered questions related to various aspects of various portfolios quite fully and provided

all information I could. And what I couldn't provide, I've undertaken to deliver. So I strongly disagree with her assertion.

I would also say that our ministers take very seriously their responsibilities and I'm sure would welcome her questions, so I would invite her to ask them in the appropriate venue.

**Ms. Fontaine:** Okay, I'm going to take it from that that the First Minister doesn't know the answer to the question.

So does the Premier (Mr. Pallister) think that Manitobans should be able to buy a case of beer or a bottle of alcohol at Costco as they do their shopping?

**Mr. Pallister:** Well, again, the member chooses to assert that I don't know so she can live with that assumption, I guess, Mr. Chair, even though it's false.

**Ms. Fontaine:** Well, that's a tricky one to kind of understand what the Premier may or may not think there. So I'll leave that with a big, fat question mark as well.

Should the MBLL expand their store footprint in local grocery stores like Superstore or Costco?

**Mr. Pallister:** Well, again, the member can belabour the point. I've endeavoured to direct her to where she can best get the answers to her questions, and that would be with the minister responsible for the file, and that would be the appropriate manner in which to get the answers she desires.

**Ms. Fontaine:** Be clear, it's not getting the answer that I desire, as the First Minister is indicating. It's actually just getting answers that Manitobans would actually want to know. Right? I think that there's a lot of Manitobans that would like to know what's going on in respect of some of the things that we've heard in the mandate letter. I think that there are fair questions.

I think it's unfortunate that the First Minister is already, like, I don't—what—we are in three minutes into this session or this little—the first opportunity that I've had to ask questions, and the First Minister is choosing—is making a very conscious decision not to answer any of my questions. That's okay.

We'll go down the line and see if we get any—but actually, the First Minister just said previously that, you know, ministers are wanting to answer questions, but I would point out that the First Minister should know all of this and should be willing to answer questions that Manitobans want to have answers to. But so far he is choosing not to.

So I'll go down the line. Does the Premier envision expanding the use of private liquor, wine and beer sales in Manitoba?

**Mr. Pallister:** Asked and answered.

**Ms. Fontaine:** Question five. I'll go on. No answer to any of them thus far.

With respect to the social responsibility mandate of MBLL, can the Premier indicate whether or not MBLL is currently spending all of the allotted funds for social responsibility on projects for this past fiscal year?

**Mr. Pallister:** Asked and answered.

**Ms. Fontaine:** It's unfortunate that there's no media here. Oh, somebody just walked in, to see a First Minister who was just a couple of minutes ago was answering—while putting quotations—the Leader of the Opposition, but is choosing now not to answer any of my questions. And I'm curious what that might be, or what the difference is there.

So let's go to question six and see if we can get any answer from you.

What role will the social responsibility play in the gaming review the Premier is planning to 'conduct'—conduct, pardon me.

**Mr. Pallister:** Well, I'd ask the member to expand on that so I understand more what she's looking for.

**Ms. Fontaine:** Well, I guess, what—let me—I'll say it again. What role will social responsibility in the gaming review the Premier is planning to conduct?

\* (17:10)

**Mr. Pallister:** It will be considered.

**Ms. Fontaine:** Given the last review of gaming in Manitoba that was released in 2016, what new facts or issues prompted the government to propose the start of a new review of gaming in Manitoba in its most-recent mandate letter?

**Mr. Pallister:** Maybe the member could clarify what review she's referring to in 2016. *[interjection]*

**Mr. Chairperson:** The member for St. Johns.

**Ms. Fontaine:** Pardon me. Pardon me.

Well, I will get back to the Premier (Mr. Pallister) on that, to the First Minister.

So, I just wanted to go back in respect of any changes that Manitobans can expect in respect of MBLL. Is the—does the First Minister care to share

any upcoming changes that his government is currently reviewing or undertaking?

**Mr. Pallister:** Sorry, maybe I'm—I don't want to misinterpret the member's question. I'll just ask her to repeat it, if she wouldn't mind.

**Ms. Fontaine:** Well, I did ask a series of questions. And I think that those series of questions were an attempt to kind of ascertain whether or not there's going to be any changes from your government in respect of MBLL. Are you going to be expanding the store footprint? Are you going to be allowing local stores to privately sell?

There was a series of questions there, and I think that the material point there, or the cohort of questions is trying to ascertain whether or not there's going to be any changes coming down the pipe?

**Mr. Pallister:** Well, if it's helpful, I'll just read from the 100-day action plan. I'm not sure if that's what the member is wanting me to address, though, and I'm not trying to get away from her question, but I'm not 100 per cent sure what—she was referencing several things there, including, but not limited to, gaming strategy, restaurant delivery of alcohol and so on, and I encouraged her to—for more detail to consult with the Crown—minister of Crowns.

But I can read to her what we have issued publicly already from the action plan.

Item 13: develop legislative changes to allow restaurants to deliver liquor directly to customers. Manitoba Liquor & Lotteries and Liquor, Gaming and Cannabis Authority are working to develop the requested changes.

It is expected that the legislative changes be introduced spring 2020.

So that's—you know, I'm not getting into great detail. If that's what the member wants, I'd suggest she speak to the Crown minister.

Fourteen: Direct Manitoba Liquor & Lotteries to adjust VLT revenue-sharing agreements with veterans' organizations until the end of the provincial gaming review.

Sixteen—item 16 relates also directly to Liquor & Lotteries: To exempt Manitoba craft distillers, cideries, brewers from product markups for craft products produced and sold on premises.

Manitoba Liquor & Lotteries mandate letter directs them to ensure markup policies on liquor products support economic development in Manitoba,

including encouraging the expansion of local brew and distillery pubs and exempting Manitoba craft distillers, cideries and brewers from product markups for craft products produced and sold on premises.

Crown Services Secretariat will work with Manitoba Liquor & Lotteries and other departments to develop a proposal to bring forward for government's consideration.

Yes, these are—all these recommendations in the 100-day action plan are available online on the proactive disclosure website, so the member can certainly see them there.

**Ms. Fontaine:** So, I guess, then, the First Minister would then characterize some of these changes as moving more and more towards the privatization of selling alcohol, and I would wonder where those dollars that go into the government coffers, where would that come from, because clearly it seems to me that you are—the Premier is moving more towards privatization.

**Mr. Pallister:** Well, let's—let's have a look at what the member's asserting, some kind of ideological argument she's making, I think, by way of sort of an attempt at attacking private sector—I'm not sure what she's trying to assert. I'll just say allowing restaurants to deliver liquor directly to customers, the member could perhaps elaborate on how she feels that that is somehow punitive to Liquor & Lotteries, and in terms of adjusting VLT revenue from veterans, how that's an advantage to the private sector, I'm not sure. The member might like to elaborate on that.

And in terms of the issue around craft distillers, cideries, brewers, being exempted from product markups for craft products is something that's done in every other jurisdiction that we can find and, as a consequence, we have, I think, two, maybe three distilleries located in Manitoba, and there are over 50 in Saskatchewan, Alberta and British Columbia, because in those jurisdictions, for some time now, they've exempted small, mostly family-run businesses from having to charge a markup. When they have a little business where they serve the products they make in their premises, they exempt them.

So this is, some would argue, I suppose if they were philosophically concerned about private sector companies creating jobs somehow, they would say this was right to have a differential markup that punishes small businesses and family-owned firms from having distilleries.

If they thought that was a good thing to do, and it seems the member does, then they would be happy that there are so few here in Manitoba and that most of them are elsewhere, but otherwise I would think it makes good sense to allow folks who invest significant amounts of money and time and effort and innovation in creating a product to be able to sell it in their place of business to customers so they could sample it, and perhaps they could continue along the lines of that business and create some more job opportunities for their family and others, you know.

And I don't see this as a ideological battleground; I see it as some practical decision making that others, including an NDP jurisdiction in Alberta, have already acted on.

**Ms. Fontaine:** So the Premier (Mr. Pallister) has previously received briefing notes that discussed proposals to increased child-care fees for parents. This past June he issued an RFP that had a non-disclosure cause embedded within it, forcing whoever signed it not to disclose the terms of an RFP.

\* (17:20)

Will the Premier be clear with Manitobans and tell the committee today whether or not he will increase parent fees for child-care centres?

**Mr. Pallister:** Well, before the member takes off with the black helicopter, I just have to remind her that the previous NDP government's standard practice was non-disclosure clauses on all such RFPs, and that is a practice which has continued here and that there have been no conclusions reached on the proposal that she is attempting to advance, nor will there be. In due course, we'll examine, as is always the case, on an ongoing basis, how child care's offered in this province.

But one thing that we have to do is focus on reducing the exorbitant wait-time extensions that have occurred over the last several years in this province, as a consequence of the ideological propensity of the previous government to shut down neighbourhood privately run, family-run daycares.

**Ms. Fontaine:** I don't know how the Premier thinks that apparently or so-called closing down private daycares, and this move—that the Premier has clearly been moving toward since he got elected—more private daycares, at-home daycares—is going to, in any way, shape or form, deal with the 16,000 spots that we are currently waiting for in Manitoba. I don't understand where he was kind of going with that.

But, again, I think that the question that I asked—and I know that it's been asked in question period, and you know, of course, as is the way of QP, we didn't get an answer on that, but I think that—and I know, we just finished an election, and there were several parents that were concerned about the state of affairs in respect of child care here in Manitoba. In fact, I remember meeting a young woman who said that she was leaving because she simply couldn't afford, you know, under the current fees, or the current salary that she made, she just was not able to stay in the position.

And so we know, I mean, that there's been an absolute increase in the number of spots that families are looking for. So I don't understand, you know, and the Premier should be able to explain how an increase in parent fees for child-care centres is going to help that in any way.

**Mr. Pallister:** I'm not sure why the member is advocating for an increase in parent fees. It's not something this government had advocated for. But I can explain to her with a little background so she can have a better understanding of it, the challenges her previous government, under the NDP, created for parents looking for child care.

In most provinces in Canada, there's a balance of options between privately operated neighbourhood or family-run child-care spaces and government-run facilities. That was the case in Manitoba prior to the NDP coming in.

Under the NDP, however, the bias of ideology reared its ugly head and what happened was that these neighbourhood daycare systems were discouraged. They were discouraged by way of significant increases in regulatory constraints placed on small centres, family-run centres. They were discouraged in a variety of ways, not discouraged elsewhere, though.

So, for example, families in British Columbia or Saskatchewan had the option of privately run neighbourhood child cares or state-run facilities, and the balance is there. It's—varies by province, but roughly a balance, 50-50, 60-40, in that range. In Manitoba, under the NDP, such a balance was destroyed. We have a situation now where we have approximately a 95-5 ratio, and wait time's growing as a consequence in part of that.

So the member's questions about ideology are being responded to by telling her quite frankly that the NDP ideology created these wait-times. What we're trying to do is get away from ideology and get back to more child-care spaces for families. And that is what

families want. I don't think that most families care too much about the ideology; they care about the child care.

So we introduced a Child Care Centre Development Tax Credit. We created a program to enhance the recruitment of early childhood educators. We're enhancing the Online Child Care Registry. We've created 1,600 new child-care spaces since we came to government. It's a start. More needs to be done, I acknowledge that. But I can say that under the NDP, that child-care wait-list doubled, and it is, unfortunately, an inherited mess. And we are attempting, with the best efforts possible, to clean it up.

I can say that through the Canada-Manitoba Early Learning Child Care Agreement we're creating more than 3,100 total child-care space between April '16 and March of '19. Fifteen hundred and ninety-four new child-care spaces.

We also are investing significantly in new schools. We have built five school-based child-care facilities just in the past fiscal year, creating 496 new spaces over the next decade. With the construction of new schools, we'll create over 1,500 more new school-based spaces.

This is a comprehensive plan and it's not based on ideology. It's based on a focused attempt to get more child-care spaces for Manitoba families who need them. And we'll continue to focus on affordability, availability and quality of child care as we move forward.

**Ms. Fontaine:** I have to admit that, naively, I thought that the Premier (Mr. Pallister) would probably, at this point, going into year—well, I guess we're still at three and a half years—you know, tire of the, you know, the NDP did this and the NDP that, and actually get at the job of actually governing, instead of always going back and, you know, his take, his interpretation of what transpired. But we've all this week, that that tired rhetoric continues to be narrated by the Premier.

And even in the respect of daycare, because in that whole five-minute or whatever-it-was rant, the Premier still hasn't answered the question in respect of whether or not he will increase parent fees for child-care centres. And, as I said—you know, and I know that all of my colleagues here and in the other Chambers—all of us heard the concerns from parents and from ECE workers about the current state of affairs and what the government, you know, has been, well, not really doing.

There hasn't been any definitive, real action in that last three and a half years. And now we are in the Premier's second term, and instead of, you know—I mean, I listened to the Premier talk to the Leader of the Official Opposition (Mr. Kinew) and say about, trying to like, have some sort of Kumbaya and have everybody come together and work together.

But the Premier is still stuck in the past and keeps parroting a tired, tired narrative about the NDP. And yet this—the Pallister government has had three and a half years to do something substantial on this. And, you know, I would suggest and I would submit that the Pallister government has not—the Premier has not shown leadership in respect of child care. The very fact that child care waiting has—you know, the waiting list has gone up to—I don't even know what it is right now, but last count it was 16,000.

I know that last winter I had the opportunity to go to the U of W, and we had some community women from the Somalian community ask to meet with myself and actually, the member for Union Station (MLA Asagwara), who was not, obviously, the member at that time, but—so we went and met with about—probably about 20 Somalian women. And their biggest issue that they were talking about was child care. They were talking about how they couldn't access child care and then the cascading effects of that. They couldn't go to English language programming because they couldn't find daycare. They weren't able to get employment because they couldn't find daycare. In fact, I remember repeatedly several of them saying, we are literally stuck in our houses because we have no daycare.

So, you know, it's—and again, I will admit, it was naive of me to think that the Premier would move on, leave that in the past, this tired narrative. But, as I said, we've repeatedly heard it all this week. But the question still remains, and, you know, Manitobans want to know: Does the Premier plan to increase parent fees for child-care centres?

\* (17:30)

**Mr. Pallister:** I'm sorry the member's so filled with hatred and vitriol, but I'll let her continue talking.

I've given her the numbers, the progress we've achieved. I've told her the circumstances we've inherited; she doesn't like to hear it because she doesn't like to hear about the dismal record of the previous NDP government, and she does not like to hear about her own personal dismal record either.

But I'll leave that for another day and simply say, if she wants to hear herself talk, here's her chance to continue talking. If she'd like to ask some relevant questions, I'm happy to take them.

If she'd like to ask the minister in charge of Liquor & Lotteries a Liquor & Lotteries question, she can slip over to another Estimates room and ask those questions when the time is right. Otherwise, have at her.

**Ms. Fontaine:** I honestly, honestly don't know why—

**An Honourable Member:** You don't, that's right.

**Ms. Fontaine:** That's exactly what I just said. You are so—*[interjection]*

**Mr. Chairperson:** Order, order.

**Ms. Fontaine:** You're so nasty. You're so nasty.

**Mr. Chairperson:** You're supposed to—can—I'd just like the member to St. Johns to—

**Ms. Fontaine:** I have the floor; he's been interrupting.

**Mr. Chairperson:** And that's why I called order, but you should still be directing your comments through the Chair.

**Ms. Fontaine:** The fact that the Premier (Mr. Pallister) can sit there and try to say that I'm full of hatred and 'vitrolic' narrative simply because I am asking whether or not he plans to increase parent fees—that it would bring out this need for the Premier to be disrespectful towards me—all I'm doing is asking questions. And all I'm saying is that it's time that we move on in respect of the 2019 condition on where we are in child-care centres.

So for the Premier to start with that I'm full of hatred and all that, and then for the Premier to interrupt me and say to me that I do not know is nothing more than just disrespectful behaviour. It is an attempt to intimidate. It is an attempt at putting me down. All I'm doing is asking questions. That's all I'm doing.

It is just—and I think it's important for Hansard—for those that read Hansard to realize what it's like in this House for women, for indigenous women to have to sit in here and ask questions and then have to have the Premier—the First Minister—accuse oneself of being—have hatred, not knowing anything.

So I will continue to answer my question—or, ask my question. Will the Premier be clear with Manitobans and tell the committee whether or not he will increase parent fees for child-care centres.

**Mr. Pallister:** Previously asked and answered.

**Ms. Fontaine:** In fact, the First Minister—you have not even once in all of your narrative, talked once about parent fees.

And I know that this may not mean anything to the First Minister, it may not mean anything to several people in your caucus, but it certainly means a lot to the vast majority of Manitobans—in particular indigenous women, single mothers, newcomers. It means an extraordinary amount of—it means a lot to understand whether or not this Pallister government plans to increase parent fees for child-care centres.

You have not answered the question. You've chosen instead to go on in an attacking way. And it's—Manitobans deserve to know whether or not you're planning to increase parent fees.

**Mr. Pallister:** No question there. Just an assertion.

**Ms. Fontaine:** The Premier has frozen operating grants for child-care centres for the past three years. This has placed great pressure on centres and on early childhood educators, as I've shared. And I—you know, hopefully we can share more of these stories about what we heard on the steps in this last election. I'm not sure if it would mean anything to the Premier. But we know that this directly impacts the salaries that centres are able to pay, thus making it more difficult to attract and retain early childhood educators.

I spoke about the young woman that I met who was so upset that she was forced to leave her position because she did not make enough money, that there had been not—there had been no raises. And these are important issues. We know that it makes it more difficult for centres to buy basic supplies. And we know that the cost of living continues to rise.

So I would ask the Premier: On what basis did he determine that it was appropriate to freeze support for child-care centres for nearly four years, and does the Premier plan to end this freeze in this coming year?

**Mr. Pallister:** Manitoba child-care fees have been maintained by this government as the second lowest level in the country, third lowest median daily child-care fees for preschool spaces, third lowest median day-child-care fees for infant spaces *[inaudible]* Montreal and Quebec City. We invest significantly more than the Canadian average. We rank in the top three of all provinces in terms of allocation of child care, and we plan to continue to.

**Ms. Fontaine:** Again, the Premier (Mr. Pallister) has not answered the question. I mean, just reiterating

what he thinks to be fact isn't actually answering the question that I'm entitled to ask. And it was whether or not the Premier thinks it's appropriate to freeze support for child-care centres, and will he end this freeze this coming year? And I will reiterate, again—and I plan on sending this Hansard to that young woman and to some of the other women that I spoke to in St. Johns to just—and I, you know—the—so that St. Johns, these particular folks actually hear the Premier and the level of disregard to questions that I'm asking that Manitobans want to hear.

You know, one of the things that I often do is—because if you don't—if you don't have the opportunity to sit in the House and actually see the way things unfold and the way that the government kind of talks flippantly about things, you wouldn't believe it. Because I—you know, not everybody has the opportunity to sit in the Chamber and hear those things.

So I do often invite folks who, you know, are upset about whatever particular issues and I invite them into the gallery. And I can tell you that almost every single person has said that they cannot believe the level of disregard and lack of empathy in respect of issues that are brought forward.

Whether or not the Premier, you know, agrees with it or, you know, cares anymore, it is our job as the official opposition to ask these questions. And every question that I've asked, the Premier has very methodically chosen not to answer any of them. And so, you know, we can go—I mean, I know that Premier's going to be here for the next two weeks, sitting in committee. And so I don't know if he's just biding his time. But the fact of the matter is is that the Manitobans that I represent, that we all represent, pay all of our salaries, including the Premier's. And so it would be nice if the Premier actually just answered the question.

\* (17:40)

I asked about child-care fees, whether or not he was going to increase those. I asked about whether or not he plans to end the freeze on child-care centres, that support that is so needed to be able to carry out the duties that all of us rely on. If it wasn't for the amazing daycare that both of my sons went to, I wouldn't have been able to go to university. Like, all of our child-care centres deserve to be supported and thus supporting Manitobans who want to do a variety of things: work, go back to school, whatever it is. So, you know, Manitobans deserve to know the answer to this.

Miigwech.

**Mr. Pallister:** There was no question there, Sir.

**Ms. Fontaine:** I'm not sure if the Premier understands that when I say, does the Premier plan to end the freeze on child-care centres, that is a question, and again, he is choosing not to answer questions that I am allowed to ask in this Estimates process, that Manitobans deserve an answer to.

**Mr. Pallister:** I agree that she's allowed to ask questions. There wasn't a question and Hansard will show that. If she'd like me to, I can repeat what I've said before and certainly illuminate for her the background that led to the challenges that we inherited from the previous NDP government.

We saw the fastest growing child-care waits in Canada under the previous NDP government. This was largely due to the fact that the ideological strategies of the government reduced the availability of privately provided child care to a significant level below what the national average is. The private sector is grossly under-represented in Manitoba's child-care sector compared to other provinces. I could give her a couple of comparatives. Private spaces make up less than 5 per cent of Manitoba's child-care system versus 58 per cent in Alberta, 49 per cent in British Columbia.

We have maintained some of the lowest child-care charges and some of the highest levels of investment of any province in Canada. We are consistently in the top three in Canada on several categories. I've enunciated that for her on two previous occasions.

We've introduced a Child Care Centre Development Tax Credit. We created a program to enhance the recruitment of early childhood educators. We've enhanced the Online Child Care Registry. We've created significantly more in child-care spaces in our last three years than the NDP did in their last three years of government.

In addition, I can say to the member that this remains a significant priority for our government and a growing priority, obviously, given the young population and high degree of new immigrants to our province from around the world, who bring their families with them in many cases. Our government has put already 496 new spaces in our school-based child-care facilities just in the last year, and over the next decade we plan to open 1,500 new school-based spaces.

I have offered this information to her previously. I repeat it. I can only hope that she now hears it with comprehension. In respect of the efforts we are making, it is our hope that we can spark the creation of even more spaces as we move forward because we, obviously, all here, share the goal of making child care available and affordable to Manitobans.

**Ms. Fontaine:** Earlier this year, the Minister of Justice (Mr. Cullen) announced that he intended to look at a connection between youth incarceration and child welfare.

Who is responsible for undertaking this review?

**Mr. Pallister:** I just want to be sure I'm getting the member's question completely and fully. And I do apologize to her for asking her, but would she mind just repeating that so I make sure I get the right information for her?

**Ms. Fontaine:** Earlier this year, the Minister of Justice announced that he intended to look at a connection between youth incarceration and child welfare.

Who is responsible for undertaking this review?

**Mr. Pallister:** I am of the understanding there's a partnership exercise going on between the Department of Justice and the department of Child and Family Services examining this issue at the present time.

**Ms. Fontaine:** So, to be clear, there's no external consultant doing this review?

**Mr. Pallister:** So I'll just read from the document, introducing this in May, I think, of this year: Forming a joint family, seeking better outcomes, rethinking Manitoba's approach to youth justice for crossover youth, joint project families and justice. And this is forming an implementation team with the mandate to work together to develop co-ordinated case plans for crossover youth and ensure that prosecutors are fully informed so they have the best information to decide how to resolve criminal charges.

There are five, sort of, priority bullets outlined in this document: design a community-based outreach program in Winnipeg and Thompson to look for children reported missing from their placements and seek Treasury Board approval for funding; design a breach oversight office in Winnipeg, seek Treasury Board approval for funding; catalogue existing youth crime prevention and treatment programs, identify gaps; make recommendations on the development of additional resources; liaise with youth mental health

and addictions team to ensure the services they're recommending would be part of the options for youth in the justice system.

Yes, there's more to it, Mr. Chair. If I have a bit of time, I'll just more fully address the issue. Is that appropriate?

**Mr. Chairperson:** Yes.

**Mr. Pallister:** Liaise with youth mental health and addictions team regarding development of a semi-secure treatment facility for youth. Begin consultations with indigenous community leaders regarding the development of an open custody facility for youth in northern Manitoba. Prepare a proposal for legislation to regulate the use of physical restraints and secure isolation for children in youth custodial facilities. And, on completion of these tasks, develop and present to ministers the plans for the next phase of implementation.

In terms of the consultants referenced, these are internal staff that are involved in this joint exercise between the two departments.

**Ms. Fontaine:** What is the current status of the review? When can we expect that it will be complete?

**Mr. Pallister:** It's under development, so there's no report to issue at this point in time. Look forward to that.

**Ms. Fontaine:** When it is complete, will the minister release the report?

**Mr. Pallister:** As has been our custom, we've made reports public through *[inaudible]* and disclosure mechanism through distribution to MLAs and so on. So we'll continue to do that with this report.

**Ms. Fontaine:** I know that the First Minister noted in that he would—or this review would be meeting with indigenous leadership. Can the Premier (Mr. Pallister) advise which indigenous leadership, which organizations, which community groups within the indigenous community?

**Mr. Pallister:** Well, I don't think I can elaborate on that, but I'm sure the Families Minister or Justice Minister would be equipped to have a more recent update than I have in terms of the details of the consultation.

\* (17:50)

**Ms. Fontaine:** Has the children's advocate played a role in this review?

**Mr. Pallister:** Both of those departments and other relevant departments are in regular contact with the children's advocate, so any previous recommendations made by the children's advocate would be taken into account in the work that would be done by these departments. And, of course, any reports prepared would be shared with the children's advocate as well.

**Ms. Fontaine:** What makes this review different from any of the other reviews that have already been completed, for example, the Manitoba Aboriginal Justice Inquiry?

**Mr. Pallister:** I'm not sure I can do justice to the member's queries on this, but I'll just say that, as far as differences and similarities are concerned, each of these issues is important to be addressed. Previous investigative studies on a variety of issues, such as the tragic passing of Phoenix Sinclair, the Hughes inquiry recommendations, the Tina Fontaine work, the truth and reconciliation committee—all of these important works and others have been examined by governments preceding us and by our government. If there's a difference, I would say it would be in our willingness to act on the recommendations.

We've already acted on the 95 per cent of the recommendations of the Hughes investigative study. And their recommendations are being implemented. And we're seeing some—a little anecdotal at this point, because it's early days—positive consequences.

As a result, the TRC work, which was extensive, we're acting on a significant number of those. I don't have the detail on exact numbers at this point, but I can say that on the investigative work that's been done, I think it's been, overall, very impressive work, and we're continuing to, as a government, act on the recommendations that we have received, with real focus.

**Ms. Fontaine:** It's been noted that the review will provide recommendations for reducing the rates of incarceration and recidivism and tackle how to get better treatment and support for youth. We know that previous government reports and reviews have made these types of recommendations.

We also know that the present addictions and meth crisis, in particular, has grown rapidly in our city in the past few years. But it does beg the question why the Premier (Mr. Pallister) hasn't directed—hasn't done immediate action in addressing any of these.

**Mr. Pallister:** Well, I can only hope to persuade the member that I'm sincere when I say we're acting on

the recommendations we've received. I would suggest to her when she makes the false assertion about our government doing nothing—I mean, it's just a false assertion. I'm not sure where she's coming from, although I'm pretty sure.

But I would say that, the fact that on the Phoenix Sinclair inquiry recommendations, for example, our government has acted on over 90 per cent of those recommendations; that there's pretty compelling evidence that doing nothing isn't in our DNA.

As far as the youth in custody issue, an important one which she raises—there are significant issues here that have been of long-standing, and I would suggest to her that the work that has been done already, the analytical work of Manitoba Justice, clearly demonstrates that we've got some problems and reaffirms those.

There's significant correlations, the member knows, between youth involved with the child-welfare system and youth in custody. It's not a secret. We've—Manitoba Justice analyzed admissions to the Manitoba Youth Centre in just October of '18, and of 145 admissions, 76 were involved with the child-welfare system; 101 of 129 different youth that were brought in were repeat offenders. Two thirds of the CFS-involved youth were charged with violent offences. One third of all youth were incarcerated for addictions-related matters.

This is a one-month snapshot, but I share this with the members of the committee not to try to, you know, provide definitive conclusions but rather to suggest that there is clearly a high recidivism rate with youth repeatedly getting cycled through the system. And there is significant overlap between youth involved in the child-welfare system and youth charged with crimes.

So recidivism is a significant issue among the young offender population, and this work that is—has begun and is ongoing as we speak between two departments, Justice and child and families, is important work.

The stats, preliminary figures that the Province has collected, show that youth who first came into contact with the system in 2010 accounted for over 10,000 additional contacts by the end of 2018. And additional preliminary figures show that youth with 10 or more contacts with the criminal justice system accounted for 70 per cent of all youth contacts with the system between 2010-2018.

And I repeat, preliminary figures show that youth with 10 or more contacts with the criminal justice system accounted for 70 per cent of all youth contacts with the system between 2010 and 2018.

So, you know, it's—these are significant and important challenges, not just, obviously, for the justice system; for the families of—of young people who are making the decision to engage in criminal activity, this poses great challenges for them, for the community in which they reside. So this is the motivation to do the important work of examining the issues around youth recidivism.

**Ms. Fontaine:** As the Premier (Mr. Pallister) is well aware, the—Manitoba's children's advocate, Daphne Penrose, said the review must recognize that many youth continue to run into conflict with the law because there are not enough treatment and support options for mental health and addictions.

Does the Premier plan on funding increased resources for youth and, more specifically, for mental health and addictions?

**Mr. Pallister:** Absolutely.

**Ms. Fontaine:** Can the Premier share with Manitobans and in particular youth who are trying to access those mental health and addictions supports, specifically what he's talking about when he says, absolutely?

**Mr. Pallister:** Well, again, I'd encourage the member to use the appropriate Estimates venue to get detailed answers from relevant ministers, but I will say that there's clearly an acknowledgement by our government of the need to continue to make focused investments in areas of importance to address the issues around mental health. We've worked very diligently with our federal partners to obtain some additional funding support from them but prior to that had engaged in significant new and additional investments in a variety of areas.

We had—in terms of not exclusively of youth but for—in terms of addictions treatments had invested in 12 new treatment and waiting spaces for those that are suffering from meth psychosis and other mental health and addictions issues. We have, through the partnership work we—

**Mr. Chairperson:** The hour being 6 p.m., committee rise.

## FINANCE AND CROWN SERVICES

\* (14:50)

**Mr. Chairperson (Andrew Micklefield):** 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 previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Mr. Mark Wasyliv (Fort Garry):** I'm wondering, we learned that the Crown lands property agency was dissolved by regulation in March of this year and I'm wondering if the minister can expand on what considerations drove that decision.

**Hon. Scott Fielding (Minister of Finance):** It was a move to be more efficient and effective of how we're managing our land asset services.

**Mr. Wasyliv:** It's my understanding that the creation of Crown lands property agency was a result of a special report and stemming from a—Hecla and Gull Harbour land scandals in the '90s, and there was a number of lessons that—learned from that scandal that led to the creation of that report.

I'm wondering if the minister can explain that—how the new agency is going to incorporate the lessons from that scandal and not, in fact, repeat it.

**Mr. Fielding:** Yes, I would say that before a lot of, there's a lot of different areas that deal in lands, right? You've got infrastructure, for instance, that you might have right of ways that you're kind of holding on as a right of way for a long period of time until the infrastructure work happens. There's Agriculture, there's Sustainable Development, and Sustainable Development does a lot of, kind of, the lots, I guess I would say the cottage lots.

So we believe that if you put it all together there's not going to be any gaps because there's so many different departments that are involved in it, if you have a group together that's specialized to do it.

And what we actually found previously was that it would take, you know, just a very long period of time for any transaction to happen. And what ended up happening, I think the number was somewhere around 350—some odd days or even longer, so over a year for any transaction to happen.

When you are disposing of land in any way, there's a TLE process that you have to go through that's kind of circulated. There's actually a

requirement for some municipalities; they have an opportunity to, I'd say, purchase the land first for it.

So there was too many, I say, chefs, or too many different departments that would touch if you were able to put it together. It's able to streamline the process. And we put a little bit more criteria, for instance, where there's touch points, I would say. Some things need to go to Cabinet, under a certain level or a certain high level where you would need to be approval.

If someone—let's say there's a government employee wants to buy a land, some stop at the ministry level where I would be able to approve, or the minister of the day would be able to approve that land sale and others would be—would stop kind of at the deputy or the administrative level for it. So it's able to streamline the system to make it more efficient. If you decide to dispose of land, we think that, you know, taking a year to do this is far too long, and what would end up happening, you know, again, a vast majority of these wouldn't even be completed.

So we think the system that was in place wasn't efficient, wasn't effective. There is, again, more openness and transparency with this and more eyes with a whole bunch of groups of people that would be there together to do a whole variety of things because when you're selling land, there's a value, what the assessed value is, there's all—you know, a whole number of things that need to happen.

So putting together under one area, as opposed to having spread out through governments, we think makes a lot more sense, and quite frankly, we think there'll be more eyes and ears and things so there isn't things that are missed. We used an example of Hecla; so we think that the new system in place would be more transparent and something like that would not happen.

**Mr. Wasyliw:** So could the minister provide the committee a time estimate of what this government is targeting for the sale? If a year is too long, what is the right amount of time?

**Mr. Fielding:** I think, for the most part, again, these transactions were taking about a year. If we could split that down to about one third of that level, we think there is an appropriate amount of time. Again, there's steps that you have to take. You have to kind of distribute it to all departments to make sure there isn't a use for whatever means that they may have in the department.

There's a TLE process on some of the lands. There's a municipality piece that's there. So, if we could, when depositing—disposing land, break that down by one third, 33 per cent of the amount of time it takes right now, we think that would be the goal we'd like to set.

**Mr. Wasyliw:** Now, it appears the minister has budgeted approximately \$2.4 million for staff salaries and another \$1.9 million for other expenditures. That's a total of \$4.3 million. At the bottom of one—page 103, it states that the CLPA had a budget of \$5.3 million in 2018-19. I'm wondering if the minister can explain this reduction and what functions were reduced to get to that number.

**Mr. Fielding:** Well, we're trying more efficient and effective, so we believe that we can get more out of less in terms of some of the servicing. I guess the points there that I would probably point to is the assessment piece. And there's a lot of logic to this. So, for instance, there is ebb and flows when properties would come online.

So if you're able to use outside assessors, what you can do is sometimes you can get things done a lot quicker than internally when you need the work done, so that's why we think that we can cut the amount of time where the transaction will happen by, you know, 66 per centish. That's an aspirational goal that's going to be each individual property. There may be certain reasons why some may take longer than others, but that's what we'd like to do, cut it down to, you know, more—around a threeish-month period—time period we think would be more realistic.

**Mr. Wasyliw:** So the example the minister provided was outside assessors. So I'm wondering if he could expand on that. Did the department have public servants who were assessors that did that work in-house and now those services are going to be contracted out or privatized?

**Mr. Fielding:** Yes, we had a mixed model. We used some outside assessors. We used some inside assessors. So what I would suggest to you that there would be probably more outside assessors being used under this new model.

\* (15:00)

**Mr. Wasyliw:** How many assessor positions have been reduced?

**Mr. Fielding:** I can say the department went from 50 to about 33 staff positions. We don't have the exact amount of assessors here. If you want to break down,

then we can certainly provide that information in—provide that as notice and get back to you with the amount of assessors in the time period.

**Mr. Wasyliw:** I would make that request. So I appreciate the minister's offer, and I'm wondering if, also, the minister can indicate if those assessor positions have now been deleted from the civil service.

**Mr. Fielding:** There was a number of positions that were vacant through the process. The vast majority of people were done through attrition. You know, people may have gone to other positions through redeployment. So we think that the number is somewhere around two positions.

**Mr. Wasyliw:** There were reports that 10 regular employees and one term employee were laid off. Can the minister explain how those functions will be maintained?

**Mr. Fielding:** There was a reduction, but the vast majority were redeployed.

**Mr. Wasyliw:** How many positions were—resulted in layoffs?

**Mr. Fielding:** I think we served notice that we'll—we can get the answer of the assessor positions. I can tell you, you know, just as a general sense, the vast majority of people, there were some positions that weren't on staff at that point, weren't filled. There were some positions that were redeployed. And I believe there was two people that were impacted from it. But, again, we can get you the exact numbers in the coming days.

**Mr. Wasyliw:** During the election a pledge was made to sell \$200 million of Crown land and properties. I'm wondering if the minister can indicate over what time period that \$200 million in properties will be sold. What would the average sell-off be per year?

**Mr. Fielding:** Yes, I believe the commitment was over a four-to-five-year period. I can't tell you what is per year because you might have bigger buildings and that not all the buildings are the same or where we'd say, okay, we're going to do three or four. There might be some bigger buildings, something in the—you know, the assessed value of something in downtown Winnipeg might be vastly different than something that's in Arborg or whatever. So it really depends on the schedule.

What we identified during the election campaign is we believe the numbers for asset sales could reach the number that you had indicated.

**Mr. Wasyliw:** My understanding is that the CLPA did only about \$2 million in land sales in the last year that a financial report was available. Is that accurate?

**Mr. Fielding:** System is broken. That's why we're trying to fix it.

**Mr. Wasyliw:** I'm assuming that's a yes, that that was an accurate number? It was \$2 million?

**Mr. Fielding:** We believe that's ballpark accurate figure. We don't have the exact number here. But I think that would be right to assume it was around there, and that's one of the reasons why we've moved to a different model that we think that if you are going to dispose of some assets, and that happens in every government, and lands or assets that you may or may not need, there's a system in place and the system is broken where it's taking upwards to a year for the vast majority—I think it was, if I remember it correct—if my memory is correct, somewhere around 70, 75 per cent. Once they went through this whole process for a year, the asset actually is not even disposed of.

**Mr. Wasyliw:** All right. So the current system is disposing property at a rate of \$2 million a year, and the government now wants to move in a direction, just rough averages—I appreciate the minister's comments and qualifications on this, but potentially upwards of \$50 million a year, and the minister is planning to do this with much less staff.

Why is the minister laying off staff in an area that is obviously going to be extremely busy and there's going to be a rapid increase in activity?

**Mr. Fielding:** Well, I don't agree with the premise that you need to just do internal staff to do these things. If you want to—if you're having your house assessed as a normal person, there's people in the private sector that can do this type of work. We want to use and have used, and I think when the previous government was in, used the same model, where there were some outside assessors that were used and some inside assessors that were used.

At the end of the day, when you're selling \$2 million of assets on a yearly basis, and again, governments make decisions of why they may dispose of some assets because they're not using it.

You know, we don't think that waiting a year for this whole process to happen and a good vast majority of these things don't even—the transaction doesn't happen because if it is exceptable, so we think that a streamlined process using a combination of public and

private entities to help with that process is something that's in the best interests of the government.

**Mr. Wasyliv:** I'm wondering if the minister can outline how the current process exists under the Crown lands property agency and how it will be different under the new agency that's being created. *[interjection]*

**Mr. Chairperson:** The honourable minister.

**Mr. Fielding:** Sorry—put some information to answer one of your earlier questions. There was four layoffs in total from CLPA—four layoffs. I'm going to ask for the question again. I was distracted by new information.

**Mr. Wasyliv:** The question was: I'm wondering if the minister can outline the process that existed for the sale of land under the Crown lands property agency and how—what new process under the new agency and how the two will be different.

**Mr. Fielding:** Yes, I can see the difference between the two processes. Number one, what would happen in the previous CLPA process is if land became—land or assets became deemed to be disposed—maybe they moved to a different building or whatever the reason may be, initially what would happen is they would circulate to all the different departments.

That—of course you could imagine how long that takes in a government process, and then what would happen is they would circulate to the municipalities. Again, you'd wait for a kind of time frames to hear back from municipalities, and then they would go through a TLE process, right.

So the change that we would have is we are not circulating to the departments and we're not circulating to municipalities where they don't have a first right of refusal of these things. We're following the exact same TLE process. That hasn't changed.

\* (15:10)

So I guess that would explain the difference between the two. The other piece, of course, there was more internal staff that were doing it prior, and now we're using a little bit more outside staff of a model between private and public sector to get the—essentially, get the asset sold or disposed of, or the issues addressed with it in a more timely fashion.

**Mr. Wasyliv:** Sorry, I'm not familiar with the acronym TLE.

**Mr. Fielding:** Treaty land entitlement. So it's the indigenous—where there's kind of two streams of it.

There's one I'm not going to, I mean, butcher my words here. But, essentially, there's a stream where—through the TLE process, indigenous organizations, I guess I would say, have a right to acquire some of the lands. And there's a portion where it would be acquiring it to meet TLE obligations. And there's also another stream that would allow indigenous organizations to acquire the land at market value rates.

**Mr. Wasyliv:** Is it a fair characterization of the minister and the department that the year delay was as a result of the consultation process of going through all the ministries, going through the municipalities, et cetera, and that was the primary reason for the lengthy delay in the minister's eyes?

**Mr. Fielding:** I would say a little bit of both, right? Probably that consultation process in government departments and also through municipalities. I guess what really kind of stuck out for me, and I'm an old city councillor, and so ways—I didn't quite understand why municipalities would have the first right of refusal of some of these properties.

So we are going to—I mean, they would have a right to bid on that like anyone else. I just didn't see how they would need to circumvent other people from doing that in and itself.

So you can imagine through, you know, government or organizations, you know, to get all—for government agencies to kind of consult and say no, we don't want this land, takes a long time. And then to get to I don't know how many municipalities there is—I think there is—I can't remember the exact—there's a lot of municipalities that you would need to circulate as well and get the information back. So that process was taking longer and we think that using a little bit more of a model—a balanced model where it's both public and private assessors and those types of thing. If you can get—you can move—you can get the property, essentially, disposed at in a quicker fashion, that makes sense for government.

**Mr. Wasyliv:** Okay, again, I just want to—I'm curious about this point, so I want to expand on it. If I understand this correct, municipalities would get the notice first so that they could choose to purchase the property from the Province before it went on to the, sort of, private market. Is that an accurate statement?

**Mr. Fielding:** I think they were second. So it would go to the departments—the government departments. That would happen and then it would go to the municipalities, and then the TLE process would kick in after that. That would be the order.

**Mr. Wasyliw:** Okay, so, if I'm correct, then, in the TLE process, indigenous communities would get the third right to purchase the property as opposed to the private market?

**Mr. Fielding:** Only the TL—only the indigenous organizations that were a signator to the TLE process.

**Mr. Wasyliw:** So, under the new, revised process, all governments, all municipalities, all signatories to the TLE process and the private sector would compete equally and nobody would get a preference to purchase?

**Mr. Fielding:** No. Municipalities will not be—we won't circulate to municipalities and say, do you want this land before it comes on the market. So that area is dropped. The municipalities—and there's kind of a goal of government to reduce our footprint, I would say, from our department level. Municipalities will not be consulted now to say, you know, you've got an ability to purchase this land or this asset in one way or the other. So that process does not happen anymore with municipalities.

The TLE is exactly the same. So the TLE process would still happen prior to it going up and that's done through kind of a website, right, where—kind of a normal tendering process.

So, again, municipalities are not consult—not given the first right of refusal; other departments aren't—same thing with them. The TLE process is exactly the same. That is, no change at all to that, and then it would go on a website and people would have the ability to bid on it, essentially, yes, through a tendering process.

**Mr. Wasyliw:** Okay, so just to be absolutely clear that I've heard the minister properly. It would still go to internal provincial government departments to see if they want the property. If they say no, then it would go to the TLE, if it's appropriate, and then it would go to the private market.

**Mr. Fielding:** No, I would say it's not circulated to other existing departments, and it doesn't go to the municipalities first. So the process is the department will figure out, is it—you know, do you need to dispose the property or do we need it for whatever future work that you're doing, and once that's established, it goes through the normal TLE process—the treaty land entitlement process, and if an indigenous organization that is not part signatory to it, who have an ability to—I don't know what the terminology would be—interested in the property, then it would go through a normal tendering process, which is done on our

website—kind of an open transparent process—to do it. So they're not competing, I would say.

**Mr. Wasyliw:** So the, I guess, preferential buying position of the internal provincial departments and the municipalities has been removed under the new system, and they will have to compete with the private sector for those same properties.

**Mr. Fielding:** What I would say is, if another department needs the property, there isn't a protracted circulation. If the other department needs the property in some capacity, they're clients essentially of the new real estate division, so there'll be an acknowledgement of what services or supports they may need, but municipalities—you are right—they do—will not have the first right of refusal of getting the properties before the TLE process or before the public sector. They have an ability to bid on that, as well, through a tendering process, and if they're able to be the highest and best use—for the most part that's what you're taking, of course, then, you know, we'll take their money.

**Mr. Wasyliw:** As a former municipal politician like myself, I think you're well entrenched with the classic cliché that there's only one taxpayer. Given that the asset—the land—was bought with taxpayer money, that it appreciated and became more valuable, why wouldn't a municipality, again, the same taxpayers, get the benefit of preferential treatment and purchase of that property, given that it was taxpayer dollars that bought it in the first place and established that property to begin with?

Why have they been prejudiced by this process?

**Mr. Fielding:** I would say we're trying to get best use—not just best use, but the best amount of money for the dollar. If you have a process, the municipalities are able to step in and purchase it at X amount. If you put it out on tender, for instance, you might be able to get 40, 50 per cent more for the property.

So, you know, I guess my position—my thought in that is that I don't think that municipalities should have the right of refusal. I mean, I'm concerned about taxpayers, as well, so I want to get the best value if you decide that you're going to dispose an asset as a taxpayer, and I think, you know, represent the people that I, you know, and you, taxpayers as well. You want to make sure you're getting the best value for money. So if you're able to get 'thorty'—30 or 40 per cent more, whether the municipality of wherever it is, versus some private consortium buys the property, you know,

for me, I think it's really better value for taxpayer money.

**Mr. Wasyliv:** Well, if there is only one taxpayer, why would—you would artificially create a bidding war with another government agency and overpay for a government asset, which is basically being transferred from one government to another because it's been introduced to the private marketplace. Wouldn't that, in fact, be incredibly inefficient and would affect taxpayer dollars by artificially increasing the price for transferring an asset from one government to another?

**Mr. Fielding:** Well, that's where there's a philosophical difference between you and me. I believe in the private sector. I believe there is an opportunity to do it. I think you're going to get good value—you can. If there's a demonstrated need by an RM, you know, I think we'd be all ears to do it, but from our point of view, we want to get good value for these types of properties. We're not moving away from the TLE process, which is important, but we're putting the asset on the market, right, and so we want to get good value for taxpayers. That means more revenues coming in from the province so we can invest in health and education and everything you want to do.

\* (15:20)

So, again, if there's some partnership opportunities, I think we'd be all ears on that, but this is not the process that we believe in, quite frankly. We think that taxpayers should get as best value as you can.

**Mr. Wasyliv:** Wouldn't the minister agree that this will, in fact, raise taxes not from a provincial taxpaying point of view, but from a municipal taxpaying point of view? So it is going to, in fact, hurt the taxpayer not help the taxpayer. It will actually have a perverse opposite effect.

**Mr. Fielding:** You know, I don't know what to say. I mean, I believe in the private capitalist system, and so we fundamentally disagree on that. So that's probably a discussion we can have another day. But if you'd like to—me to respond back to that, I could.

**Mr. Wasyliv:** I would love a response, one that was actually addressing my point.

**Mr. Fielding:** Make your point again.

**Mr. Wasyliv:** The system that you're creating will be beneficial to a provincial taxpayer, but will artificially increase the tax burden on a municipal taxpayer.

Given that individual is the same person, you are, in fact, raising taxes on, you know, taxpayers, by creating this artificial competition and not recognizing that it was a public asset to begin with and it's transferring to another level of government; and that taxpayer has paid for that property already and now has paid for it twice.

**Mr. Fielding:** Well, that makes no sense at all because you're talking about a municipality. They haven't purchased the property. So I'm not sure how you're suggesting that it's going to cost them more. At the end of the day, we think that the assets taxpayers from the provincial level would expect us to guess—get us best use for the land. There could be—and there has been times, in fact—and one of the reasons why we have moved away from the municipality is that we found that municipalities would buy and speculate on the land and later on sell it down the line. I don't think that's good value for taxpayers. If you're getting less from a provincial government for it, the—than the municipalities will buy it; they hold on to the land; they speculate it and they sell it later on down the line. That doesn't make a lot of sense.

We want an open and transparent process and so that's why we've moved in that direction. We may disagree on it, but the logic is just completely solid.

**Mr. Wasyliv:** Why would the government want to compete against another level of government and—instead of working with that level of government to ensure the most efficient use of public assets?

**Mr. Fielding:** Well, I said to you, if there's a situational case we'll take a look at that. But the reality is we're trying to get best use for this land. Under the former system that was in place it would take you over a year for it—to dispose of assets. That doesn't sound very efficient to me, right? And then what would happen is more than half the times—I think it was around 70 or 80 per cent of the times—the transaction wouldn't happen. So you're chasing your tail, quite frankly, where it's taking over a year to make a decision for it.

So, if there's a immediate situation, I think we'd be all ears on municipalities, but we're not circulating to other municipalities. We think that, you know, again, that the process that we've put in place where there's a bidding mechanism, there's a whole bunch of ways that government can partner with other levels of government on a variety of things. That happens all the time. So be all ears. But that's just not a process that we're going to go through anymore.

**Mr. Wasyliv:** Now, one of the functions of circulating these land purchase issues to the various multiple government departments was for each department to review that sale and see if it was in the public interest. Isn't that—not correct?

**Mr. Fielding:** So I think you want to review this almost as the departments are clients, right, of the real estate division. So, for instance, if the Department of Families needs a new facility for whatever reasons, they may need a new facility or there's some sort of need that's in place. So they're essentially type of registering. There's a knowledge that there's a need that's in place. It's the same thing if you use a commercial real estate agent. You tell them, these are the needs; this is what we're looking for.

So there's acknowledgement, and what I'm saying is they don't have to circulate to every department. That's going to waste time and energy for everyone and have—having a process where it's taking a year for any transactions to happen. We don't think that's a great system that's in place.

**Mr. Wasyliv:** So, under the current system, one of the departments that would review it would be environment. So the land potentially could be environmentally sensitive, the use of it could be inappropriate building on a flood plane, and those departments would reject a sale if it didn't meet other public policy requirements. So is that process going to be kept under the new system?

**Mr. Fielding:** That process is in place. That's—I mean, that's pretty standard practice that you're going to do an environmental assessment; if you're buying a building or you're selling a building, you need to know if there's any environmental issues. So that process that you're talking about is completely separate from this.

**Mr. Wasyliv:** So I'm wondering if the minister can list what sort of safeguards that the previous departmental reviews undertook, obviously environment would be the big one, but there would have been others. And have they been now mimicked under the new system?

**Mr. Fielding:** The exact same safeguards that were in place prior is maintained. There's a deputy committee level of individuals that—there's kind of a round table, I guess, if you will, that goes through. So there's absolutely no change in any safety standards; exact same safety standards that was in place let's say six months ago will be in place in six months once the

new organization is fully up and running and working efficiently.

So that dog don't hunt; it's the same process that's in place, same safety standards.

**Mr. Wasyliv:** What steps will the minister take to ensure that this new process for land sales will avoid the conflicts of interest in the past?

**Mr. Fielding:** Number one, we strengthened, kind of, the approval process that has happened, and all land transactions are put—are open and transparent to put on a website so all Manitobans, all taxpayers can view any land transactions, land and/or asset transactions that happen.

**Mr. Wasyliv:** Is there any other safeguards in place other than that?

**Mr. Fielding:** Part of the old act and the new act is very—is in fact the exact same, the same standards are in place. We did strengthen, kind of, the approval processes I outlined before. There's kind of a staggered approach where either the Cabinet has a say—I think it's over \$1 million—of anything that's over \$1 million would go to a Cabinet level. For other levels, the minister has signing off authority, and other levels, I believe, the department head has signing off authority. So everything that was in the previous act is there, and it's enhanced in the new act.

The only thing that has changed from that is now everything is online. So before it was not online, you couldn't have—you couldn't see the transactional sales and transactions that weren't online, and now it is.

So it's a more open and transparent process so any Manitoban can go and view what sort of land and asset transactions happen.

**Mr. Wasyliv:** Has the government, under the new system, disposed of public notice of sales?

**Mr. Fielding:** Yes, all actions are transparent; they're on the website. So the tendering process, the transactions, everything is onboard, and that's a new addition to the legislation when everything is up and running, right.

\* (15:30)

**Mr. Wasyliv:** So outside of checking the website every day, is there going to be a public notice requirement where the actual sale will be advertised not on the web, but in community papers or whatever?

**Mr. Fielding:** Yes, everything is on MERX, right? That's kind of the backbone for the government

tendering process, and will be advertised in real-state types of issuances, newspapers. That's a part of that.

**Mr. Wasyliw:** Would the minister be agreeable to refer his proposals for changing the operation of Crown lands to the Auditor General before they engage in the overhaul of the system?

**Mr. Fielding:** Why would we do that?

**Mr. Wasyliw:** To ensure that any conflicts of interest or any potential problems with this scheme is reviewed by an independent expert before it goes into place.

**Mr. Fielding:** I don't think that's a standard practice for any legislation that we refer everything to the Auditor General. I mean, the Auditor General is a very busy individual. I think if we referred every piece of legislation to him, you know, that probably isn't a doable approach. The Auditor General has mixed opinion on transactions, and regularly does reports that's there. I don't see why there would be any need, quite frankly, to refer this to the Auditor General.

**Mr. Wasyliw:** The minister has budgeted \$183 million for internal service adjustments this year. I'm wondering if he could break that out and to basically inform the committee as to where that money is going.

**Mr. Fielding:** Yes, I'm going to refer you to the budget book, under enabling appropriations, page 114. So it identifies internal ISA, internal service adjustments, provides in establishing a cost of various workforce and government transformations such as the ideas fund, learning—I can go through which each of these are, by the way—the learning fund, Manitoba 150 related activities as well as internal service adjustments and other costs which may result from changes in program delivery, design and contingencies, in addition to any cost related to salaries and/or employee benefit adjustments in government departments not provided through the appropriations would be provided through the account.

One thing I would reference that we pulled out that you can see is Canada-Manitoba home and community care mental health addiction service. This is the funding from the federal government. There's \$20 million that was put into there. So that really incorporated most of it.

One thing that we are really proud of as a government is that we—and this probably took into consideration a timing thing, right? When we were

putting the budget together in March, there was the threat of a flood coming, so we put together about a 35 per cent increase in some of the capital and operating dollars for things like internal service adjustments, and then what we also did through the emergency expenditures and Crown losses—this is on page 116-117 of the Estimates. They put about \$49.5 million emergency expenditures, which is about 174.3 per cent increase over previous years for this kind of actual emergencies. And, of course, we put more money away in the rainy day, which is, you know, highlighted in the media over the past little while.

And I will also mention something else. The capital asset for internal service adjustments—and, again, this is on page 115—provides for contingencies for transformational capital, including the estimate, general or infrastructure asset capital investment requirements for various internal service adjustments and other initiatives, including Canada—or Manitoba 150—talks about capital assets, Manitoba 150 capital projects, \$45 million.

So we spent, just on an infrastructure basis, on roads and bridges, about roads, about \$315 million, but we put about \$45 million here in the contingency, and we called this Manitoba 150. These are—and there's a listing that was made through a press release of the types of initiatives. I think one of the members from—his new constituency. I'm looking at him, but I can't remember what his new constituency's called right now—[interjection] Interlake.

**An Honourable Member:** Gimli.

**Mr. Fielding:** Gimli, and there was a substantial money for an investment, a road investment, that is waiting for a very long time that incorporated some of this new \$45 million. So that's kind of what made up the internal service adjustments.

**Mr. Wasyliw:** Yes, I'm wondering if the minister can provide a detailed list of each and every project and a line item of—for that \$183 million.

**Mr. Fielding:** It's really difficult to do some sort of a line by line because the contingencies are there. So, for instance, you may have, you know, different projects that come in higher or lower. You may have—I'll give you an example—the—we—much money we budgeted in a year was called the Idea Fund. And so what it is, it's internal money that a department could get if they modernized their force. And so you might be—an example, maybe they modernize their computer systems, and they're able to show about a—I think it's

about a four to five to one, you know, return on investment for some sort of initial infrastructure.

And so we used it. Actually, it was quite a good news story. We put it out to the public service because we wanted their feedback on different ideas that they had where we can find some internal savings. So that really depends on how many projects are utilized and how many are there.

We put out a budget number overall, but it really depends. Sometimes it happens in projects; they go ahead. Sometimes they, you know, they're—the timing's off. They might fall outside of the Public Accounts year, which ends on the 31st of March.

So these are kind of estimates, so I can't be able to give you a breakdown on this, but, you know, suffice it to say, it's about a 35 per cent increase, plus the emergency, plus the rainy day, and, again, we wanted to make sure that we had a little bit more money away because we didn't know if there'd be a flood issue this year. Thank goodness there wasn't. Yes.

**Mr. Wasyliv:** So, mindful of the minister's comments, he would be able to do it for the previous year's budget and provide a completely detailed list of where the internal service adjustments went for that year.

\* (15:40)

**Mr. Fielding:** Okay, so we call it internal service—what is it?—alternate service adjustments, or ISA. Essentially, what this is, it's a buffer for different accounts that happen. So, by the end of the year, the account basically is drained and it's put into different areas, right? So, for instance, if you have projects, or whatever, that may have been more or less than you have, the money flow is essentially into the department. So, by the end of the year, that money is gone, and if there is money that's left, what happens is when you assemble your Public Accounts at year end, that flows into the line of underspent, right?

So, for instance, this year we're about \$250 million underspent. That was for the budgeting year of 2018. So, internal—it's kind of an account that you use throughout the year if there's over-expenditures or underexpenditures that happens, but by the time you assemble and consolidate your financials at the year end in Public Accounts, that money is flowed to the departments or to the projects that are there. So it doesn't exist, essentially, by the end of the year.

**Mr. Wasyliv:** So, if I hear the minister correctly, essentially you've lost this money. You have no accounting for it. You have no idea where it went into the government system. It's a black hole.

**Mr. Fielding:** No, it goes to deficit reduction. So, for instance, this year, I'll give you an example. In 2018, when Public Accounts came, we were actually \$258 million below budget, in terms of our expenditures. So what that actually mean on a 'practo' basis, beyond two guys talking at a table here, that means the citizens were able to save about \$34 million in debt servicing charges because our under-expenditure sum was related to kind of the interest rates associated with your borrowings. That's a part of it.

So I would say the benefit to Manitobans is there's less money that's being spent but they're not paying any debt servicing, especially if you're running a deficit, right? So there's less money that you had to borrow, essentially, to do it. So what we can do, for instance, is spend it on, you know, \$414 million on health care, that we've been doing on an annual basis or things like education or social services or whatever. So the money is absolutely spent and because you're running less of a deficit, we're saving interest costs on debt servicing charges, 34 million bucks; it's real money that you can spend in health or education or economic development or whatever.

**Mr. Wasyliv:** Is the minister able to give an accounting of where the internal service adjustment budget went from last budget and where it ended up, where it started and where it ended up and in what, you know, pockets of government and the amounts?

**Mr. Fielding:** Okay, No. 1, when you table the budget—and I'd refer to the page number; I'm not going to go through it again—but that, the appropriation, when you table the budget is there. So all that accounting is there when you table the budget.

In Public Accounts, I'll refer you to volume 3—page 40 it kind of starts on—and so each of the departments is identified in terms of where the money flowed back.

I guess if the next question is, well, where did you spend the extra money? It is incorporated in the annual report? So each of the departments have been tabling their annual reports, and so that would be incorporated in their annual reports of the actual spend on a yearly basis.

**Mr. Wasyliv:** Now, this year, this line item was \$183 million. Last year it was \$130 million. The year

prior to that was \$31 million. Prior to that it was often less than \$10 million.

Why is the government expanding this area of the budget faster and larger than any other?

**Mr. Fielding:** Well, we're really proud of the fact that we're able to put more money away for things like flood contingencies and other mechanisms. In fact, at the budget, one of the reporters had talked about—making sure that we had the right amount of contingency built into the budget, so we're really proud of the fact that we're able, in a potential flood year, to put away close to 35 per cent more in our capital and operating contingencies as well as the biggest investment. This, of course, is after Public Accounts put \$407 million in the rainy day.

So to answer your question, to essentially save up for a rainy day.

**Mr. Wasyliv:** Well, the operating capital spending and enabling in other appropriations has budgeted in this budget almost \$417 million. It's approaching half a billion dollars. This form of budgeting is now one of your largest departments. It is larger than Sustainable Development; sport, culture and health; Municipal Relations; Indigenous and Northern Relations; Growth, Enterprise and Trade; Civil Service Commission; Agriculture; Executive Council.

So I'm wondering if the minister can explain that why he's basically created this shadow ministry and not actually flowed this money into the actual ministries themselves so that they can do what they need to do.

**Mr. Fielding:** Right. I think the—I have only been around the Legislature for three and a half years, but I think this has been a, you know, kind of an account or a budgeting process for many, many years, so it's not just somehow our government that has done it.

What I would say is some of this money is transformational, right, so this Idea Fund—and there's also something called the Learning Fund. So what these items are, again, is they're money that's put away for things like if you can modernize it—so we could take the employees, we say, okay, how, from your department, there's money that we budget to the department of whatever, say GET, or some other department that happens. If there's some projects, and we kind of do a call to all the government essentially saying, if you've got a good idea how you can save the government money, put together and we've got a process, kind of a business plan has to be made for it, but if you've got ideas of how you can save money,

you know, then we'll do kind of a return-on-investment modelling for it, right. We put away, I believe in this budget it was \$50 million or \$75 million in Idea Fund.

So if you can find some ways where you can save the government's money over—is it a four or 10-year period? Four-year period, so there's a return on investment for four years, then we'll say above and beyond the money that you have in your budget, we'll give you more money to do that project that maybe you couldn't squeeze in your regular operations for whatever. It's a great initiative, so that's money—it's kind of something that's made as an incentive.

And the first set of projects—I'm using ballpark numbers, but I think there is about 60-some odd projects that we got from—and we had a big celebration—it was a wonderful day. We celebrated with kind of—administrators had some ideas that came forward and we saved, like, hundreds of millions of dollars related to this.

So we did—the first year we did about \$25 million. That was on capital—or operating related items, and then we expanded out for—from capital and then it went to—or sorry—it went from operating dollars—this one was providing operating dollars—to capital dollars, and then this year we expanded onto kind of the MUSH sector, and other entities that are part of summary budgeting. So, again, they'll have an opportunity.

And then at election campaign, although that will be incorporated in the budget coming forward, I think we allocated, I believe it was—what we proposed to do is allocate \$40 million for a nursing idea fund and a teacher idea fund. So, again, if anyone in those public sectors—teachers or associations or, I believe, even school boards, and that sort of stuff, would have ideas of how we can save money for the government, you know, based on a kind of four-to-one return on investment, then we would essentially take these applications in, review them all, and say hey, that makes a lot of sense, and then we would flow the money to them. They would do their project and then we would track it to make sure, No. 1, that there was a savings; No. 2, you know, we track it on pretty much a quarterly basis where it comes back through Treasury Board and we say there's a kind of red light-green light and yellow light to process. These have moved throughout the year.

\* (15:50)

So I guess my long-winded story with that is there's money that's built in here that are transformational dollars that's there, and also, this year, again, we got—because of the agreement with the federal-provincial governments on mental health and home care, we put \$20 million there, and we wanted to highlight the \$20 million more in ISA. We didn't put it directly in the department, and the reason was because we had signed the agreement with the federal government on home care and mental health, but we had the money put away, our portion of the money, in internal service adjustments.

Once that agreement was signed, which I believe was, like, March or something, we were able to access the money; our portions of the money was there. So we just housed it there, essentially, and then we were able to use it.

So there's lots of stuff moving around in that area, but that's kind of the reasons why.

**Mr. Wasyliw:** So I'm wondering if the minister can expand on who controls the internal service adjustment item. Who's making the decisions? Who's moving the money around?

**Mr. Fielding:** Well, it's something that's done through Treasury Board process. So that would come to the Treasury Board members, and, essentially, you know, it's a spending document, so, obviously, Cabinet will approve all spending documents.

So I would say the Cabinet.

**Mr. Wasyliw:** Now, you indicated the Cabinet and the Treasury Board. Is it fair to say that it would be the Treasury Board members that actually would be making those decisions? They would be reviewed by the Cabinet?

**Mr. Fielding:** Right. For the most part, you know, what happens is administrative. And this is probably similar to what—when you were in school divisions. There's kind of a recommendation that comes up from a 'ministrative' level saying, you know, these are a number of the projects that make some sense. They will provide kind of the costing or the reasons behind it. They may—for that one, I believe they kind of tell you, okay, this is a return on investment. So if you invest \$1, it's going to save the government \$12 down the line, you know, and these are maybe some of the external things you got to think about: is there capital up-front costs, all that sort of stuff.

So there's administrative recommendations that come forward to the Treasury Board. They make the

determination, and then, of course, that goes on to Cabinet for approval.

**Mr. Wasyliw:** So I know you had, yesterday, told me the names of Treasury boards. I don't have it top of mind. But I want to explore this a little bit.

So the Minister of Sport, Culture and Heritage (Mrs. Cox)—and I haven't learned all this yet—are-is that minister on the Treasury Board?

**Mr. Fielding:** Yes, Minister Squires.

Or, sorry. Hang on a second. Sorry, Minister Squires is not on the—on Treasury Board. Minister—

**Mr. Chairperson:** Okay, you can't name a member by their surname. You can only refer to members by their portfolio or constituency name.

So I would ask the honourable minister to refer to the member you recently referenced in the appropriate way.

**Mr. Fielding:** Sorry, let me correct the record.

So the Minister of Sport, Culture and Heritage is not the member of the Treasury Board. The—you know, I was—the Minister of Sustainable Development (Ms. Squires) is a member.

**Mr. Wasyliw:** So—and this is what I want to explore. So Manitoba 150 is clearly a cultural event and it would clearly fall under the Ministry of Sport, Culture and Heritage. Why isn't that minister allowed to have any decisions about something that falls within their portfolio, and why is it superseded by the Treasury Board to make decisions that's clearly within the purview of that minister?

**Mr. Fielding:** Well, the Manitoba 150 fund is made up of capital projects; so, I think it's \$45 million. And that's the types of initiatives. They did announce them; I don't have them all here. One is related to the member from—constituency, Interlake-Gimli, and other items that are—there is, I believe, I think, \$5 million that are associated with cultural, kind of 'celeatory' events that are happening, and I think there has been some announcements to that effect. But, really, the Treasury Board process—and this is all over government—I mean, this is probably newer to you two, but what happens is any spending that goes out from the government goes through a Treasury Board process.

So, if you're the Minister of Health or social services or whatever you're minister of, your initiatives, No. 1, you pass a budget and then there's a Treasury—you know, once the projects are facilitated,

that comes up through the Treasury Board process as the money's going out. I guess that's the best way to explain it, right? It's the money's going out. The Treasury Board and Cabinet makes the final decisions on that.

So that minister signs off on a document that will go to Treasury Board. They'll review that, make a determination whether they think it's a good project, not a project, maybe it's too rich or not, or whatever the deal is, and then that would go on, again, whether it's—maybe it's kickback if we don't agree with it, it goes up to the Cabinet to make the final decision on it. That's kind of the process for the most part.

**Mr. Wasyliw:** Is the minister able to give us a list of all Manitoba 150 projects, and break it down by riding?

**Mr. Fielding:** I believe we had an announcement, so we can get the news released for you on the capital related projects. There was a press conference and a breakdown of that. So I can provide the capital.

The operating, which I believe is somewhere around \$5 million, I believe there may have been an announcement on that as well. And I believe the money was based in a grant. There's a number of notable Manitobans that are on the committee that makes the determination of what sort of celebratory events that are happening.

I should know all events by heart, but I have to be honest with you, I don't have them here. But we can provide those news releases to you if you'd like.

**Mr. Wasyliw:** Now, the Learning Fund again, correct me or remind me if I have this wrong: This is an innovation fund for education.

Is that correct?

**Mr. Fielding:** Okay, so I can just bring some context, and I'll read kind of the exact amounts of—like, the exact program.

But essentially what it is, it's a \$2-million fund that builds capacity in the civil service. We made a commitment when things like surveys come out that says we need to invest in our employees. So it's a good news thing. It's a good—it's a thing where, maybe I'll just read it to you, it might be—the Learning Fund was launched on May 7th, 2019, and within the first months, approximately 450 applicants were submitted. These included requests for an impressive range of courses, workshops, conferences, and online learning resources. It's a \$2 million fund, offers employees, whether in group or individual supports,

up to \$1,000 towards training undertaken in the '19-20 fiscal year. The first intake individual and group applications combined totalled about a million dollars in approved applications, and new applications are still being received.

The Learning Fund supports 359 Manitoba government employees for all across the province to the Institute of Public Administration Canada, IPAC, a national conference hosted in Winnipeg in August '19 which hasn't been here in a decade. So it's good there.

Some of the opportunities pursued through the approved application process include specialized courses, training in innovation, engineering, lean, user experience, human-centred design, conference and symposia—symposium and then digital skill development.

So it invests in the employees, provides training and supports—again, there's been close to 450 people applied to the program.

**Mr. Wasyliw:** I appreciate the description.

So I guess the obvious question is, is why wouldn't the minister responsible for the Civil Service Commission have that as a line item budget under their control?

**Mr. Fielding:** So it's because of all departments benefit from it. Right? It doesn't just fall into like Health—or, you know, maybe that's not exempt. It doesn't fall into Justice or Families or whatever else, it's kind of a global that everyone can access.

So I don't think they dictate, you know, there's got to be four people from Justice and 12 from Sustainable Development and everything else. So it's—you can access this fund, and so it's a centralized place, I guess I would say.

**Mr. Wasyliw:** I've been told that, last Estimates, there was a long discussion on this topic. And specifically, the minister was discussing appropriations being used for a Windows 10 upgrade. Now, the material that's been filed, the—Justice is booking funds in minor capital for this identical program.

\* (16:00)

Now, I wonder if the minister can expand? Is that the same thing? Is it different things? What—if you could?

**Mr. Fielding:** Okay. So, BTT, which is kind of our centralized computer, I guess, networking system—anyone that needs any computer upgrades, they go

through a BTT system. And so it's a centralized system. We had to upgrade to Windows 10, and so through the budget process, we allocated money for each of the departments. So each of the departments that had desktops, essentially—desktops were using Windows 10—got allocated the money. So, if Justice needed \$4 million to upgrade their centres, that's what they had budgeted through their Estimates process. The same thing with maybe Sustainable Development, and the list goes on with other departments. So they put money as an estimate in their budget process.

The whole thing was—there's a centralized system that kind of co-ordinates it all together, but each of the departments was allocated some money to do it, and it was something that we had to do because, I believe, they're ending their—saying that my terminology sometimes when I go through the computers isn't great—but essentially there was kind of end of life. Office support had to be upgraded so there really wasn't an option, I guess I would say.

**Mr. Wasyliw:** So what was the total amount of money that came out of internal adjustments on that line item that went to the different department?

**Mr. Fielding:** Okay, so we can get back to you on the breakdown of it. Like, essentially what happens is there is an estimate of how much we think it's going to cost that's booked into ISA—internal services adjustment, but what happens is sometimes there—like it costs more, less or there's some timing issues.

So there's one of the departments, for instance, they had booked—I'm not giving you the right amounts—but essentially they booked more than they needed and so, you know, we had booked a certain amount in the budget, which, again, we can provide that information to you. We'll take that under notice. But essentially, there's a lot of moving parts, so sometimes a department may be able to do it quicker, they may run into some issues in another department because of a variety of reasons, so there's a whole bunch of moving parts, and some came in less, some came in more. I think a lot of them came in less than anticipated. It was actually what we'd thought it would cost; it didn't end up costing that much. So, again, there's timing issues; there's a variety of reasons why, you know, maybe the budgets for each department may have gone up or down.

**Mr. Wasyliw:** Now, last year the enabling capital was \$100 million that went unspent, and I'm wondering if the minister can expand on that, as to why that enabling capital went unspent?

**Mr. Fielding:** A good portion of that enabling capital was related to this Windows 10 item, so some came on, some came less. Essentially, like the whole, I guess I would say, the budget for, you know, kind of everyone's IT needs kind of feeds into that enabling capital. So whether you're in—you know, whatever systems you're on, applications you're on, it's all budgeted for under the BTT which is—the money is essentially housed there, but it's—you know, they're kind of facilitating things more.

So some of the reasons, again, our Windows 10 came in less or there may be some timing issues. Like, they weren't—like, they gave—I think—I believe they gave us a time frame of when you need to switch over to Windows 10. So some may have happened in that budgetary year. Some may have pushed—like, if you push it—let's say they invoice you or the work isn't done 'til after the 31st of March. They may be 99 per cent done, but if the invoicing and everything isn't done in that March 31st window of Public Accounts, then it doesn't—you know, it's on the books for the next year.

So there's some timing issues, and some of this stuff is multi-year projects, right? You may do it over kind of a—two years and you estimate, you know, okay, some of it's going to happen this year, and it ends up happening in '19 as opposed to '18. So what we—we'll get you a listing of, you know, the previous question, and I think that previous list that you've asked and we've agreed to take under notice to provide back should provide some answers to that. To the second question, as well.

**Mr. Wasyliw:** Just to expand on that, so you would have kept \$100 million without spending it for computers?

**Mr. Fielding:** We—it—we were using, kind of, two examples. The ballpark figures like, you know, for the Windows 10, I believe it was in the neighbourhood of 20 to 30 million dollars, and the other computer—I guess I'll call it applications and hardware and software—was, I believe, either between 20 to 30 million dollars. But there will be others that are certainly there. I'm just giving you kind of some of the bigger ticket items. But when we provide the list back to you that should identify the overage and underage.

I think it'd be safe to say a good portion of that enabling appropriation capital was kind of the centralized amount. Just—it's divvied up to different departments for IT types of needs and other things

related to that. But there certainly is more items that are there, and we'll provide a list for you.

**Mr. Wasyliw:** Who are the two managers in the Regulatory Accountability Secretariat?

**Mr. Fielding:** There is two positions that's there. The first one is Paul Pierlot—sorry, Pierlot—and the second is a position—we're not a hundred per cent sure if that has been filled. It's not in our documents. So, again, we could get back to you who that other person may be.

**Mr. Wasyliw:** You know, there's a doubling of the stated staffing within the secretariat, and the question to the minister is why now and what is anticipated for this year that requires a doubling of staff?

\* (16:10)

**Mr. Fielding:** Sorry, point of clarification. I'm sorry, which secretariat? The—are we talking about the red tape—

**An Honourable Member:** Regulatory Accountability Secretariat.

**Mr. Fielding:** Going to read some notes into this.

So, you're right. We went from four positions to eight positions. So RAS, they're called the Regulatory Accountability Secretariat, requires additional staffing for—and salary funding and operating funding in order to meet its mandate, including realizing the—Manitoba's goal of being the most-improved province in regulatory accountability by 2020. RAS, as they call it, to reach a minimum staffing level of eight, which is determined based on a detailed analysis.

I'm not going to go through this whole account, but essentially there is a—there's been a transformation in regulatory accountability. We recently put out a bit of a news release on that where we, I believe, cut job-killing regulations by upwards of 80,000 regulations, I believe that's the number; I could stand to be corrected, but that's the realm of what it is.

And what we introduced is kind of a model where, essentially, if you want to introduce—No. 1, we'd circulate things to the departments. They would come back and say, is there anything that users, when you apply to the system for your business or you're a customer, you're citizen using this, that would prevent them, like red tape, you know. And so they came back and said, these are some changes that would be regulatory changes. They will cut the time that people can take accessing your services. Just things that you don't need anymore, essentially.

So a part of that, we introduced a modelling where, if you wanted to introduce any red tape new regulation, you had to take two off the books. And, again, that worked to reduce the amount of red regulate—red tape-killing regulations by upwards of 80,000 regulations. It's something that the Canadian Federation of Independent Business actually is—praises us, not even nationally but internationally, for—to reduced red tape in a whole bunch of different ways.

So long story short, and what we also did—I'm just give a couple more [*inaudible*]. Any proposed regulation must be published on a public consultation website for 45 days. So if we're going to make any change, it's got to be—go on website for 45 days, the consultation period, and must include information related to policy and analysis that led to the development of it.

So it's all open, transparent; it's on there, and what I would say is we now, in legislation, come back and say this is the progress we've made. So every year, you know, you don't make good progress for one year and then all of a sudden three years from now people forget about it, and you're still not making progress, so there's a regulatory accountability through, I believe, an annual report and through legislation that comes back, that identifies kind of the red tape that we've cut for the year.

**Mr. Wasyliw:** If I could direct the minister to the Estimates book. At page 37, there is a line item that says other operating. I just wonder if the minister can just indicate when he's there.

**Mr. Fielding:** We're going to take that question as notice, although we are reaching out to one of the individuals that runs it to see if we can get you an answer today, but, you know, we don't have an answer directly as it relates.

I don't think it's staffing; I think it's related to other items, but we'll get you the right answer.

**Mr. Wasyliw:** I'm a little confused because I haven't asked a question yet, so I'm not sure what question you're answering.

**Mr. Fielding:** Did you say the 294?

**Mr. Wasyliw:** I had just asked whether or not you could locate it in the Estimates book at page 37. I hadn't asked anything more than that.

**Mr. Fielding:** I got it.

**Mr. Wasyliw:** Fantastic.

Now, I note the hour. Is the Chairman looking to break at this point?

**Mr. Chairperson:** I think, typically, we've had a 10-minute recess around half past 4, which gives us 15 more minutes for this afternoon unless now is an appropriate time, for other reasons, to change to a different minister. *[interjection]*

**Mr. Chairperson:** The member for Fort Garry (Mr. Wasyliw).

**Mr. Wasyliw:** It was my understanding in formal discussions that the minister and I would be breaking at this point and the Crown Services Minister and the critic would be taking over for a start time at 4:30.

**Mr. Chairperson:** Is it the will of the committee to take a recess until 4:30 when the Crown Services Minister will come to Estimates? *[Agreed]*

Seeing no objections, the committee is recessed until 4:30.

*The committee recessed at 4:17 p.m.*

*The committee resumed at 4:32 p.m.*

**Mr. Chairperson:** Will the Committee of Supply please come to order. This section of the Committee of Supply will now consider the Estimates of the Department of Crown Services.

Does the honourable minister have an opening statement?

**Hon. Jeff Wharton (Minister of Crown Services):** Well, thank you, Mr. Chair, and it certainly is a pleasure to be here this afternoon on behalf of Crown Services. And as I mentioned to my colleague from the NDP, it's been about five days now, and certainly, we're enjoying the journey and the early onset, and we're looking forward to having a fulsome discussion.

But before we do that, Mr. Chair, I'd like to open with some comments, if I may.

Again, I'm pleased to be here today to present the 2019-20 Estimates for the Department of Crown Services. To start with, I'd like to introduce folks that are here in attendance. And I believe our staff are coming up, but I will introduce them. I'll call them up now. I don't think Paul Beauregard is here. No, Paul's not here. Mr. Scott Sinclair, our deputy minister; Mr. Rob Marrese, our executive director; and we also have Ms. Inga Rannard here, too, as well, and she's senior financial officer; and Andrea Saj, too, as well, is here to help us out.

The minister's office of Crown Services includes seven FTEs—\$54,000 in operating and \$622,000 for salaries and employee benefits. Operating requirements of \$180,000 and five FTEs with \$526,000 in salaries and benefits have been approved in the 2019-20 expenditure Estimates for the Crown Services Secretariat.

As indicated in this year's budget speech and the fall Throne Speech, this government is committed to getting the job done, the job that Manitobans hired us to do. Manitobans elected us, again, to repair the services, fix the Province's finances and rebuild the economy, and we are getting the job done. Manitoba has elected a government that is committed to improving the province of Manitoba. Our priorities include restoring prudent fiscal management, creating jobs, improving health care and education while improving our partnerships and relationships with businesses, communities and indigenous Manitobans and increasing the openness and transparency for all of our government departments.

We are focused on achieving results on behalf of all Manitobans.

The 2018 Throne Speech announced an important initiative for our government to review the provincial gaming strategy. Gaming touches many Manitobans and affects the social fabric of our communities. We recognize the funding that gaming provides for our social services as well as the harms it can cause. We believe that gaming market in Manitoba needs to be reviewed to ensure the current environment is meeting society's needs. As part of our commitment to fiscal responsibility, our government introduced legislation to repeal The Crown Corporations Public Review and Accountability Act, which is antiquated, lacked clarity and did not reflect my mandate as the Minister of Crown Services. Repealing the act dissolves—dissolved one board and created a net savings to the Treasury.

The Crown Corporations Governance and Accountability Act provides a clear governance framework to prevent any backroom political interference with the Crowns. The governance framework concludes directive, roles, responsibility records and mandate letters, which are all publicly available and transparent.

The former government made significant decisions that Crown corporations and, effectively, all Manitobans, will have—will be paying for through the rates and taxes for generations to come. These

decisions were politically motivated and resulted in poor decisions made for the wrong reasons.

At this time, I would like to review the sections of the previous minister's mandate letter to outline the goals set out to achieve, and the progress being made on these important items. And I quote: You are responsible for improving the performance of our Crown corporations, as they provide important services to Manitobans. Working within our new governance framework, you will strengthen oversight and accountability, integrate Crowns into our summary budgeting process, enhance transparency and reporting outcomes and financial *[inaudible]* ensure consistency across our summary government and secure better value for Manitoba ratepayers and taxpayers.

As Minister of Crown Services, you are responsible for the following: launching Efficiency Manitoba as a smaller, more efficient demand-side management agency than the current Power Smart program. Efficiency Manitoba will do better—will do a better job at lowering energy consumption, cutting emissions and reducing costs for Manitoba ratepayers.

Reviewing how and why decisions were made to construct Manitoba Hydro's Bipole III transmission line, along with the longer western route, and advance the Keeyask generating station and converter station projects; the review should discover why ultimate costs for those projects were allowed to greatly exceed their forecasted budgets. Most importantly, you will review—your review should provide recommendations that improve decision making and restore the health of Manitoba Hydro and—publicly owned entity focused on producing clean energy at the lowest possible cost to Manitoba ratepayers.

Ensuring that any spending and advertising and sponsorship by Crown corporations are justified in the pursuit of their mandate; securing a sustainable future for Manitoba Centennial Centre Corporation and ensuring the fairness of all 'consolidative' processes and damage remediation processes used by Manitoba Hydro.

As outlined in my mandate letter, our government made a decision to create a new, arm's-length entity tasked with promoting energy efficiency and conservation in Manitoba. The Efficiency Manitoba Act was successfully proclaimed, and a new board and chief executive officer are working towards establishing—*[interjection]*—thank you—working to establishing Efficiency Manitoba, the new Crown corporation created under the act.

Efficiency Manitoba has already begun promoting program offerings to public this spring, and I look forward to hearing how the future plans of this new Crown corporation will mean better energy savings for all Manitobans.

Our economic review of Keeyask and Bipole has started. Positive work has been done to report how our province reviews major capital projects, and I look forward to a report detailing how our Crowns and government can improve the process and make better decisions about massive projects that are paid for by Manitobans for generations.

Our Crown corporations have begun significant work making sure that their advertising and sponsorships are focused on their core businesses—business functions, and informing Manitobans about issues directly related to their mandates.

Manitoba Hydro continues to deal with financial difficulties that were left by the decisions of our former—of the former government. With a new CEO, Jay Grewal, in place in 2019, I believe Manitoba Hydro will continue to work towards keeping rates low for Manitobans.

Manitoba Hydro is valuable—is a valuable resource for all Manitobans, as their green energy is a resource that we envy—that—we are the envy of many across this world.

Manitoba Liquor & Lotteries, another one of Manitoba's Crown jewels, continues to work with local police services to address issues of thefts, which have—has become a phenomenon in our communities. Liquor & Lotteries is well aware, and they are 'continuing'—or, currently working on many significant changes within stores to help keep customers safe while prosecuting those who blatantly steal.

I commend them on the work that they are doing, and I am—sincerely hope that the help they—this helps resolve the issues that makes all Manitobans feel unsafe.

\* (16:40)

I want to reiterate that safety is always a top priority for our government, and Manitoba Public Insurance has committed their—to the excellent work, making sure the rates of Manitobans remains some of the lowest in Canada, while providing quality service—quality customer service.

We have recently made changes that will ensure governments cannot make 'colitical' decisions based

on MPI's reserves and ensure MPI has resources to keep rates stable and absorb catastrophic events.

In our third budget, our government committed to lowering the PST to 7 per cent on July 1st, 2019. A promise made and a promise kept, we allowing—while allowing Manitobans to keep more of their hard earned money.

Recent legislation introduced, Bill 11, amendment to The Liquor, Gaming and Cannabis Act, will mean that hotel beer vendors across Manitoba will be able to sell ciders and coolers. These changes may seem small but, for many across rural Manitoba, they face barriers to getting the products that they want. These changes will allow an additional 137 rural hotel beer vendors to sell cider and spirits-based cooler products, something the—that urban vendors that are close to Liquor & Lotteries retail locations have been able to do for some time.

This means rural consumers will have better access to products and bring the products to—of course, from the hotels—the hotel beer vendors online.

As the Minister of Crown Services, I will continue to ensure Crown corporations are accountable to the people of Manitoba, and that the high quality of service to Manitobans is expected and delivered on.

I look forward to discussions, Mr. Chair, today, and to the questions regarding Manitoba Crown Services during this Estimates process. And, again, thank you for the time.

**Mr. Chairperson:** We thank the minister for those comments.

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

**Mr. Adrien Sala (St. James):** Thank you so much to the minister for that opening statement.

I'd also like to say thank you so much to the team here that are here to support him. I don't envy you today, since he's only been in the role for five days, but thank you so much for being here today and helping provide us with this information. I'd also like to say hello to all the colleagues here, sitting around the table.

So we're here today, obviously, to discuss Crown Services And, as the minister pointed out, three of our Crown jewels here in Manitoba.

Manitoba Hydro, which is arguably one of the most important—or the most important—Crown corp.

here in our province, one of the largest integrated electricity, natural gas distribution utilities in Canada employing nearly 6,000 individuals and providing power to over 580,000 customers. It's truly the engine that keeps Manitoba going.

Liquor & Lotteries obviously provides an incredible source of revenues to help us support critical programs and initiatives like health care, social services, housing and infrastructure.

And, of course, MPI, which is a phenomenal organization that allows us to access much-needed insurance products at a very low price. I'm very proud of the fact that the NDP helped to initiate that particular Crown corp. and continues to provide very low rates to Manitobans.

I look forward to a fulsome conversation and look forward to getting going here.

**Mr. Chairperson:** We thank the member.

The floor is now open for questions.

**Mr. Sala:** So, I'd like to start just by going right into the discussion of the demand-side management program and new Crown corp. that's been developed, Efficiency Manitoba. And let's start with a question about—does Efficiency Manitoba have a role and responsibilities record, as required under The Crown Corporations Governance and Accountability Act and, if so, will the minister undertake to share it with the committee, even if it's in draft form?

**Mr. Wharton:** I thank the member from St. James for the question.

And our understanding is, of course, that the rules will be drafted over the near future and will become public shortly thereafter, as well, as we go forward in moving Efficiency Manitoba.

**Mr. Sala:** Thanks very much for the response.

So just to clarify, can we expect to receive that at some point in the near future, or when are we expecting to have that roles and responsibility record produced by?

**Mr. Wharton:** I'm assured that the roles will be signed off by the corporation and by my—by the minister and myself in the very near future.

**Mr. Sala:** When did Crown Services receive a copy of Efficiency Manitoba's efficiency plan it intends to file with the Public Utilities Board.

**Mr. Wharton:** Apologize for the delay on that, but the first draft we first saw was on September 11th, 2019.

**Mr. Sala:** Apologize for bouncing back here, but just going back to the question about the role and responsibilities record, if we look at The Crown Corporations Governance and Accountability Act, section 4.1, under part 2 says very clearly: A corporation must, within three months of becoming subject to this section, have a roles and responsibilities record that is jointly developed by the corporation and the responsible minister.

And looking over here to the government agencies regulation and the date of establishment of Efficiency Manitoba, it was August 2nd, 2018. So, according to this date, we're probably somewhat over a year derelict on providing that roles and responsibilities record. Wondering if the minister can explain the reason for the delay in that.

\* (16:50)

**Mr. Wharton:** Okay, great, thank you for the question, and, again, I thank the member.

So, certainly, the CEO for Efficiency Manitoba was hired just recently in January of this year. The roles have been written, of course, but in order to move forward, a CEO would've needed to be in place to make sure there is good, clear direction from the CEO of the department. So the gap in that timing would've been clearly a result of not having a CEO in place before that date.

**Mr. Sala:** I thank the minister for the response.

Clearly, the organization's been, again, established. It's been operating now for some period of time, and we've had employees and supports for that organization in place performing work for some time now. I guess the question is, in the absence of a roles and responsibilities record, how did those employees have clarity over what their roles and accountabilities would be?

**Mr. Wharton:** Okay, and again, I don't want to sound repetitive but I certainly—I'll apologize once again for the delay in my answer, hence the fact that we've been—I've had the ability to be on the job for five days now. So I want to make sure that I'm giving you the facts and giving you the answers that you require and answering appropriately.

So I'll give you just a bit of an answer here too and give you kind of a rundown of how this rolled out. Essentially, Manitoba Hydro was running the

programming through the transition period. The CEO was hired in January, and going forward from there, the CEO has her mandate, and then, of course, staff have been being hired over the course of the last several weeks and months. So that's kind of the chronological effect of what went on over the last several months.

**Mr. Sala:** Thank the minister for his response.

So, just to be clear, what the minister is stating is that the CEO of Efficiency Manitoba was hired in January 2019, which is approximately 10 months ago, and in the course of that 10 months, even though The Crown Corporations Governance and Accountability Act clearly identifies that a corporation must develop the roles and responsibilities record within three months of its enactment, 10 months after having been hired, we still do not have a roles and responsibilities record. Just wanted to have total clarity on that.

**Mr. Wharton:** I want to assure the member that the roles and—were set up within the three months. And simply the fact that the CEO was hired in January and the ministry—the minister has not had the opportunity—myself—to review. The roles and responsibilities have not been signed off. They have to be signed off by the board chair and the minister. So.

**Mr. Sala:** I thank the minister for the response. Just want to clarify, there, because it's not totally clear. Is there—has there been a roles-and-responsibilities record created that is just yet to be approved by the minister?

**Mr. Wharton:** Yes.

**Mr. Sala:** Thank the minister for that. Can he give any rationale as to why that's been delayed, why approval of that has been delayed or why the review of that has been delayed, to date?

**Mr. Wharton:** The member from St. James and I had the ability—or opportunity to talk earlier, before we got into the official Estimates, and I'd mentioned to him that I was a small-business owner during my career and actually had a start-up business, when I started it. My wife and I started our business in the spare bedroom of our home in Windsor Park way back in the early '80s. And where I'm going with this is this is a start-up business, and it's a new business. And there's lots of great things going on, and things are changing on the go, much like it does when you're starting up your own business. So the board has been preparing, of course, the three-year plan, preparing to present to PUB as well. A lot of moving targets.

Certainly, we—there's obviously start-up issues and growing pains, we like to say in business as well. And I think these are typical in start-ups, in new start-ups, where—whether it be public sector or private sector.

\* (17:00)

**Mr. Sala:** I appreciate the minister's comments, and I do appreciate that he was successful in starting a home business out of that spare bedroom. I would suggest that Hydro, being a multi-billion-dollar organization, that we would hope for a stronger capacity to be able to meet these types of deadlines, especially those that are outlined within our laws, and the fact that we've got a great deal of clarity that we have in this case, in fact, violated the law and specifically section 4.1 within that Crown Corporations Governance and Accountability Act.

Moving on to a question, again, I touched on this before, but relating to Efficiency Manitoba's efficiency plan, I'd like to know, when did Crown Services receive that copy of Efficiency Manitoba's efficiency plan it intends to file with the Public Utilities Board?

**Mr. Wharton:** Again, I appreciate the comments about—and thank you for recognizing the small business, again, I operated out of my home. And, you know, I don't know the member from St. James has—what his experience is in business, but I know that we talked a little bit about it, and I really argue the fact that I don't think there's a difference between multi-million-dollar organizations or the ma-and-pa businesses. I think we all experience growing pains whether you're a multi-million-dollar company or a hundred-thousand-dollar company, so I take a little bit of exception to that comment, but certainly we can move on from there.

You know, I think the bottom line is that, as we talked about, there's lots of moving targets when you get into a new entity, and simply, you know, this particular Efficiency Manitoba start-up is no different than anything else. And again, I am certainly going to commend the hard work that's been done and we have not—you know, we will continue to, over the next three to four weeks, meet the November 1st deadline for *[inaudible]* and certainly look forward to having the company up and running, as we said earlier, by April 1st, 2020.

**Mr. Sala:** I thank the minister for his comments and I do appreciate that he's taken some exception to that comment. And I would state, though, that given that

this particular program and this demand-side management Crown corp. that's been created is intended to help Manitobans reduce the costs of their energy bills, is intended to help reduce our energy consumption; given the state of the climate crisis that we're facing; given Manitobans' desire to be able to plan effectively, the impact of these types of delays relative to the impact of the delay of a home businesses is, I think, quite distinct. So I just want to maybe leave that on the record.

Going back to the question about the efficiency plan, I'm wondering if the minister can share any analysis he or his department has done of the efficiency plan.

**Mr. Wharton:** Again, I agree that—with the member about *[inaudible]* climate change and we—I think we all around the table—I know I have five grandchildren now and I may not look like it, but my oldest is 10 and my youngest is two, and I want them to enjoy the same opportunities that my wife and I have and my mom and dad had *[inaudible]* great country and this world we live in.

So we are, of course, looking forward to working with Efficiency Manitoba board over the next weeks to ensure that that work has been done, and, of course, we will move forward to ensure that we get the next three to four weeks before the November 1st filing date *[inaudible]* completed so that we move forward with a plan that will, of course, focus on the energy efficiencies throughout Manitoba and reducing our carbon footprint efficiencies *[inaudible]* and, of course, electricity as well. *[inaudible]*

So that's the goal. I think we're moving in the same direction, and I thank the member for that question.

**Mr. Sala:** Thank you to the minister for the response.

Sorry about that. *[inaudible]* He said that Crown Services received the plan on September 11th. So it's now been sitting with them for over—well, approximately three weeks now, at this point. What would be the potential or the rationale for the delay in advancing that in accordance with the act by October 1st, given that the plan's been in their possession since September 11th?

**Mr. Wharton:** Again, I'll kind of work this through a time frame for the benefit of everybody around the table. Again, three weeks ago we received a draft of the plan from Efficiency Manitoba. Officially, the board approved a draft plan on September 26th. We, obviously, at that point have had the opportunity over

the last week to—or three days, or four days, I guess, now—to review. And, again, we are—we didn't feel that there was sufficient time to actually give it its due diligence based on the fact that I am new to the role. And, certainly, we want to make sure to get this right for the future of, of course, our province in respect to the—obviously, the high stakes involved in climate change as well, and ensuring that we get it right.

So it's good to do the comparison on—with the old Power Smart program, which I'm sure the member's familiar with as well—apples to apples to the Efficiency Manitoba and a whole-of-government approach on going forward with Efficiency Manitoba. So we certainly feel that it's a good idea to do our due diligence to make sure we get it right.

**Mr. Sala:** I thank the minister for the response.

\*(17:10)

The minister stated, in his justification for delaying filing an efficiency plan with the Public Utilities Board, that he said he also wanted to ensure the corporation's proposals were aligned with the government's overall policies.

What policies is he concerned that Efficiency Manitoba's plan is aligned with?

**Mr. Wharton:** I'd like to remind the member, who is new to the House—and welcome him again to the Legislature, but if he's doing his research on the history of the former government, he'll find—and this was mentioned today in the House, as well—that the PUB made a recommendation to the government of the time to move forward with Efficiency Manitoba. And that request, along with many other requests that the NDP—the PUB had for the NDP government at the time, were ignored. And so the member speaks to timing of two, three weeks, what have you; where we can compare to five, seven years where timing up didn't seem to happen under the former government.

The Efficiency Manitoba model will be focused on better targets, more efficient model, less duplication and again, moving towards more private sector involvement as we go forward, again creating jobs in private sector, as well.

**Mr. Sala:** I thank the minister for his response.

And I'm actually really grateful that he referred to the recommendation in 2014. That, specifically, was the needs for and alternatives to hearings that were held, and it was actually through that same PUB process that recommended that Keeyask move forward, that Bipole III move forward and that

the Minnesota 'tyline' move forward. So it's great that we've got agreement that the PUB was making solid recommendations in that case and, along with the recommendation to proceed with Efficiency Manitoba.

Has the minister provided any direction to Efficiency Manitoba—any form of directives regarding the content or nature of the efficiency plan it will file with the PUB?

**Mr. Wharton:** Before I give you the answer on your other question, I want to just back up to tying Keeyask and demand-side management together in the 2014 PUB that you had said.

So, essentially, in 2014, the PUB recommended that Manitoba Hydro be divested from demand-side management responsibilities, and the government of Manitoba establish an independent, arm's-length entity to deliver government-mandated DSM targets. I think that was a pretty clear mandate from the PUB at the time in 2014. So here we are today and, of course, our government being re-elected a month ago with a second-largest majority government in Manitoba's history and moving forward as we did in our first mandate with Manitobans and making promises and keeping promises and also taking and respecting the ability of not only the PUB but other entities outside of government to move forward.

This is just another example of the former government not moving forward with recommendations and shelving them, so we're proud that we're moving forward with demand-side management through Efficiency Manitoba and look forward to having a plan ready for a November 1st PUB.

**Mr. Sala:** I thank the minister for the response, and I'm glad that he again has reiterated his support for the PUB's decision to support the advancement of the Keeyask project and Bipole III. And I suspect that will mean a minimum of critique of those decisions, going forward.

I'm curious, according to The Efficiency Manitoba Act, section 12 states: "Ministerial approval 12(1), After receiving an efficiency plan and the PUB's recommendations respecting the plan, the minister must (a) approve the plan as submitted; or (b) refer the plan back to Efficiency Manitoba for further action, with any directions the minister considers appropriate."

The minister stated he is reviewing the efficiency plan to ensure it is aligned with the government's policies. Is it appropriate to conduct a review prior to

the PUB having the opportunity to review the efficiency plan?

I guess, in translation: Why are we further delaying access to this plan given that the process as it's outlined is for this to first go to the PUB and, at that point, the minister would have an opportunity to review?

\* (17:20)

**Mr. Wharton:** Again, I'm not—I—not going to use the new minister card there too more often, but I will definitely say that I'm enjoying the process of understanding exactly what's happening within our department and certainly learning fast, as my colleague alluded to when he was elected MLA for St. James.

You know, this is going to be a very transparent process as we go forward over the next three weeks. There's no doubt that we will make, of course, the rollout of the corporation by April 1st, 2020, and I think it's prudent to ensure that we dot the i's and cross the t's to ensure that this goes forward to PUB and, again, the collaborative effort with Efficiency Manitoba.

And I can't reiterate enough the hard work that the board has done over the last several weeks and months and also, you know, enlightening myself as a new minister on this exciting new entity on demand-side management as we go forward to ensure that we do save energy on the—of course, on the natural gas side along with the electrical side.

**Mr. Sala:** Appreciate the minister's response and the confirmation that we can expect a plan to be released April 1st

I guess the question is, given that section 12 of The Efficiency Manitoba Act clearly outlines that the PUB should be approving the plan in advance of review by the minister, what is it exactly that the minister intends on doing in this review process? Is it approve a portion of it, some of it, all of it?

What changes can we expect to come from this review in advance of it being submitted to the PUB?

**Mr. Wharton:** I want to assure the member that I am not approving anything at this time and I cannot approve anything until PUB has had the opportunity to review the plan.

So, to be clear, that will not be happening. And, simply, the process, going forward, in allowing the extra 30 days' oversight is purely to ensure that we can

help provide the board, in their expertise, to have a clear line of sight into the old Power Smart program to ensure that we are extracting some of the good things that might have gone on in Power Smart, but also building on that to ensure that we're leaner and more efficient and focusing on reducing our greenhouse gas emissions.

**Mr. Sala:** I thank the minister for the response.

So if there's no intention on approving or disapproving any element of the plan, why delay its submission to the PUB?

**Mr. Wharton:** As I mentioned in my earlier comment, we're helping and assisting Efficiency Manitoba board have clear sight on comparing apples to apples as they continue to go forward building their plan in the old Power Smart plan.

**Mr. Sala:** Just to clarify on that, does the minister intend to suggest that the office of the minister will be assisting the Efficiency Manitoba team to assess their proposal relative to the previous Power Smart program?

**Mr. Wharton:** I guess to be clear, and the member—well, I'm sure your colleague will be able to fill you in—*[interjection]*—to be clear again, we are—certainly, the minister's office isn't going to be developing any plans. What we are doing, again, is providing assistance and essentially setting the table to help the new board get eyes into the old Power Smart program that was, quite frankly, very antiquated, tough to—for anybody to understand.

So anytime that the team can help get this process right, we're going to be there to help.

**Mr. Sala:** I thank the minister for the response.

So, to be clear, the board of Efficiency Manitoba approved this plan, submitted it, and they as experts on demand-side management programming in this province and likely are deeply familiar with the Power Smart program, just to be clear, the minister is suggesting that his office will be ensuring that the Efficiency Manitoba plan, which was reviewed and approved by the Efficiency Manitoba board, will have the ability to have clarity on this apples-to-apples sort of comparison to Power Smart?

\* (17:30)

**Mr. Wharton:** Long break for a short answer.

Again, I just want to reiterate to the member that we have the ability to assist which—to get information from the old Power Smart program to ensure that

Efficiency Manitoba has the ability to deliver on their mandate. Where they may not be able to acquire certain information, we can certainly help set the table for them to do that.

And, again, the focus here—and we've got to be clear—the focus here is to ensure that all the information is available and available not only to Efficiency Manitoba but available to the entire board so they can make the informed decisions as they go forward with their plan.

**Mr. Sala:** I appreciate the response.

And I guess I'd have to say that I would have hoped that the board of Efficiency Manitoba would have had that information made available to them in advance of them developing their plan, so as to ensure that Manitobans could access this programming as quickly as possible.

We're heading into another cold Manitoba winter and I'm sure myself and a lot of people—[interjection] I know that a lot of people, including myself, are looking forward to learning about this program so that we can move forward with energy efficiencies in our own homes and ultimately reduce the costs of our energy bills here in Manitoba.

Moving forward to another area here. Hoping that the minister can help us understand a little bit about some of the decisions relative to the furnace replacement program.

The government passed a regulation that became effective on August 9th, ordering the wind down of the furnace replacement program. I'm hoping, first of all, to have the minister describe this program.

**Mr. Wharton:** I'll just give you a description here of the program's intent. The intent was to accelerate the change out of low-efficiency natural gas furnaces to high efficiency to help mitigate natural gas prices of course and reduce greenhouse gases. And this program was [inaudible] for low-income families.

**Mr. Sala:** I thank the minister for his response and like to—would like to ask, why did the government see fit to end this program given its importance to low-income families, as he just stated, and helping them to ultimately replace low-efficiency furnaces, which are not only costing them more but are having a larger impact on our environment?

**Mr. Wharton:** Again, I'm working to make sure we get the answers that the member is asking and get the right information on the record. And I just will read a bit here of what the member was talking about as far

as how this started too. So our initiative was established as a result of the PUB board order in 2007 and included the creation of a separate budget account funded by natural gas ratepayers.

So, essentially, there was money set aside in—a pool of money set aside for programming, currently sits at \$27 million. So, really, the only thing that's ended here is this particular fund. This [inaudible] will not be coming—[interjection]—April 2020, thank you, jumping ahead of myself. So that's the only thing that's ended, and, of course, this is a transitional—this is a transition from the old Manitoba Hydro to, you know, over to Efficiency Manitoba, and so, again, this mandate, too, will be for Efficiency Manitoba to ensure that not less than 5 per cent will be available for low-income Manitoban families.

\* (17:40)

**Mr. Sala:** So, just to be clear, is that to—is the minister indicating that the furnace replacement program is likely to become part of the new demand-side management initiative that we're going to be seeing in the Efficiency Manitoba plan?

**Mr. Wharton:** Certainly, that'll be an area that Efficiency Manitoba will review to ensure that, you know, obviously, they're going to be moving forward in an efficient way, and, again, it'll be up to Efficiency Manitoba to determine how best to move forward.

**Mr. Sala:** Appreciating the minister's earlier comments on the need to respect the directives of the PUB and that's why it's of concern that the furnace replacement program was created, as he stated, as a result of an order of the PUB. Is it the minister's position that orders of the PUB can be disregarded via government regulation?

**Mr. Wharton:** I'd let the member know that in 2007, as I alluded to in my last response, at that time, there was a spike in natural gas. And this program was to help mitigate the high cost of natural gas in the year—the 2007 year. Now, as the member knows, gas prices are pretty much at an all-time low.

And further to his comment, going forward Efficiency Manitoba will be best kind of positioned to ensure that any future programming will benefit Manitobans going forward. Of course, that will up to the Efficiency Manitoba board to determine how best we do that.

**Mr. Sala:** Does the minister agree that we should be encouraging a reduction in natural gas usage in Manitoba?

**Mr. Chairperson:** The—honourable—minister.

**Mr. Wharton:** You must be getting tired, Mr. Chair.

**Mr. Chairperson:** Not of you, Minister.

**Mr. Wharton:** Yes, exactly. Thank you.

The targets, of course, that have been set in the act for Efficiency Manitoba are some of the most aggressive in, as far as targets, in Canada at 0.75 per cent reduction. So, certainly we are being very—the board is being very aggressive on moving forward with ensuring that they do their part in saying and reaching these goals.

**Mr. Sala:** I'll take that as a yes from the minister that he does agree that we should be encouraging the reduction of natural gas usage here in Manitoba.

Previously, the Affordable Energy Fund's purpose was to encourage and realize the efficiency improvements and conservations in the use of power, natural gas and other home heating fuels, and—subject to specific legislative requirements—water.

Newly passed Efficiency Manitoba regulation re-directs the purpose of the fund to only focus on home 'huting'—heating fuels, other than electrical energy or natural gas, and not for any other purposes.

I'm curious—why has the minister placed such strict limitations on Affordable Energy Fund?

**Mr. Wharton:** Okay, so maybe I wasn't clear about where the fund is—what's going to happen with the fund—the \$27 million.

It is going to be transferred to Efficiency Manitoba and Manitoba—Efficiency Manitoba will have that say again on where to deploy, how to ensure that they're reaching their very aggressive targets. And, by the way, no other province in Canada has legislated targets, so certainly we're very proud of the work that they're doing and the work that our government's been in support of, of reaching targets as we move forward through these very difficult times of climate change.

**Mr. Sala:** I appreciate the response. It doesn't really serve to clarify why the limitations were placed on the Affordable Energy Fund.

The limitations removed the requirements to initiate programming focused on reducing the consumption of natural gas, so how does the minister plan to achieve legislated consumption reduction targets?

\* (17:50)

**Mr. Wharton:** I certainly appreciated, you know, a question on how Efficiency Manitoba and our government meet—will meet our targets, and I certainly would like to remind the member about, well, first of all, 17 years in government and not reaching one target. Essentially, the NDP's plan for reduction in GHGs was to take every vehicle off the road in Manitoba, and obviously that's not a sustainable plan.

I can share with the member, of course, that this focus will not only be on natural gas, where the member's talking about today. It'll also be a focus on other heating sources, like propane and heating oil, which I'm sure the member can appreciate a lot of folks north of Winnipeg and into the north of Manitoba rely on propane and heating oil to heat their homes, and as the member had mentioned earlier, we are probably on the eve of heading into winter, and certainly we can appreciate that the propane heaters and the oil—the heating oil heaters will be on full blast in the next weeks and months to come and certainly focusing in on the fulsome amount of propane and heating oil and natural gas is going to be a real benefit in Efficiency Manitoba in our government, meeting our demands for GHG reductions as we go forward over the next 15 years.

**Mr. Sala:** On the—I wonder if the minister could provide the total number of employees employed by Manitoba Hydro at the end of the last fiscal.

**Mr. Wharton:** I can share with the member, of course, that Manitoba Hydro has currently 5,661 '18-19 budgeted employees.

**Mr. Sala:** [*inaudible*] I didn't hear the minister's response [*inaudible*] and, I'm sorry, if he could break down the percentage of those 5,661 FTEs, that would be [*inaudible*]

**Mr. Wharton:** If the member is willing to allow us to get that information to him, we can certainly get that to him.

**Mr. Sala:** And if you'd like, for the minister to provide the total FTEs at the end of '15-16 fiscal. [*inaudible*]

**Mr. Wharton:** Again, if the member is willing, we can certainly get him that information. In light of the time, probably—we'll probably get that to you at the same time as your further—your other request, as well.

**Mr. Sala:** Do we have data in the end '16-17 fiscal?

**Mr. Wharton:** I do. And with all due respect to the member from St. James, these numbers are available

and they are public currently. And certainly we will endeavour to get that information to him, but certainly they are available to him online and they are public. So—but we will endeavour to make sure that you do get a hard copy.

**Mr. Sala:** Thank you for the response.

Hoping that the minister can provide a summary of the total reduction in FTEs that's taken place within Manitoba Hydro for the last two years.

**Mr. Wharton:** Looking for some clarification on exactly what you're looking for as far as FTEs reduction.

**Mr. Sala:** Inclusive of management and regular employee roles, what were the total number of FTE roles that have been cut as a result of directives from this government?

**Mr. Wharton:** Again, certainly we will have to do a little bit more research to endeavour to get those numbers for you on reduction—FTE reductions. And we will do that for you at the same time as we supply you with the other requests on FTEs.

**Mr. Sala:** I thank the minister for the response.

In the absence of that information, which I think should be on hand given the importance to Manitobans, I'm just curious if he can speak to some of the information provided in the April 2019 mandate letters that went to the minister responsible for Crown Services.

Can he confirm that that mandate letter requested that Hydro reduce management positions by a further 15 per cent and regular employees by a further 8 per cent?

**Mr. Chairperson:** The hour being 6 p.m., committee rise.

#### HEALTH, SENIORS AND ACTIVE LIVING

\* (15:00)

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

This section of Committee of Supply now resumes consideration for the Estimates for the Department of Health, Seniors and Active Living.

At this time I invite the ministerial and opposition staff to enter the Chamber.

Okay, I'll get the minister to introduce his staff that just entered into the Chamber.

**Hon. Cameron Friesen (Minister of Health, Seniors and Active Living):** I have with me in the Chamber this afternoon: Deputy Minister of Health, Seniors and Active Living, Karen Herd, who, I should add, I believe is, at this time, the longest serving deputy minister of Health in the entire country, and she is a valuable member of this team; Mr. Réal Cloutier, who is the WRHA chief executive officer. I have Mr. Dan Skwarchuk from resources and performance, the ADM and CFO, I believe we can also say; and we also have Nathan Clark, who is a Dallas Cowboys fan—[interjection]—oh, sorry, I had that wrong. I have a correction for the record. He's a Detroit Lions fan and he's also, incidentally, my special assistant.

**Mr. Chairperson:** I'll also get the member for Union Station to introduce the staff member.

**MLA Uzoma Asagwara (Union Station):** This is Chris Sanderson, our policy analyst.

**Mr. Chairperson:** Thank you.

Okay, as previously agreed, questioning for this department will proceed in a global manner. The floor is open for questions.

**MLA Asagwara:** The most recent update released on August 29th detailed that in phase 2, officials will write a business case related to Cadham Provincial Lab and develop recommendations relating to private lab and imaging services.

Is the minister's intention to privatize lab services?

**Mr. Friesen:** No.

**MLA Asagwara:** Is the minister's intention to privatize diagnostic services?

\* (15:10)

**Mr. Friesen:** The member should understand, of course, that when it comes to diagnostic services right now—in this system, of course, there is private delivery of services that exists now in the system.

There's a mix within our system of diagnostic services that are provided in facility, in hospitals, but there's also facilities now that are not owned by Shared Health, not owned by the health authorities and not owned by the Department of Health that provide diagnostic services. Patients and clients can go there and receive services, and those—of course, those services are knit into our system; there is interface in the system. And I'm thinking about things like digital mammography.

There's—of course, the same can be said about private labs like Dynacare that operates many labs throughout the province, in Winnipeg, around the province. As a matter of fact, I recently saw a notice that Dynacare is looking to extend hours of operation to make it easier to find locations where people can park, where they can have more confidence around consistent hours of operation.

They're calling them superlabs, and I think it's a very good investment for our area, for Manitoba. I think it shows very good partnership on the part of Dynacare, that the members will know, over the last number of years, was acquiring labs from various groups—doctor groups and others. So they were consolidating their holdings, and they provide excellent services. But I'm pleased to see this more recent investment in capacity so that people have that knowledge of where to go.

So, like I said, to the member's question, I can recall that in late August there was a notice put out, and I believe the NDP seized on this notice and said, this is evidence that diagnostic services in Manitoba is going to be privatized when, in fact, what that notice was actually doing was just indicating an update in terms of how DSM is coming into Shared Health.

There's a publicly available document on the government's website on the government's transformation of the health-care system site where all members can actually see the pathway. And I have a copy here. I won't hold it up to the microphone, but I will say for the record that it's available publicly and it shows that wave 1, consolidation; wave 2, transforming the system; and that wave 3, optimizing our system. And you can see how one of those work streams actually relates to transitioning provincial clinical programs to Shared Health, including diagnostics and EMS and patient transport.

In wave 2, you see how Cadham Provincial Lab is coming under that same Shared Health framework. This includes Selkirk mental health hospital. The members and I, over the course of the last few days, have had the opportunity to talk about how it is that in a future state the Department of Health won't deliver front-line health-care systems—health-care services, as was the case with Selkirk mental health hospital.

So, clearly, the member should understand, right now, there is diagnostic services that is private. Right now, there is private lab. Our system has always been an array of publicly and provide—and privately provided services. Doctors who have clinics are private providers to the system. What is important is

results. What is important in future state, that our system is better able to work together as a single, co-ordinated system. What is important in the future is that the needs of patients are put first and that we get better results, which, for so many years under the NDP, were elusive.

**MLA Asagwara:** Is the minister currently considering any private offerings, any proposals that would increase the current percentage of diagnostic services that are privatized, and is there an intention with the transition of the health transformation for diagnostic services to be wholly privatized?

\* (15:20)

**Mr. Friesen:** So I think I know where the member is exploring here.

So, in answer to the question, I'll say a few things, but the first thing I'll say is that we have in this province, now, a mixed model. We have a mixed model whereby services are provided directly through the public system, and the system also procures services from the private sector. That is not a new facet; that is a description of our system going back for many, many, many years.

As I mentioned previously, when you even think about the way doctors practise—unless they're contract doctors directly in the employment of a regional health authority or other entity, then those doctors are actually fee-for-service doctors, which means they are essentially working as independent contractors to the system. They are licensed and they have a registration number and then they bill the system for services provided, choosing from lists of tariffs and fees and billing codes.

These doctors, if they incorporate, if they have a clinic, that overhead, that capital investment, any staff complement they maintain, their insurance and their building upkeep and their triple net and all other overhead, their advertising, their payroll and back office and finance functions, all of those things are undertaken by those private doctors who are in the system as private entities providing services to the system: public and publicly insured services provided by private contractors.

So I would say to the member that it doesn't matter if you are Manitoba, Saskatchewan, Alberta, BC, Quebec, Nova Scotia. All jurisdictions would exhibit certain of these same features of the mixed model in Canada under the Canada Health Act.

We know that the Canada Health Act is built and describes the services that are the insured services, and there's a broad array of medical activities that happen within our system, some within and some without of that framework.

Let me give some examples. For instance, you can drive down Kenaston highway, and kitty-corner to the IKEA store is the Western Surgery Centre. And the Western Surgery Centre does surgery on a cost basis outside of the system. But the Western Surgery Centre also performs surgeries for the system in the WRHA, services including cataracts, services including circumcisions. I think they might even do medically ordered breast reductions and other services as well, and have for years.

Under the NDP government, this private array of doctors incorporated under this company name Western Surgery Centre provides services into the public system, as did the Maples Surgical Centre under the NDP, in contract and in agreement with the Winnipeg Regional Health Authority and Manitoba Health, Seniors and Active Living. The Maples was founded in 2001 and offers a range of uninsured surgical procedures, and over time, they had service purchase agreements, as I said, with Health and the WRHA.

So our system is a mix of private and public provision of service, and we are un-ideological about the ratio of that mix. But what we are adamant about is focusing on outcomes, focusing on getting better results, focusing on driving down wait times, focusing on creating capacity, focusing on co-ordinating our health-care centre to focus on patients. And that's the work that we're undertaking.

**MLA Asagwara:** What is the current percentage of private diagnostic services currently being delivered, and will that increase?

\* (15:30)

**Mr. Friesen:** To the member's question, it's not something that the system measures when it comes to the percentage of services privately provided in diagnostics. We don't have such a measure that we could provide to the member. But I can take the opportunity to talk about diagnostics and talk about the future state of the health-care system under the Bill 10, as our government introduced at the regional health authorities act, which we introduced and which is a big part of this government's transformation of the health-care system.

Bill 10 foresees a system in health wherein the Department of Health will be able to commission for services in future, and commissioning is an important word because what it describes is that the government would have the ability to set minimum standards, to hold delivery agents accountable for the quality of this work, to enter into service purchase agreement arrangements with these groups.

So the framework would be one of quality, where there would be performance metrics set out and the government would be able to add capacity in the system in a way that ensured that the public was protected in that capacity was added. Now, in the past, like I said, governments have gone out and solicited for more activities in the system. What the difference is, is this more co-ordinated way for us to do it—the framework in which we could do that.

So I'm thinking back to—I don't know exactly when the advent was of the time when the government of Manitoba first solicited activities, health activities from the western surgical centre. I know some of the people who were the founders of that particular western surgical centre. I believe one of them was actually the father-in-law of the current Deputy Minister of Finance. That goes back some time in history, but one of the individuals who had the vision to incorporate in this way. I don't know when the Province first started to subscribe onto the activities of that centre.

What we're talking about is the ability to do so but in a co-ordinated way, one with protections to the system, setting performance metrics. Like I said, this should all be the focus on—it should all be for the focus on patient safety, on getting more quality procedures in our system. When groups of doctors incorporate, the benefit to our system is that we don't have to pay for the capital to build a clinic for those doctors. If a group of nurse practitioners come together and have a practice, we don't have to pay for those nurse practitioners to hire their staff or to clear the snow, or to have security, or to pay their property tax bill, or to do their taxes, or to meet their payroll. All of that risk and all of that activity's undertaken by them, and we can, in a simplistic way, a very streamlined way, enter into the services that they would provide.

So I'm happy to have a conversation about adding more capacity to the system in diagnostics, adding more capacity to the system in laboratory. But I'll say again, I'm quite un-ideological and our government is quite un-ideological about where those services are solicited. We are highly driven, though, to get better

results in health care, better health care sooner for all Manitobans.

**MLA Asagwara:** Does the minister believe that there will be reductions in staffing in the health-care sector as a result of the direction that things seem to be progressing?

Thank you.

\* (15:40)

**Mr. Friesen:** I thank the member for the opportunity to provide an update to information that I put on the record earlier this week. It turns out that I have to offer a correction for some earlier numbers that I had given on the number of hires in the WRHA since June the 1st.

So I have to correct the record because I understated the number of individuals hired into positions since June the 1st in the WRHA. When I had earlier cited the number of 258, it turns out that that was just the number of full-time, part-time and casual positions hired at Health Sciences Centre and St. Boniface Hospital. Turns out that did not include the other hospitals and sites in the WRHA and in Winnipeg. And so I want to include for the record the following: at Concordia since June the 1st, 26 new hires; Grace Hospital, 66 new hires; Seven Oaks, 25 new hires; Victoria, 28 new hires; and one new hire at Shared Health, meaning when you combine this with the earlier information that I provided at Health Sciences Centre and St. Boniface Hospital, total number of hires in the WRHA, Winnipeg hospitals—these are just, of course, nursing hires—total number of nursing hires is 403, up sharply from the 258 that I earlier cited. So I'm happy to correct the record.

I would secondly say to the member that currently posted positions on the Health Sciences Centre website for adult emergency and medicine are a number of permanent positions: general duty nurses in medicine in the high observation unit; I see a gastroenterology clinic repost for a general duty nurse; I see general duty nurses in emergency and clinical assessment unit and another one in emergency; I see a unit assistant; I see a medicine general duty nurse here; I see general duty nurses for medicine sub-acute, a number of them; I see more unit assistants; I see a nurse clinician for bleeding disorder services; I see a general duty nurse for critical care, another one for emergency, another one for medicine acute. These are all positions that are currently posted.

We're hiring. As a matter of fact, that—matter of fact, earlier today the Leader of the Opposition tried

to go back to a tediously well-worn path that the NDP has tried before, trying to assert that the number of nurses working in Manitoba was down. What the member didn't include in his earlier statement today was the fact that he was referring to data by CIHI that CIHI almost immediately offered an explanation for. They actually retracted their statement. They issued a qualification specific to the Manitoba nurse numbers.

Now, I imagine when you're CIHI and you are the pre-eminent Canadian health information authority and you're offering, you're submitting, a qualification of the Manitoba data, that that can't be a happy call into jurisdiction when they go and make that call and say to those groups, why did you change in this year the manner in which nurses are indicating who their employer was? And that was exactly what was going on in Manitoba.

The data didn't make sense to us when it came out. It showed that somehow—some variance that we couldn't explain. What was explained later on is that for the first time ever, nurses were—it was made voluntary whether they would decide whether or not to declare who their employers were. So some decided not to declare. The data interpreted that as a reduction. In fact, when calculated properly, the number of nurses working in Manitoba at that time was 201 nurses higher, not lower.

It is damaging the member's own credibility when they continue to reassert when those numbers are down. When CIHI said, and I quote, due to voluntary reporting of CIHI—of employment status in Manitoba, employment numbers may be understated. Please use with caution.

**Mr. Chairperson:** The honourable minister's time is up.

**MLA Asagwara:** Can the minister please clarify the nursing—current nursing vacancies in the WRHA, per hospital?

**Mr. Friesen:** So I'm happy to re-explore a lot of the territory that we've been over in the last three days and potentially eight to 10 hours of the Committee of Supply for Health.

\* (15:50)

We've had a very fulsome conversation about vacancies in the system and we had a good discussion around what our government continues to say is the necessity to explore how to find faster pathways in human resource to hire nurses. And I was able to convey to these members in the House that we have

significant complexity in our system when it comes to hiring a nurse. I explained and I gave that example how if you had a nurse position advertised—and I just read out probably 15 new nurse positions to be advertised.

Now, imagine for every one of those 15 positions I just read out that you have to have a contest and you have to solicit for applications, and then those applications are received and they are vetted and they are short-listed and interviews are—take place, an adjudication process takes place and a scoring is done and the position is awarded. And then, immediately, all of that work is discarded. If that was the first position on that list that I just read, now that same works starts again for the second job posted.

Our system has no way to capture the fact that we might be hiring—I don't know how many of those positions I just read were the same category and the same classification. I think I might—must have read out at least five general nurse, duty nurse, medicine, subacute category. And imagine, we have no way to say we're hiring five. We can only hire one, go through the whole process, discard all of the applicants who must then reapply into that process.

Now, the reason I say this is because when I was still relatively new to my role, and I'm guessing—I could be wrong here—I thought it was last fall, perhaps late last fall, I remember we announced as a government that we would be hiring additional nurses at St. Boniface Hospital and Health Sciences Centre in the area of neonatal intensive care unit. And then, almost overnight, the opposition seized on data that said the vacancy rate at NICU has just exploded, and that didn't make sense to us, either.

I asked officials about it. They scratched their heads and we went back and checked the numbers. And here's what we discovered: that the moment you say you're hiring in the system, the positions are added to the system as vacant—as vacant. They're added as vacants, which does not even seem like a fair or accurate mechanism to determine the actual level of vacancy in the system. You would think that the system would allow for a new position to be identified, created, filled and then added to the system for the purposes of data. But no, in this case, someone got really cute and decided that they were going to present that evidence as a vacant position.

Well, I cannot tell you the speed with which the Manitoba media ran away from that story, and I cannot tell you the degree of excuses offered by the NDP for trying to seize on that metric. I say that

because here are some of the new positions we have created in the system: new nurse positions at the new urgent care at Concordia Hospital, new nurse positions at the St. Boniface Hospital, new nurse positions because of consolidation at Health Sciences Centre, new nurse positions throughout the community, new nurse positions in respect of the brand-new expansion that we are proud to be opening at Holy Family personal-care home here in Winnipeg where a total of 42 new beds, net new, are coming onto the system—all of those beds requiring new nurses, new allied health workers, new capacity in the system; 16 cardiac beds in the system, new; 42 stabilizer beds, new in the system. And imagine that all of those positions will now represent as vacancies, even though this government is intent in working hard to hire into those positions.

We're proud to be building the health-care system, hiring more nurses, like the 200 more that CIHI showed that we hired and the 200 more that we've committed to hire in the next term.

**MLA Asagwara:** And as of today, we've got nurses at HSC, we've got—who are understaffed, who are increasingly concerned about what's going to happen in this upcoming flu season as they're stretched beyond their limits—19.1 per cent currently nurse vacancy.

I mean, they're trying to pull nurses. They're asking nurses to please work overtime, nurses from other areas with the skills to contribute to the emergency department. I have a family member who works at the emergency department at HSC. I know how challenging and difficult things at that hospital have been for quite some time. I know how the demands take a toll on front-line service providers, and, you know, the cost to the well-being of our nurses and our health-care aides and folks simply trying to provide the best care they can is serious and significant. And asking these questions is, you know, not just an exercise in patience on my part but it's certainly to get a response and get some clarity around an issue that is really impacting folks trying to access health care and folks trying to provide health care.

And, as I've stated, you know, I have somebody in my own family who's really struggling, or sees the struggles first-hand in terms of the challenges that front-line service providers are experiencing with the increasing burden on the system. And we know that flu season is right around the corner, and that can't be understated, that the tremendous impact it can have and the amount of risk to people's health. We're seeing

people sicker and sicker at emergency rooms. We're seeing folks readmitted within 30 days at an increasing rate to services.

So, with that, I'd like to go back, actually, to—because the minister didn't provide an answer, and so I'll move on. I'd like to ask the minister specifically about something that was noted in the phase 2 update. It indicated that more business cases will be made in general in terms of services moving toward more increasing 'privatization.' So, for the—if the minister could please provide some clarity around what other services the minister sees—foresees a business case being made for.

**Mr. Friesen:** Well, I'll start in my response by indicating that the member is incorrect. I heard the Leader of the Opposition earlier today citing a vacancy number for nurses at Health Sciences Centre emergency department that was wrong at 1:30 and now at 4 p.m. is as wrong now when the member for Union Station (MLA Asagwara) repeats it.

\* (16:00)

This 19.1 number is not accurate. As a matter of fact, we've seen a decrease in the vacancy rate at Health Sciences Centre emergency department for nursing vacancies, a significant one. And that vacancy rate now is down 6 per cent from last year. And it is 8.6 per cent—8.6 per cent—not the 19.1 per cent that that member cites, and I would invite them to cite source on that number.

Furthermore, the member says that flu season is coming. We agree. Flu season is coming. And flu season is significant, and it is important to be ready and that is why, as a matter of fact, the WRH—oh, sorry, this Shared Health sent a memo around to nurses to solicit nurses for a pool. People who would be willing to additionally work to meet the demand that we know is coming.

Now, the members sound shocked by that. Maybe they are shocked by that. What that is evidence of is planning. That is planning. Not waiting for emergencies to arise before we act, but in advance. Making decisions, looking at trends, analyzing the data, looking at workforce, looking at workforce availability.

If there is a cohort of nurses in the system who are saying, look, I'd be willing to pick up some shifts in the busy season, then we want to know that. And this solicitation for that was evidence of the planning for our emergency departments which are busy places.

I have personally toured the Health Sciences Centre adult emergency area. That is a busy place under the direction of Dr. John Sokal. It is a busy place. It is filled with people who are working hard, who care about the system, who are helping patients.

We are very, very proud of the more recent investments we've made to create an alternate care area, lower-acuity area within the hospital to allow patients of lower-acuity ailments to be diverted, which is good for flow, which is good for all patients, which is good for medical providers. This system is working. It's an example of planning.

Now only very recently we were made aware of a national shortage when it comes to the supply of influenza vaccine. It's unfortunate. It's not something that Manitoba is working with alone, but all provinces and territories are dealing with it. Public health officials are keeping my office updated.

Vaccines are not the only tool, but they are an important tool in reducing the impact that the flu has on our health-care system. And so we'll be providing updates as they are available, and I can assure all Manitobans that we are working to solve the issue that I understand is the result of one or two companies who are experiencing challenges with production. Certainly not the first drug shortage in our jurisdiction, and I imagine it won't be the last. And I'm not trying to make light of the fact that right now we do have this significant or present challenge to deal with.

To the member's other question about what other areas in future might or could be explored to find areas of efficiency, to look with innovation and creativity at our system. We're certainly involved in that work. It's important. We are interested in analyzing the business side of health-care delivery because if we can make that more efficient, we can re-invest the saved amount in front-line services. That is our plan to strengthen front-line services.

What are some of those areas? Supply chain, transactional finance, payroll, legal services, food services, digital health, drug services in personal-care homes, capital planning. Probably not an exhaustive list, but it gives an idea of some of the areas we could explore. Things like medical drug compounding in facilities where federal regulations are driving the need for new practices. These all would represent areas of possible exploration.

**Mr. Chairperson:** The honourable member's time is up.

**MLA Asagwara:** I'll quote Darlene Jackson, the MNU president: I'm hearing from nurses almost on a daily basis that the situation in ERs across Winnipeg is urgent. They are short-staffed. They're working with crushing workloads and they're drowning.

The question I have for the minister, the update also indicates that wave two will include the completion of a detailed operational model and structure for provincial mental health and addictions services within Shared Health. When does the minister think that the operational model and structure will be complete? Yes.

**Mr. Friesen:** I wanted to just offer this further information subsequent to the earlier discussion I had about the NDP's misrepresentation, both today in this Legislature and earlier, about the number of nurses working in Manitoba.

\* (16:10)

They tried to seize on data and say that there were 500 nurses fired by—well, by the Premier (Mr. Pallister) and by our government. And the Manitoba association for registered nurses responded and said that they were a politically neutral organization that takes every opportunity to advocate for nurses in meetings with government and RHA officials. And they say that, during election campaigns, it's not uncommon to see facts or data interpreted in favour of one party or the other. They say that they're aware of that claim by the NDP which, unfortunately, is not accurate. This fact was reinforced in the Winnipeg Free Press article.

According to the negotiated contract between the MNU and the employers, any rotation changes require that the deletion notices must be issued to nurses who are in those current positions. The WRHA reorganization plan required rights, but the deletion notices and reassignment on hundreds of nurses. And essentially what she's reinforcing is that the number of nurses was 200-up in the province of Manitoba, not 500-down as, you know, very partisan way the assertion of the NDP.

I would also say, while we're quoting people within the system, that when I recently met with the Association of Registered Nurses of Manitoba, a Mary Smith, RMNM—RN and MN, executive director said, and I quote, we are committed to this health-care transformation. And she spoke about their commitment to a modern and professional nurse workforce who would in—who would be more and more in Manitoba able to work to the fullest scope of

practice to be able to seize opportunities within the system, not heavily siloed and constrained and restricted in the ability to move through the system as our system previously was. And we had a very good discussion on a host of issues, and I was so impressed by the optimistic attitude of that organization as we move through those changes. I think it's actually bears repeating again. I'll quote it again, we are committed to this health-care transformation. Mary Smith, Manitoba Association of Registered Nurses.

To the member's latest question, about how long the changes in the system will take, I would refer her back to that public document which gives a very, very good description and a very organized description of the changes taking place by category through three successive waves of change. The first wave of which is the consolidation of services which we are largely now completing, and the second wave being that transformation of the system, and the third wave optimizing that system; getting that system to work more as one system. But I can provide the same assurances I was provided in other exchanges we've had, which is that we've now largely completed that consolidation work.

Defining much better than ever before the work of community hospitals, their particular roles, their uniqueness, reforming those teams, articulating better the work of the tertiary hospitals and that more acute level of care. And that means that now the work can be undertaken, and is being undertaken to stabilize the workforce, to assist those new combination of professionals and teams as they work together, sometimes in different places, sometimes in different combinations of workers, but in a more coordinated way.

And, again, I'll say, for the purpose of what, why do this at all? To get better health-care for Manitobans.

**Mrs. Bernadette Smith (Point Douglas):** I want to just ask the minister be really focused and brief on the questions so that we can get through a lot of these questions that Manitobans want to know. You know, for instance, they want to know if Ian Shaw is still providing consulting services to the Health Department.

Miigwech.

**Mr. Friesen:** The member is referring to a contract that Manitoba Health has with Braid Solutions. Braid Solutions continues to provide services to the Province of Manitoba and the department of Health.

I remind all members that Braid Solutions was first engaged by the NDP government, and that Braid Solutions provided services to the NDP government in the area of health care—and in other areas, including health insurance. I believe the Braid Solutions contracted for services under the NDP for Health Sciences Centre, I will clarify that. But I know that those services were for a number of years in contract during the NDP time in office.

**Mrs. Smith:** Can the minister confirm if Ian Shaw is providing consulting services for Shared Health or the WRHA?

**Mr. Friesen:** To clarify, the contract that we hold with Braid Solutions and Ian Shaw is under Shared Health.

Mr. Shaw acts as the health-care transformation lead, and directs the overall transformation efforts that are being led out of Shared Health.

**Mrs. Smith:** I thank the minister for that answer.

Would he please provide, who does Ian Shaw report to?

**Mr. Friesen:** Mr. Shaw reports to the Deputy Minister of Health, Seniors and Active Living.

**Mrs. Smith:** Can the minister provide his remuneration and a copy of his contract?

\* (16:20)

**Mr. Friesen:** This is not information that our officials have at the table, but we could endeavour to get the remuneration number for the member.

I believe the member is already in possession, perhaps, of the contract. It seems to me that previously the NDP had solicited through a freedom of information request for a copy of the contract. Could the member clarify if they already may be in possession of this same material?

**Mrs. Smith:** I can't say a definite yes, but I would ask that the minister provide that, and if it's already been provided, then he should have no reason not to provide us with it again.

**Mr. Friesen:** Okay, well, we can verify on our side. We understand here at the table that there have been freedom of information requests already to solicit the same information, and we'll check our records to see if this information has already been requested and received, and if not, then we will provide that information.

**Mrs. Smith:** I appreciate that. I don't think that we would be asking for it if we'd received it already. I know since I've been in this critic role that I haven't seen a copy of it.

So I want to just ask about Vickie Kaminski now, if she's still providing consulting services to the Health Department, shared services or to the WRHA?

**Mr. Friesen:** That individual to which the member referred is currently under a contract with Shared Health, and I believe that the contract is terminating in the next few weeks.

**Mrs. Smith:** Can the minister tell us what role Vickie Kaminski plays and also who does she report to?

**Mr. Friesen:** I was searching the Peachey report quality assurance review to give the member the context for the work that has been commissioned to Vickie Kaminski.

\* (16:30)

I want to first say that Vickie Kaminski's role is one of a independent clinical transformation executive. She provides input to the deputy minister and the minister. She has worked, of course, in health-care systems across this country in Ontario, in Alberta, in Newfoundland. She is highly qualified.

The member will remember that in the assessing phase to David Peachey analysis and actions report, based on his assessment of how the changes were going, there was a recommendation that was made by Dr. Peachey to undergo repair and restore activities. And the recommendation was at that time for Shared Health to take a more direct role in the execution of the changes at a governance and executive level. And, as a result of that recommendation, we changed the overall project governance and structure. We did that to improve it.

The changes that we made include changes to the representation from Shared Health and the transformation leadership team, and the review assessment and decision-making processes. The new project structure is now consistent with other transformation leadership team projects. It includes clear goals for Shared Health and the WRHA, and it outlines roles and responsibilities of other stakeholders.

Key changes to the governance project also include clearer accountabilities established to the CEO of the WRHA, new leadership, a new project lead for the WRHA, a new project manager, as well as this independent clinical transformation executive.

And I can tell you, as a result of the changes we undertook, it's working, that we have been able to get a much better read on the changes as they are occurring in real time.

We can—we must emphasize that we put site leaders, COOs and other leaders from the community hospitals and the tertiary hospitals in the room with these teams. And Vickie Kaminski has been there as well to assist in the work of evaluating the changes, providing eyes and ears, lending her considerable expertise in system change, solving problems, putting out fires, reporting back concerns, escalating issues for interventions, addressing issues before they snowball into larger issues.

And I'm going to refer the member to page 24 of the Dr. Peachey assessing WRHA phase two: Clinical governance—the existing clinical governance was fragmented by multiple roles and reporting; academic leads, Shared Health leads and WRHA leads. The fragmentation can be confusing and is redundant. Academic leadership should be protected regardless of the remaining clinical leadership roles. These remaining roles should be aligned with Shared Health.

And so we did that. Dr. Peachey said changes need to be made in order to get a better handle on this—on the changes, and to make sure that people are talking to people, communication is taking place, and that the right people are in the room for the planned changes. I can report with confidence those changes have been made, and we thank Ms. Kaminski for her particular input and her specified role in helping us move these changes along because we want them to be effective, we want them to be successful and we want them to assist all of us in getting that better health care for Manitobans.

**Mrs. Smith:** Can the minister provide her remuneration and a copy of her contract?

**Mr. Friesen:** We could endeavour to provide that information to the minister. It's not information that we have readily available.

**Mrs. Smith:** Can the minister confirm if Curtis Burns is still providing consulting services for the Health Department or shared services or the WRHA?

**Mr. Friesen:** The individual that the member mentioned is the current project manager working for KPMG overseeing the phase II system changes in Winnipeg.

**Mrs. Smith:** Who does Ian—or, Curtis Burns report to?

**Mr. Friesen:** We already answered the question of who Ian Shaw reports to. And in respect of this other individual, that individual reports to the health-care transformation lead.

**Mrs. Smith:** I was actually asking about Curtis Burns and who Curtis Burns reports to, whether it's the deputy minister or the minister himself.

**Mr. Friesen:** As I indicated, Mr. Burns reports directly to the health-care transformation lead.

**Mrs. Smith:** I thank the minister for those direct answers.

I'll move on now to some other consultants. Can the minister indicate what other consultants are working in the health-care system currently?

\* (16:40)

**Mr. Friesen:** We've been discussing at the table the member's request. I'm not sure that the government could provide a list of the number of contracts in Health and in Shared Health and in the regional health authorities that would have any degree of accuracy.

The member knows that contracts to government are a facet of government and the way it works for years and years and years.

*Ms. Audrey Gordon, Acting Chairperson, in the Chair*

The member should understand that when she makes the request. Like, she has to understand that, for instance, in the area of capital planning, if the department is undertaking to build a personal-care home—and we were delighted to be in Steinbach this morning for the sod-turning on the latest personal-care home that we are building. And I know that MLA—oh, I was almost going to use his name, and I can't do that in the Chamber—the MLA for Dawson Trail was there with us today as was the member for Steinbach (Mr. Goertzen) and the member, also, for La Vérendrye (Mr. Smook).

And, for instance, in the development of that capital plan and at the event today, there were a number of different consulting companies in the room today: Penn-Co was there, the general contractor; the architect who did the design work; the engineers were there. But also there was the capital group from Southern Health-Santé Sud.

And I mention that because it was the capital group at Southern Health that would have contracted out for those services. And I should be careful here because in this case, I'm not actually sure with a group like that, that might have been the contract let by the

organization. However, of course, if the Southern Health was undertaking to build a hospital, those contracts would come from the region.

And the fact of the matter is, if we don't have that capacity in government, like architectural capacity or engineering, we have to get it. And I can't imagine how government would seek to have all of its own engineering and architectural capacity if government wanted to build a bridge, and we just say, well, we don't need to go outside of shop because we've got all that capacity in here. But that would mean that every time we're not using that engineer to build a bridge, they would be sitting on their hands earning a paycheque but providing no benefit to the Province.

Look, any professional knows that the reason that the government—provincial, federal, municipal—goes to the private sector to contract is because there is expertise, there is knowledge base, there is a professional service being offered. That individual or group or company or entity is undertaking to ensure that their credentialing is up to date, that their work is of exceptional value. They have liability concerns to attend to. They have professional registration to attend to.

This is only one of the areas. Think of all the contracts that could, at any one time under either an NDP or a PC government, be in place in areas like change management, in areas like ICT, in areas like capital planning, in areas like security.

Imagine how just yesterday we had a conversation that went on for hours, or a long time at least, about the recent ICT failure that even now digital-health officials and staff are working to correct. A very significant outage completely blindsided the system. Nothing we could prepare for.

But I think once again the—all those individuals involved in their efforts for restoring those systems. But I imagine it's not without the possibility that right now digital health has partially engaged their workforce to solve these problems and perhaps even awarded a contract to get specific expertise to solve the problems.

So I think the member has to understand that the question they're asking would be an unreasonable request. We wouldn't know how to answer with any degree of specificity or accuracy, how to report at any one time a snapshot of all the contracts to government.

Nevertheless, I think we would all agree that what we're purchasing in those cases is expertise, is professional knowledge. We can do it openly and with

accountability and in the best interests of all Manitobans to get the best value for money.

**Mrs. Smith:** I just want to, again, reiterate to the minister to—you know, we're trying to get through Estimates here. We could take the full week, we could take next week as well. Manitobans want to know these answers to these questions that we're asking. So, if he could keep his, you know, answers brief, to the point, that would be great; we can get through more of these.

So I'll go back. Alternatively, can the minister list all of the consultants or consulting firms currently engaged by the health-care system, currently engaged?

**Mr. Friesen:** It's the same question asked in a different way. No, neither could the NDP government and a minister have provided that information to a PC critic at a previous time, not with any degree of accuracy.

The member is making a very complex request. I just listed, and I won't relist all the areas, and those are just—that's just a sampling of the areas that could be going on at any one time: engineering, architecture, digital health consulting companies, a change in management consulting companies.

David Peachey is a consultant. The NDP hired David Peachey from Nova Scotia—now from Nova Scotia, previously from Ontario—on a sole-source contract to provide an overview of the system.

I remember a PricewaterhouseCoopers report given to the NDP government on procurement in 2013. That was an interesting one because the minister, when asked about it, denied any knowledge of the report and we realized later that the minister had never read the report. The minister had no knowledge on a million-dollar report that was designed to help the government purchase better. So they put it in a binder and parked it on the shelf, and the minister had no knowledge that the report existed.

So, no, we can't satisfy the request, and it's not because of an unwillingness to do so; it's because of the unwieldiness of the request. But perhaps there's a more limited request that the member could make that we could contemplate satisfying.

**Mrs. Smith:** So I'll narrow it down a little bit for the minister because he's saying this is a big area, and I do recognize that. So I'll ask, you know, related to policy and on a transformation of the health-care system who

were the consultants and consulting firms currently engaged in the transformation?

\* (16:50)

**Mr. Friesen:** So, first I want to start with an explanation of why the government would use contracts.

Why would the god-government would use contracts in the first place? Well, for the same reason that the department of infrastructure uses contracts right now. The Department of Infrastructure does not do all of its work internally. It goes to market, it procures engineering advice, it procures design advice for the same reason that the Department of Education or the Department of Agriculture uses consulting advice: for expertise.

What is happening in Manitoba in the area of health care is a massive once-in-a-generation transformation of our system; one that is long overdue. The state of the system was neglected by the NDP.

I read an excellent opinion piece into the record only a few days ago by a Winnipegger who served on two separate health-care boards. And that individual talked about the overdue need for changes in the system. The thesis of that Winnipegger was do not go back, that the failure to modernize our health-care system had actually resulted in the worst results—in the worsening of results and the lengthening of wait times. And that was a provocative article, but one that was really compelling to read.

There was a statement there where the individual said the alternative, pretending that yesterday's system is sustainable and throwing more money at it would be the gravest mistake. And that is something we know, that the NDP did, they just threw more money at the system.

So we're in the middle of a massive transformation. We are cleaning up the roles of the Department of Health, of the regional health authorities, and the other delivery agents like CancerCare Manitoba and diagnostic services of Manitoba.

We are identifying the role of service delivery agents or organizations. We are standardizing this service purchase agreements. We had hundreds of service purchase agreements, hundreds of unique documents, one each for personal-care homes and mental health centers; everyone had their own service purchase agreement. Imagine the extraordinary complexity of a health-care system where every single

relationship into which the department enters or the regional health authority enters is a unique arrangement. Why wouldn't you standardize that?

And that work needed leadership; that was not expertise that we had in our shop. The standardizing of service purchase agreements in Health was a job undertaken by a contractor, and what a tremendously beneficial area of work to undertake; what a significant goal.

Do you know, it was only earlier today that a CEO for one of the Manitoba's personal-care homes told me how extraordinarily good that work was to standardize these service purchase agreements. And it's not every day we receive that kind of effusive praise, but it's welcome when it comes; and coming from this very credible source, this very prominent Manitoban, it was nice to hear.

So I would say first off that the government enters into contracts because we're not ideological, there's not—this can't all be done by us alone. And in the same way the NDP government entered into contracts, many of them, and I'd be happy to read them into the record as this week and next week goes on, a list of NDP contracts. The difference, of course, between our contracts and those are we are making sure that there is tremendous value coming out of the engagements that we are entering into. Specified work streams. Accountability. Specified start and stop dates for these contracts.

I would list for the member people like Hilltop Business Solutions, we've already referred to Curtis Burns from KPMG, the member referred to Ian Shaw at Braid Solutions, member referred to Vickie Kaminski whose contract will be ending shortly with the Province of Manitoba but who has done exceptional work and was exceptionally qualified to help in this jurisdiction. We use contractors to bolster our capacity on projects. We use outside people to add expertise and system knowledge, and it is all for the benefit of strengthening our health-care system,

**Mrs. Smith:** Can the minister tell me if that is everyone that is working on this area.

**Mr. Friesen:** Could the member specify what the area is she's referring to.

**Mrs. Smith:** So policy related to the transformation of health—of the health system.

\* (17:00)

**Mr. Friesen:** Thanks, I'm just going to ask for further clarification because we're trying to scope out the member's request.

When she refers to policy, could she be more specific related to the health-care transformation?

**Mrs. Smith:** So going back to phase 2 of the health system, and not related to capital.

**Mr. Friesen:** So, to be clear, I would answer to the member, no, the contractors that I listed would not be related to policy formation within the transformation of the health-care system phase 2.

I would say that the contractors to whom we have been referring are more focused on the implementation of specific projects, as I said, to enhance our workforce to bolster, to bolster our capacity, to add expertise in some areas that require very significant expertise.

And so what are some of those projects within the wave 1 consolidation of services? Well, those things are like the work-streams on realigning and transforming the department, the design, commissioning and accountability framework, there are changes to legislative and regulatory changes.

We are activating Shared Health and realigning the health authorities. There is the transition of provincial clinical programs to Shared Health; things like EMS and patient transport and diagnostics, like we've talked about. There is the transition of Health Sciences Centre out of the WRHA and into Shared Health. There is the implementation of other plans, including sustainability plans, there is the clinical and preventative services planning, wave 1, which we've referred to.

*Mr. Chairperson in the Chair*

But there's also projects relating to information and communication tech shared services and human resources shared services, supply chain management shared services, food shared services, laundry shared services, bargaining unit consolidation. I'll stop on that one for a moment; this is a good example.

We spoke about it for some time yesterday, and I'm thinking about a contractor to the government of a name that will be familiar to the members of this House, and that's Mr. Bob Pruden, and Bob Pruden is a contractor. Bob Pruden took the role of the commissioner, the individual who was selected to administrate the entire process of reducing the number of bargaining units in Manitoba's health sector to 36 from more than 190. I understand that

when I spoke on the record the other day, 188—it's actually over 190. And again, I'll say that compares to BC, Alberta and Saskatchewan that, combined, have less than 20 bargaining units in total.

Imagine the unnecessary red tape; imagine the system complexity in the health-care system of 190 bargaining units. I understand there's, like, 20 classifications for custodian, depending on where you're working, 40 definitions of what constitutes someone who works at night—40 definitions—40 definitions for what constitutes someone who works at night. No one definition that constitutes what you do at night.

So I kind of feel badly for Bob, who took on the role. It was a gigantic undertaking. He has acquitted himself so well in the role, bringing the labour unions to the table, organizing in each of the six health employer organizations the work to reduce this in order to reduce administrative costs, optimize workforce flexibility but also align collective agreements and bargaining units.

And so how has that work gone on? It's been successful. And only recently we announced that the votes had taken place, and those representation votes took place, I believe, at the end of August. It was announced at that time who those representing unions would now be going forward, and I could provide more information if the member wants it. That is just one contract.

Why did Bob Pruden take on that work? Because that individual came to government with a very significant and specific set of skills that we felt would lend themselves—the professional background—lend themselves to helping that process go well, and that process has been very, very successful.

**Mrs. Smith:** I'm not sure why the minister keeps avoiding answering this question directly and kind of, you know, trying to move us in a different area. We're not talking about capital building; we're talking about direct people who are working on the transformation, and you talked about implementation.

So let's phrase this a different way: Can you list any other consultants that you've not listed yet that are currently working on the implementation—and these are your words—the implementation of the transformation of the health-care system?

\* (17:10)

**Mr. Friesen:** Well I'm endeavouring to answer the member's question and to be comprehensive in how I answer it because it's a very large question she asks.

The use of contractors within the health-care system is an important area of exploration. We don't apologize for going outside of government to solicit for expertise. There's been so many engagements that we've undergone already or undertaken in government with the use of outside expertise that have paid incredible dividends to Manitobans because, really, the focus of this discussion should not be on the use of consultants but on the value of consultants. And I've yet to hear that member ask questions about how would you reflect on the value of consultants to the operations of departments, to the interests of the transformation of the health-care system.

How has that work resulted in a, you know, the ability to save, to deliver a program or service more safely, more efficiently, more effectively? How have those savings been re-invested in the health-care system? How has that individual helped to explore other areas that were perhaps not even originally contemplated?

Think of someone like Reg Toews. And Reg Toews is a name that will be familiar to both NDP and PC members of this House. Reg Toews was the author of the 2013 EMS review, emergency services review of 2013.

I remember Mr. Toews. I met him numerous times. I actually understand that Mr. Toews was hired—he once told me when he was hired originally by government, I think he might have been originally hired by the Sterling Lyon government. I'm not sure, it could have been Sterling Lyon government. But he worked for governments of all stripes. And I remember the briefing that he gave in 2013 to all members of the House who were rural and based on that EMS review.

Well, why did the government contract those services to Mr. Reg Toews? I remember the introduction of Mr. Reg Toews given by the then-Health minister, Theresa Oswald, who said that Reg Toews had expertise, he had background, he had specific knowledge.

As a matter of fact, there's a quote from Theresa Oswald that even says: The last decade has seen dramatic changes in EMS across Manitoba. Paramedics are now able to deliver a wide variety of advanced emergency care well before a patient enters a hospital. By working—continuing to work together

with our EMS partners, recommendations made in this report will guide us as we usher in a better, more co-ordinated, more responsive era of EMS in our province. End quote. That is a quote and a characterization of that work by the then-NDP minister of Health of an effort and report co-ordinated and led by a contractor, Mr. Reg Toews.

I also thank Mr. Reg Toews more recently for his work related to paramedics and self-regulation under the act throughout 2017 and 2018. And it shows that this government knows how to tap talent on the shoulder regardless of, you know, who that member or who that individual might have worked for in the past. We knew that Reg Toews would assist this effort and that he have lots to contribute, and he did so. And even here—I just wrote a quote into the record—where the NDP health minister talks about the quality of that report undertaken by a contractor.

So the conversation this afternoon would be better to steer towards the value of contractors, the value of looking for expertise, the value of shoring up the resources that we have in departments and the value of being able to contain those contracts so that we're only paying for the advice and the expertise that we use when we need it.

**Mrs. Smith:** So I'll move on. I don't know why the minister, you know, does not want to answer this question. And no one is saying that, you know, consultants don't, you know, do valuable work. I myself do consulting work all the time and my work is highly valued by the people that I consult for, and certainly I'm transparent and open and people know who they're getting as their consultant and who's doing their work and I think, you know, as a government and as, you know, as a minister who is tasked to be transparent and open and to let Manitobans know, you know, where their money is going and what it's being spent on, certainly, you know, I'm—the minister would want to give Manitobans that information. But I'm not sure why he's holding that back today.

So perhaps, you know, before 6 o'clock today he'll change his mind and provide us with those—the names of those consultants. But he—can he confirm if Deloitte is still currently working on the clinical and preventative services plan?

**Mr. Friesen:** The work for which Deloitte was engaged in respect of the development of the provincial clinical and preventative services plan is now complete.

**Mrs. Smith:** Can the minister tell us how much money was paid to Deloitte to construct this plan?

**Mr. Friesen:** This is not information that we have available at the table this afternoon, but we would endeavour to get that information to the member.

**Mrs. Smith:** Sorry, can the minister repeat that? I didn't hear it. Sorry. *[interjection]* Oh.

\* (17:20)

**Mr. Friesen:** I was just saying that we don't have that information readily available at the table but we would endeavour to get the information for the member.

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

Going back to specific consultants and going back to Curtis Burns, can the minister provide his remuneration as well as a copy of his contract?

**Mr. Friesen:** I understand that in some cases with contractors—and this is a standard convention of contracts—that it can involve consent by both parties to release the contracts. So what we will do is we will endeavour to get the information pertaining value of the contract to the member, and then we'll solicit for agreement with the contractor for consent to release the contract.

**Mrs. Smith:** I thank the member—or the minister for that.

**Ms. Danielle Adams (Thompson):** The NRHA's annual report states recruitment efforts are extensive; however, physicians are reluctant to live and work in the North.

Could the minister please explain what type of recruitment efforts the NRHA is utilizing?

**Mr. Friesen:** I welcome the member of Thompson to the Chamber and to her first Committee of Supply, and we welcome her here. Thank you for the question.

I welcome the opportunity to talk about building a stronger provision of family doctors and doctor provision of service throughout the province. It's a concern that we had prior to government in 2016—how to build, how to recruit, how to retain, not just in Winnipeg and Brandon, the bigger centres, but in rural, in remote, and in the North.

And we've had some very significant success we've shared with other members earlier in these sessions. More than 150 doctors working now—I think the number is 158 doctors—more now than just two

years ago. It's the largest two-year gain in physician recruitment in years and years in this province.

That's good news, but the member understands it's not just the number of doctors we have, it's where they're practising. And we're engaged in some very, very collaborative discussions with Doctors Manitoba and others to talk about the future of medicine in Manitoba, and how we can do a better job of putting resource where it's needed. As a matter of fact, that is one of the cornerstones of the preventative and clinical services plan that is being developed for the province, that ability to, in a co-ordinated and coherent way, make decisions about—for the system, strengthen the system, better health care sooner, for all Manitobans.

Part of the success that we've been experiencing is through new efforts in rural residency programs, and I believe the member will probably be aware of the fact that the northern health authority now becomes the latest to adopt the rural doctor residency program, following successes that we've seen in Interlake-Eastern, Southern Health-Santé Sud and Prairie Mountain Health. The U of M offers as well a northern residency program, a remote residency program that serves communities in northern Manitoba and Northwest Territories and Nunavut.

We know that changes were made, in this case, a few years ago. I'm going to give a shout-out to a doctor from Winkler, Manitoba; his name is Don Klassen, and he was involved in the office of northern and rural health, and it was the work not just of Don, but of others and the faculty of medicine and doctors throughout rural Manitoba. Some years ago, to be able to develop in conjunction with the University of Manitoba Rady school—college of medicine, a way of additionally measuring applicants for their association with rural and northern Manitoba—a way to additionally score that during the scoring of applicants that takes place. Not to skew the process, but to additionally measure. Why? Because the determination was made that if you wanted a doctor that practised in the North, it'd be a really good idea to recruit someone from the faculty who knew about the North. And to the member and I, that probably makes a lot of sense, but it actually has been quite successful.

Now, we've pivoted from that. We've had more successes. I'm very pleased to see the Interlake-Eastern Regional Health Authority residency program taking place. I can tell the member that there was just an article in the local media this week that talked about

the incredible effectiveness for family medical residents operating under the clinical teaching unit at Boundary Trails hospital, and there's an article by Dr. Kevin Earl that talks about the amount—the number of specialists who are increasingly choosing to practise in that area of the province.

So I want to say about Parkland, or I should say perhaps not specifically, but in relation to the faculty, there are a number of different innovations and approaches we now use. The member will know that we seek to acquaint new and first-year students in the faculty of medicine with rural placements. We get them out in—for a rural experience. We have other programs as well that put doctors in rural placements. We're pleased to see the program for residency taking place in Northern Health Region, and we believe it'll be part of the success that we will experience in helping to get more doctors to choose the North and to be retained in the North.

**Mrs. Smith:** I'd like to ask leave from the House for the member from Thompson to move up to the front so she can be close to the staff when she's—you know—  
\* (17:30)

**Mr. Chairperson:** Well, is there leave to have the—everybody agree at the committee to have the member for Thompson (Ms. Adams) sit closer to the front so she could work with the employ—I guess, one of the staff? *[Agreed]*

Yes, if it's all agreeable, we'll be able to allow the honourable member for Thompson to come to the front. Yes, it's agreed.

**Ms. Adams:** I'd like to thank the committee for giving me leave.

You cite the rural residency program. What are the—what are you—what is happening for recruitment following the residency to have them stay in the North?

**Mr. Friesen:** Happy to invite the member for Thompson to the front row. She's progressing in this place much faster than I did. I can recall being the critic and I think I asked all the questions from the back row and everyone understood that I could ask leave and move up in the Chair. It was a long ways away. So I think she's already figuring out this place pretty fast.

Thanks for the question, and thanks for the ability to continue to discuss this issue. It's an issue that's important to all Manitobans, an issue that I take personal interest in.

I'm going to quote a little bit from that article I said that arose in respect of clinical teaching units in rural, because it applies to the question for the North as well. I can say that there was an article recently in the—on Pembina Valley Online that talked about the connection between inviting residents to rural and northern places and the decision of residents after they graduate to go back and practise, and set up a practice long-term.

I know that's what the member's question is about, is attracting and retaining in that area. We want these people to become permanent parts of the health-care delivery in those places where they are practising, when it is rural and remote. So, for instance, at Boundary Trails, residence physicians experienced rotations in surgery, pediatrics and obstetrics in that area, and that gives people a great view of the system and of what might be possible for them in their practice after they graduate.

So, on the website for the University of Manitoba Rady Faculty of Health Sciences there is a description as well of the whole Manitoba's rural family medicine stream, and they talk about the various benefits of the stream. And they talk about the placements: places like Boundary Trails, Parkland, Brandon, Portage la Prairie, Interlake-Eastern now Steinbach, as I said, soon to be northern health authority in Thompson listed here as well.

And what this site does, is it talks about the various supports for residences that exist at those places. They talk about the use of community-physician faculty and preceptors. They talk about the broad scope of practices that residents will be exposed to. They talk about even quality of life things that they build into the program while the residents are there for their term.

So I think I would come back to answer the member's question to say, so how do you get people to stay? Well first of all I think that the measurement of applicants to the faculty must be fair and must measure connections to rural and northern, and we're doing that better now. We have significantly improved the ratio of northern and rural students in the faculty of medicine, Rady school of medicine at the University of Manitoba from just 10 years ago, and that is a success.

But then we must build residency programs to acquaint students who are interested in medicine, those residents, with what it—would actually be possible for them as professions in those areas. Many people don't have any experience with the North, and

what we're seeing in the south now is that with the growth of the residency program and the clinical teaching unit, we're seeing that for the first time now students who were urban, from Winnipeg, from Brandon, choosing Morden-Winkler, or Steinbach, or Portage la Prairie because of the experience and because of the familiarization they've been able to have with that particular hospital and the positive experience they've had there.

We know that Shared Health and northern health authority are also establishing specialist arrangements, whereby a specialist works one week of the month in the North and three weeks in tertiary care in the south. And that helps when a new graduate is not comfortable making a full-time commitment. And that's important to mention, because then you have that kind of partial work that's getting exposure to the North and still tethering that individual back. That builds capacity, it builds expertise, and it's an excellent example of collaboration taking place in the system and in the North.

**Ms. Adams:** Earlier this year two dialysis machines were removed from Flin Flon. Has the wait list for dialysis increased in that community and the surrounding areas?

\* (17:40)

**Mr. Friesen:** Our government is making significant investments in the area of responding to chronic disease and kidney disease and the need for expanding dialysis services in the province of Manitoba. I can tell that member that it was in—on March 18th that the Premier (Mr. Pallister) and I were in Thompson, Manitoba, and toured the dialysis unit at Thompson General Hospital, spoke to some of the clients receiving services there at the time, had a great discussion with the nurses who were working on that ward who have very specialized training, as you know, as the member knows.

We announced that day a \$5.2-million investment for the expansion of dialysis service, including \$2.4 million from Budget 2019 to provide critical life-saving services for up to 72 patients while hiring more nurses and other staff to support access for more patients. We know that right now there's 14 per cent of Manitobans living with kidney disease, and about one third of those could develop kidney failure at some time in their life. And so that means that right now in the province we are expanding, in Thompson alone, additional dialysis spaces at local renal health centres.

In addition to Thompson, the investment also includes an eight-patient expansion at Hodgson, a six-patient expansion at Pine Falls, a six-patient expansion at Portage la Prairie, a six-patient expansion at Boundary Trails Health Centre, a 30-patient expansion at Winnipeg. These investments include 57 positions, nearly 30 nurses.

In addition to these investments, I also, with the member for Brandon West (Mr. Helwer), the Brandon—the member for Brandon East (Mr. Isleifson) and I think maybe even a few other MLAs were in Brandon recently at Brandon general hospital to announce an extension of our home hemodialysis services where new technology is making it better and easier for people to choose to be home hemodialysis clients.

In addition to this, we're doing some fascinating work right now in the province of Manitoba when it comes to chronic disease at the Chronic Disease Innovation Centre at Seven Oaks hospital. And I 'ret'-met recently with that group of researchers and doctors, and the member will want to know that a key focus of this study is the North.

And these doctors are doing exciting work in the area of public surveillance for disease because, until now, we've been responding too much, these experts say, at the back end when it becomes expensive and when it becomes really problematic from a health-care perspective from—of the client to respond. And instead, using analytics and data, using software and cutting-edge processes that we are co-investing with—co-investing in with the federal government under a special stream, we're finding ways that we believe could be used to 'surveil' whole populations in the North to determine who might be more at risk for the development of chronic disease, and then to be able to have services coalesce around them, counselling and public health and nutrition and other services. We think this could have incredible interrupting effect at the front end, because one thing we all know from the Peachey report—from the KPMG report is that our health-care resources must be re-profiled to concentrate more on prevention.

Also, one thing I just must say in the time remaining is our efforts to expand transplant at Health Sciences Centre. And it was just a few months ago that we announced the coming together of all the transplant services at the Bannatyne campus at the Health Sciences Centre for a new ambulatory care clinic there for transplant patients. And finally, for the first time, the clinic, along with all the other transplant

functions of the hospital, will be on the third floor of the Kleysen Institute for Advanced Medicine.

What a tremendous project, at \$5.5 million, that will help so many people and perform more kidney transplants each year.

**Ms. Adams:** How many dialysis units were purchased for northern Manitoba?

**Mr. Friesen:** The investments that I was proud to put onto the record, the \$5.2 million more that our province and our government is investing for dialysis services under Budget 2019 and to provide critical life-saving services for up to 72 patients while hiring more nurses and other staff, includes expansion at Thompson hospital, which will see in-centre dialysis expand to accommodate an additional six patients.

**Ms. Adams:** Has the dialysis—has the need for dialysis increased in the North?

\* (17:50)

**Mr. Friesen:** A number of things I'd like to say to the member in response.

First of all, I'm hoping that she will vote for the 2019 budget when she has a chance, knowing that as she would vote for the budget it would include the significant investment in Thompson, in the community that she represents. I would hate to see her voting against such a significant expansion of dialysis services in the community she represents, so it's an opportunity for her.

Also, though, I would want to say, in general, that member knows, and I know, and we all understand, that chronic disease is a very significant challenge coming at us as a generation and as a country in every jurisdiction. I know that from the RHA atlas, the most recent report released by the Manitoba Centre for Health Policy, that report just cited a week ago that people are living longer, and with that living longer comes more instance of chronic disease, but the report also makes mention of the fact that those needs are being managed.

We know there are so many priorities within health care, but managing chronic disease is a very expensive priority. It's very expensive. We're investing here, but it's why people within the system continue to tell us that we do need to have a full-spectrum approach to managing chronic disease.

As I said, that means early detection. Actually, it means starting before that with efforts to prevent, education programs and good nutrition programs,

understanding that we need people to make good choices, good lifestyle choices to exercise and to manage their own health, and the diabetes association of Manitoba talks about the necessity of people to take charge of their health.

Early intervention, more activities for dialysis, more diverting of people to home peritoneal and home hemodialysis, which are essential.

Experts at the Chronic Disease Innovation Centre tell me that more efforts need to be made in all jurisdictions to be able to meet people earlier who are presenting with chronic disease and kidney failure before they start on a hospital-based dialysis program because people don't want to be in a hospital, and the individuals to whom I spoke at Thompson General Hospital told me, we don't want to be here; it's an incredible inconvenience for us.

I saw—there was one woman who was there with her husband, and her husband was receiving treatment, and she talked with the Premier (Mr. Pallister) and I about what this means for their life, that three times a week they're doing this, and when I think about and I reflect on the conversations and meetings I've had with people in Manitoba who are really leading on this file—and, boy, do we have expertise in this area in Manitoba—they told me that we must be able to meet prospective clients who could use home hemodialysis and home peritoneal dialysis and be able to successfully divert them to home where they want to be. But that means making sure that the machines are there, which we're doing, to make sure that the training is there, which we are doing, to make sure that there is good monitoring, which we are building.

Here's another example. The—using very good digital information. New technology allows us to harvest data from the dialysis machine in the home using the home's Wi-Fi system. This is a game changer. This will, of course—I mean, parts need to be managed and clients' health needs to be managed, but this is a game changer when it comes to being able to spot a malfunction in a machine; to be able to see if a patient is correctly using the machine; to be able to troubleshoot off-site; and to be able to coach persons to be able to use the machines.

Not only will this actually benefit the individual and increase quality of life in incredible ways, it will also save money in the system.

Why do we want to save money in the system? So we can reinvest the saved amount for more provision of service, for more dialysis, more surgery.

And let me just say, as well, also important to all this is the incredibly important work led by the member for Brandon West (Mr. Helwer) of individuals deciding that they will register as organ donors at [signupforlife.ca](http://signupforlife.ca). And I encourage all members of the House to make sure they've done so.

**Ms. Adams:** As the member for Thompson, our surgical room—we are down three surgical rooms. I know it is due to the roof leaking.

I do know it went out to tender last year. I was wondering if I could get a copy of the tender.

**Mr. Friesen:** I want to correct the record for the member for Thompson (Ms. Adams).

First of all, I would want to make very clear that there's no delay in the work to mitigate and to restore the operating rooms at Thompson hospital following a water damage event that occurred on June the 1st of this year.

She talked about last year, but this event only took place on June the 1st. So that's not last year. This is just a matter of a few weeks ago, 12 weeks ago.

And I have had a briefing about the state of the work. I commend the northern health authority for their—for how they have expedited the work to determine—well, first of all, I guess, to mitigate and to stabilize, to divert hospital surgery routines and procedures, and then to proceed with the work to restore those hospital surgery rooms.

As the member knows, in the meantime it means that some surgeries are taking place on an emergency basis, but then other surgery cases are diverted to Winnipeg.

And going forward, what we will be doing is, of course, repairing and renovating that space to make sure that, as quickly as possible, those surgical rooms—

**Mr. Chairperson:** Order. The hour being 6 p.m., the committee rise.

Call in the Speaker.

#### IN SESSION

**Mr. Deputy Speaker (Doyle Pivniuk):** The time being 6 p.m., the House is adjourned and stands adjourned until 10 a.m. tomorrow.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 3, 2019

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
<b>Tabling of Reports</b>		Provincial Economic Forecast	
Goertzen	273	Moses	281
Fielding	273	Pedersen	281
Eichler	273	Manitoba Beef Producers	
Pedersen	273	Brar	282
		Eichler	282
<b>Ministerial Statements</b>		Personal-Care-Home Improvements	
Missing and Murdered Indigenous Women and Girls Honouring and Awareness Day		Gerrard	283
Clarke	273	Friesen	283
Fontaine	274	Paterson GlobalFoods Announcement	
Lamont	274	Nesbitt	284
		Eichler	284
<b>Members' Statements</b>		Neighbourhoods Alive!	
Southdale Constituency		Wiebe	285
Gordon	275	Wharton	285
Mitch Podolak		Child Protection	
Naylor	275	Adams	285
		Stefanson	286
Tyndall Park Constituency			
Lamoureux	275		
Borderland Constituency			
Guenther	276		
Fort Garry Constituency			
Wasyliw	276		
<b>Oral Questions</b>			
Health Sciences Centre			
Kinew	277		
Pallister	277		
Efficiency Manitoba			
Kinew	278		
Pallister	278		
Efficiency Manitoba			
Sala	279		
Wharton	280		
MMIWG Inquiry Findings			
Fontaine	280		
Clarke	280		
		<b>ORDERS OF THE DAY</b>	
		<b>GOVERNMENT BUSINESS</b>	
		<b>Committee of Supply</b>	
		(Concurrent Sections)	
		Executive Council	
		Kinew	286
		Pallister	286
		Fontaine	306
		Finance and Crown Services	
		Wasyliw	315
		Fielding	315
		Wharton	329
		Sala	331
		Health, Seniors and Active Living	
		Friesen	338
		Asagwara	338
		B. Smith	344
		Adams	351

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