

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

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**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

Tuesday, October 8, 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

#### Standing Committee on Social and Economic Development First Report

**Mr. Dennis Smook (Chairperson):** I wish to present the First Report of the Standing Committee on Social and Economic Development.

**Clerk (Ms. Patricia Chaychuk):** Your Standing Committee on—

**Some Honourable Members:** Dispense.

**Madam Speaker:** Dispense.

*Your Standing Committee on Social and Economic Development presents the following as its First Report.*

#### Meetings

*Your Committee met on October 7, 2019 at 6:30 p.m. in Room 255 of the Legislative Building.*

#### Matters under Consideration

- **Bill (No. 22) – The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended)/Loi sur l'enregistrement, la surveillance et la transparence de la propriété effective des entreprises (modification de diverses dispositions législatives)**

#### Committee Membership

- Ms. ADAMS
- Hon. Mr. EICHLER
- Ms. GORDON
- Mr. GUENTER
- Mr. ISLEIFSON
- Mr. LINDSEY
- Hon. Mr. PEDERSEN
- Mr. MOSES
- Mr. PIWNIUK
- Mr. SMOOK (Chairperson)
- Mr. WASYLIW

*Your Committee elected Mr. SMOOK as the Chairperson.*

*Your Committee elected Mr. PIWNIUK as the Vice-Chairperson.*

#### Bill Considered and Reported

- **Bill (No. 22) – The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended)/Loi sur l'enregistrement, la surveillance et la transparence de la propriété effective des entreprises (modification de diverses dispositions législatives)**

*Your Committee agreed to report this Bill, with the following amendments:*

*THAT Clause 47 of the Bill be amended in the proposed subsection 21.1(7) of **The Corporations Act** by striking out "or" at the end of clause (d) and adding the following after clause (d):*

*(d.1) a corporation without share capital; or*

*THAT Clause 64 of the Bill be replaced with the following:*

*Coming into force—proclamation*

*64(1) Subject to subsection (2), this Act comes into force on a day to be fixed by proclamation.*

*Coming into force—April 8, 2020*

*64(2) Sections 10, 19, 21, 23, 45 to 50, 52 and 53 come into force on a day to be fixed by proclamation or on April 8, 2020, whichever occurs first.*

**Mr. Smook:** I move, seconded by the honourable member for Turtle Mountain (Mr. Piwniuk), that the report of the committee be received.

**Motion agreed to.**

## TABLING OF REPORTS

**Hon. Kelvin Goertzen (Minister of Education and Training):** I am pleased to table the following reports: the financial reports for the Université de Saint-Boniface, March 31, 2019 and the Apprenticeship and Certification Board 2018-2019 Annual Report.

Thank you.

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

**Madam Speaker:** Ministerial statements?

## MEMBERS' STATEMENTS

### Earl James Porter

**Mr. Ian Wishart (Portage la Prairie):** I rise today to honour and recognize one of our former community leaders in the city of Portage la Prairie.

Peacefully on September 26th, 2019, the community of Portage of Prairie lost a former businessman, city councillor and mayor, Earl James Porter.

Earl served as city councillor from 1998 to 2006 and as mayor from 2010 to 2014. He took his job very seriously, determined to get the finances in order and devoted to the bettering of Portage.

Earl was a problem solver who represented everyone from all walks of life. He was a genuine person who freely voiced his opinions.

Earl was born in April 20th, 1950, in Portage la Prairie, moving to British Columbia, where he was stationed as an RCMP officer in Vancouver Town Station, and shortly thereafter, at Vancouver drug squad and finally at Prince George.

He returned to Portage, where he met his wife Terrie, and was a proud father of his two children, Mathew and Cole. When returning to Portage, he worked for Orvil Cairns realty, then opened his own business, the shine shop, which eventually became Porter Auto Sales.

Earl was an avid golfer and was a member of the Portage la Prairie golf club for nearly 30 years.

Earl had a passion for collecting antiques and was fondly remembered as the Portage Picker. He also enjoyed rebuilding old cars, including a Corvette and

several convertibles which were often used to escort dignitaries at various community events and parades.

Portage la Prairie is a better place today because of Earl's values and his commitment to family, friendship and community. Our thoughts are with his family during this difficult time.

In the gallery today, we have his wife Terrie Porter and a number of other guests, and I would ask for leave to have their names included in the Hansard.

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

*Ida Miller, Brian Miller, Terrie Porter, Mathew Porter, Rusty Rutherford, Tom Street and Anne Street.*

### Bryan and Elaine Kramble

**Mr. Nello Altomare (Transcona):** Madam Speaker, it is with humility today that I rise to give my member's statement, the first one in this session.

As honourable members, we can all agree that it is a privilege to serve our constituents as MLAs. I am sure that all members would also agree that we've all benefitted from mentors and role models as we grew up, and that the life lessons we received from our mentors continue to impact us as we live our day-to-day lives.

I benefitted greatly from having two mentors across the back lane from me when I was growing up and spent my formative years. As mentors they provided me with unconditional support, assisted me in overcoming obstacles and reminded me of the innate value of all human beings.

They also listened. Growing up, we often have a lot of advice thrown our way, especially when we were young, and my mentors listened to me and actually valued the opinion—and even when they weren't obligated to do so.

As mentors do, they pushed but just enough, set high expectations both academically, personally and continued to be exceptional role models, and at-giving me that purposeful nudge, even at my advanced age at this point in my career and life.

They had an authentic interest, also, in my development as a person and community member. They engaged me to understand all aspects of a productive lifestyle that had at its centre the importance of community service.

They were also free of judgment. They did not impose their beliefs on me; instead, they reminded me

to develop my own instincts, my own beliefs, with a foundation based on the values of humility and public service.

Finally, they were and continue to be exceptional at providing perspective. They help me see all sides of an issue and how to develop a particular opinion based on good, sound thinking.

In the gallery today I have the honour of welcoming two of the people that were my mentors, and exceptional that they were: Bryan and Elaine Kramble, and along with them is my mother, Maria Altomare. The lessons they provided with unconditional support continue to be instrumental in helping me evolve as a person of public service and humility.

Thank you.

Madam Speaker, I ask for leave to include the name of my guests in Hansard: Bryan Kramble, Elaine Kramble and Maria Altomare. *[interjection]*

Oh, I don't do that yet? That's all right.

**Madam Speaker:** I will just point for the member that because the names were mentioned in his statement, he did not have to ask for leave to include those names afterwards.

### **Nisiiminan Safe Rides**

**Ms. Amanda Lathlin (The Pas-Kameesak):** The safety of our family, friends, colleagues and community members is probably the most paramount concern each of us holds. In The Pas, community co-ordinators have established a non-for-profit grassroots initiative known as Nisiiminan Safe Rides.

Nisiiminan means my little sister. It's a significant name because it gives a picture of the intent behind the initiative: to protect as many women as possible. Women need protection because they are often the target of violence and exploitation.

This program began on Saturday, September 21st, and has helped many women get home safe.

\* (13:40)

This initiative sprang out of tragedy. A young woman, Kendara Ballantyne, was found dead near a post-secondary school in The Pas. To help preserve the safety of our women, organizers came together and started the safe rides program. In many ways, this program honours the young woman who recently passed on.

Therefore, the goal of this initiative is to deliver safe and free transportation for women heading home on weekends. The Nisiiminan Safe Rides is available every Friday and Saturday between 11:30 p.m. and 5 a.m.

The dedicated volunteers work in groups of two to ensure safety while transporting individuals to their various destinations. Nisiiminan Safe Rides also works with the local RCMP and community service volunteers in patrolling for 'suspicious' sightings, as well.

Our volunteers are dedicated to being consistent and hope the initiative will grow in order to cater for more people around the area.

Madam Speaker, today I acknowledge Paulene McGillivray and many others for stepping up to provide secure transportation in The Pas.

Kinanâskomitin, Madam Speaker.

### **Rett Syndrome Awareness Month**

**Hon. Jon Gerrard (River Heights):** Rett syndrome, Madam Speaker, a rare neurologic condition, is being recognized this month, which is Rett Syndrome Awareness Month.

This condition, characterized by typical repetitive handwashing hand movements, primarily affects girls and more rarely and more severely boys. It can lead to severe impairments, affecting nearly every aspect of a child's life, including the ability to speak, walk, eat or breathe easily.

It is like having the symptoms of autism, cerebral palsy, Parkinson's, epilepsy and anxiety disorder all at once. It is caused by one of many different mutations on the X chromosome in a gene called MECP2. The extent of the disability varies from mild to severe depending on the specific mutation.

Research is underway for treatments, including gene therapy, medications and neurohabilitative therapies. Earlier this year, Dr. Mojgan Rastegar received an award from the Ontario Rett Syndrome Association to establish the human Rett syndrome brain biorepository laboratory at the Children's Hospital Research Institute in Manitoba.

The grand opening of the lab was September 20th and was well attended by parents from Ontario, British Columbia and Manitoba. The lab is a unique resource in Canada and is essential to develop therapeutic strategies for this severe disorder that

currently has no cure. As well, a new Rett clinic will open October 17 at the SSCY centre.

I recently participated in the Ride or Stride for Rett Syndrome fundraiser and barbeque at King's Park on September 21st. It was a happy occasion, with many family members, concerned friends and relatives present.

I thank Trish Guimond and Sharon Romanow, who participated and who are here today in the gallery.

### **St. Labre 200 Go-Cart Race**

**Mr. Dennis Smook (La Vérendrye):** I stand in this House today to once again honour a great event that takes place in the constituency of La Vérendrye.

The St. Labre 200 go-cart race has been declared the most innovative tourist attraction in the province. On September 19th, 2019, the St. Labre 200 was awarded the Travel Manitoba Innovation Award.

For those of you who are not familiar with the St. Labre 200, it is a go-cart race that takes place in St. Labre, Manitoba. On day 1, your team is given 24 hours and a limited number of parts, such as an engine, clutch and wheels, to build a cart. On day 2, you race it. This grueling 200-lap race on a quarter-mile dirt track can take its toll on both the driver and cart.

This past summer, 20 teams gave it their best to build a cart, then see it to the finish line.

This year marked the eleventh annual race; it keeps growing every year, with the committee adding more and more for the crowd to enjoy. This year close to 2,000 were in attendance.

What started out as a friendly competition between members of the Grenier family has quickly grown to the size it is today, and is a major fundraiser for southeastern Manitoba. Since it started, the St. Lab 200 has raised over \$100,000 for local charities and collected thousands of pounds for the local Helping Hands food bank

I would like to thank the St. Lab 200 for all they do for their community, and congratulate them on a well-deserved award. Thank you.

### **Introduction of Guests**

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

We have seated in the public gallery from River East Collegiate 15 grade 9 students under the direction of Arnd Ludwig, and this group is located in the constituency of the honourable member for Rossmere (Mr. Micklefield).

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

## **ORAL QUESTIONS**

### **Post-Secondary Education Tuition and Fee Increases**

**Mr. Wab Kinew (Leader of the Official Opposition):** Madam Speaker, I want to begin by acknowledging James Peebles, who is from Winnipeg and today we found out won the Nobel Prize for physics, something we can all be proud of, and not least of which because he is a graduate of my own alma mater, the University of Manitoba, which I know many other people in the Chamber went to as well.

However, because of the actions of this Education Minister and this Premier, those sorts of successes will be less and less common in the future, Madam Speaker. Since taking office they've increased college and university tuition by some 10 per cent. That means \$450 more for college students, \$400 more on average for university students. Tuition's going up, quality's going down because of their cuts.

Why is the Premier making it harder for Manitobans to get a good quality post-secondary education?

**Hon. Brian Pallister (Premier):** Well, I know the member appreciates how hard life was for people under the NDP government when they were raising taxes year after year while running massive deficits while doubling our Province's debt, Madam Speaker, so I know the member understands he's throwing stones from a very glass-encrusted house.

But let me say, in respect of Dr. Peebles, that his accomplishment is something that makes all of us proud here in this province—not only an alumnus of the University of Manitoba, but a professor—an Albert Einstein Professor at Princeton, where he did a lot of his work. His observances of the big bang theory and its ripple effects have propelled the studies that he advanced, among others as well, and he continues to be a significant supporter of post-secondary education in this province, Madam Speaker, supporting the U of M, as we do as a government as well.

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

**Mr. Kinew:** Madam Speaker, at the same time that Dr. Peebles was donating to the University of Manitoba, this Premier cut \$3.6 million from the University of Manitoba. They cut millions more from other universities and from colleges right across the province.

While they were cutting those grants that support the quality of education, that pay for the education, they also hiked the fees, they also hiked the tuition. They also hiked the fees and tuition on international students so that education got more and more expensive just in a few years under this Premier's watch.

Everyone knows that education is one of the most transformational investments you can make to help young people change their lives for the better: Why is this Premier making it harder?

**Mr. Pallister:** And, of course, while education continues to transform the lives of all of us, Madam Speaker, and in particular our young people, and while Professor Peebles centres his life's work on complex issues like the clustering of galaxies in space, the NDP proposes that you can get a toonie off your parking at St. Boniface and continues to spout the same tired rhetoric day after day here without evidence of any new ideas whatsoever emanating from that side of the House.

Now, Madam Speaker, we've quintupled the amount of support money available to students graduating our high schools. We've made sure that our investments in post-secondary education and education generally are higher than ever before—in fact, close to \$300 million more this year alone than the NDP budgeted for the—for education as a maximum amount.

So we continue to support education at record levels; we will. And, Madam Speaker, we always value the transformation that can occur, it seems everywhere except in the NDP caucus.

\*(13:50)

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

**Mr. Kinew:** Well, we all know that Dr. Peebles made his breakthroughs by examining the facts, and when we examine the facts of this Premier's time in office it's a simple fact that he's cut \$3 million from the University of Manitoba, cut \$2 million more from the University of Winnipeg and millions more from grants to other universities and colleges across Manitoba.

One of the ones that certainly sticks out is their cut to the ACCESS bursaries. This is a program that helped people on social assistance be able to lift themselves out of poverty through the power of education, an inspiring program if there ever was one, and yet this Premier cut it. He cut the supports for those students as well.

Seeing as his time in office has been characterized by rising tuition and declining quality in post-secondary education, the fact remains: Why is the Premier making it harder for young people in Manitoba to get a good quality college or university education?

**Mr. Pallister:** Well, again, the facts that the member chooses to cite are in direct conflict with the facts as they exist, Madam Speaker. The highest enrolments in the history of the province; the easiest supports to obtain, quite frankly, for those in need, under our scholarship and bursary programs; record enrolments of foreign students in our institutions: these are the real facts.

The facts are that we had to clean up an NDP mess: an incredible record, historic tax hikes, deficits that were approaching \$1 billion and on their way up to \$2 billion, services in disrepair, the worst health care in the country, okay?

So we've got a serious cleanup job to do, and we're focused on doing it. I appreciate that the member needs to reference facts. Those are the facts, Madam Speaker. We inherited a mess, and we're cleaning it up.

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

#### **Agricultural Crown Lands Corporate Leasing Concerns**

**Mr. Wab Kinew (Leader of the Official Opposition):** Well, Madam Speaker, we know that the Premier is making a mess when it comes to the livelihoods of many cattle producers in the province. Just last week 400 farm families came together in Ste. Rose to protest the new rules that this Premier and his minister are bringing into play. So their message is simple: back off the changes to Crown lands.

These changes has made it much easier for the government to allow big out-of-province corporations to come in and scoop up lands that these ag-producing families rely on. It's—approach that no one else in Canada is pursuing, though it is one favoured by some American jurisdictions.

Why is the Premier making it easier for these big absentee corporations to take land away from ag producers here in Manitoba?

**Hon. Brian Pallister (Premier):** I do sincerely appreciate the NDP's new-found interest in things outside the Perimeter Highway.

I appreciate, I thank, former Interlake representative of the NDP, Tom Nevashonoff [*phonetic*] for coaching the NDP up on this issue, for telling them they would be totally unelectable if they didn't start to represent the points of view of those who work so hard outside the Perimeter Highway. And I thank the member for listening to Tom because it is important, because people outside of the Perimeter Highway have dreams and aspirations that we will help them fulfill with such policy changes as those we are pursuing in terms of the management of Crown lands.

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

**Mr. Kinew:** Well, Madam Speaker, these changes certainly won't benefit families outside the Perimeter.

In fact, one change in particular that this government is rushing into place—one that they didn't bother mentioning during the election campaign, I might add—is that there will not be a right of first refusal for ag producers to be able to continue using the same Crown lands.

Now, this is certainly something that is concerning to many people who are looking at long-term investments around fencing, who are looking at, perhaps, even handing down their farms to the next generation.

The course of action is clear. The government needs to listen. They need to reverse course and add the first right of refusal. They need to add the first right of refusal.

Will the Premier simply stand in the Chamber today and commit to doing so?

**Mr. Pallister:** Madam Speaker, it's—because of the numerous errors in the member's two preambles thus far, it's difficult to respond, except to say that he's wrong, he's wrong and he's wrong again.

I tell him that our concern is, of course, as people who represent all the farmers in the province, apart from a few who work very hard in the Carrot River area just west of The Pas, that we take very sincerely our responsibilities to manage agricultural issues for

the sustenance and continuation of family enterprises. That's what we'll continue to do.

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

**Mr. Kinew:** Madam Speaker, it's a very serious issue. I was speaking to one family who moved here to Manitoba to pursue, you know, cattle raising, and they're not happy with these changes, Madam Speaker. They said that they love Manitoba, but now they may leave it, and they may leave on account of the changes—[*interjection*]

**Madam Speaker:** Order.

**Mr. Kinew:** —that this Premier and his minister are bringing into play. So I can show the minister the correspondence if he likes.

Again, this is a very serious issue. It impacts the livelihoods of many, many Manitobans. Our concern, of course, is that this government once again is looking out for those at the top and not at the next generation of young farmers here in the province.

The question is simple: If the Premier feels so strongly that these are good changes, why didn't he announce them prior to the election?

**Mr. Pallister:** Madam Speaker, if the NDP cared about farm families, one has to ask why is it that they would like to see a federal carbon tax accelerate and get higher which would be so punitive to rural Manitobans and to Manitoba farm families. If the NDP really cared about farm families, why would they advocate for the continuation of an antiquated system that punishes farm families disproportionately with an elevated education tax on their lands. And if they cared about farm families at all, why did they keep jacking up taxes when they were in office, like the PST, and making life harder for working families all over the province, including in rural Manitoba?

#### **Children's Advocate Report Findings Vulnerable Children in Care Status Update**

**Ms. Amanda Lathlin (The Pas-Kameesak):** Tina Fontaine's death was a collective failure of our society. We all failed to care for and protect this beautiful, young indigenous girl. No one else should fall victim again.

From this tragedy, the children's advocate released a report that highlighted that there were 17 children at imminent risk of death or harm in our province. It is the responsibility of the minister and the Premier (Mr. Pallister) to protect our children.

Could the minister please update the House on the status of the 17 children? Are they safe?

**Hon. Heather Stefanson (Minister of Families):** I thank the member for the question.

The death of Tina Fontaine was a tragedy, Madam Speaker, and has mobilized Manitobans to understand the importance of protecting children in our province.

We will continue to work with our community partners to address issues identified by the Manitoba Advocate for Children and Youth and help protect other children in our province, Madam Speaker. The children's advocate did produce a report. We have made responses to that report and we continue to have a very good relationship, in the area of protecting children in our province, with the children's advocate.

**Madam Speaker:** The honourable member for The Pas-Kameesak, on a supplementary question.

#### Implementation of Recommendations

**Ms. Lathlin:** The safety and well-being of children in this province should never come secondary. The children's advocate released recommendations that should have had action taken on them immediately to ensure no other child would die. The minister will say that her department, along with others, are undertaking review of these recommendations, but the fact is that action was needed immediately.

Could the minister please inform the House which recommendations she has implemented to date?

**Mrs. Stefanson:** As the member opposite knows, the Manitoba Advocate for Children and Youth did produce a report back in March.

We responded to that. We had a whole-of-government approach—response to her report. We had four different government departments' deputy ministers group that met with children's advocate shortly thereafter and produced a response to that report. That report is made—we make our responses to MACY public and available on a proactive disclosure website on a provincial government website. Because of the election blackout period at the time they were not able to be posted at that time, but they are now.

\* (14:00)

**Madam Speaker:** The honourable member for The Pas-Kameesak, on a final supplementary.

#### Child and Safety Protection At-Risk Youth Cases

**Ms. Amanda Lathlin (The Pas-Kameesak):** The children's advocate report into the life and death of Tina Fontaine showed what happens when our systems fail our children. We cannot let that happen again. The advocate recommended changes to our system to prevent it from happening again, but the delay in action means that other children could be at risk.

Could the minister please inform us if any other children have been identified to be at imminent risk of death or harm?

Ekosi.

**Hon. Heather Stefanson (Minister of Families):** Again, I want to thank the member for the question, and I want to thank the Manitoba children and youth advocate for their thorough reports and feedback to the first report from government to recommendations.

Based on this feedback, we will be able to provide additional details to MACY and will continue to provide regular information, Madam Speaker, to MACY in June and December of each year, as well as when it is requested. These responses are made publicly available to ensure further transparency.

We look forward to working more closely with the Manitoba Advocate for Children and Youth towards protecting our children and youth in the province of Manitoba.

#### Victims of Crime in Northern Manitoba Budget Reduction for Counselling Services

**Ms. Nahanni Fontaine (St. Johns):** Manitobans shouldn't have to bear the pain and trauma that comes from being a victim of crime alone. Governments have a responsibility to ensure that victims have access to counselling services.

This Pallister government made it a lot more difficult to access critical counselling by cutting travel costs for northern Manitobans to access counselling services in the south, Madam Speaker. Funding went from \$1.6 million in 2017-18 to \$470,000 just this past year.

Can the minister explain why he thinks that this is a good idea?

**Hon. Cliff Cullen (Minister of Justice and Attorney General):** I appreciate the question from the member opposite. Here we are, day five, question four; finally a question on Justice.

Certainly, we had a lengthy discussion yesterday about victims of crime. Certainly, some of the money that we've allocated to the victims of crime the year—the fiscal year 2018-19, almost \$4 million. The year before that it was just over \$3 million.

We're committed to helping the victims of crime, unlike the NDP government or NDP opposition, who never mentioned public safety once in their platform.

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

**Ms. Fontaine:** The minister has to concentrate on the question, which I'll remind him is accessing counselling services for victims. The minister told us yesterday in Estimates, Victim Services now relies on counselling services in northern communities offered by the federal government.

Essentially, the Pallister government is passing the buck to the feds. However, we know that accessing counselling services in the North is limited, if anything. So this year, again, the Pallister government announced a huge reduction to the victims of crime program compared to two years ago.

Why is the minister relying on the federal government to do his job and offer counselling services to Manitoba victims of crime?

**Mr. Cullen:** Well, Madam Speaker, we had a long conversation yesterday about—in Estimates about the process here.

Actually, we are working in collaboration with the federal government on this initiative. That's something I know, the NDP, it's foreign to them, but we're actually working with the federal government to provide services, counselling services, to individuals in their home communities.

Now, the fact of the matter remains, if the individuals do not—are not satisfied with the counselling from the federal government, they have a caseworker; they can come to us and we will provide transportation costs to provide them transportation to a southern community to access counselling.

So the member has her facts completely wrong.

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

**Ms. Fontaine:** Victims need counselling services immediately. At the best of times, navigating our health-care system and accessing health care can be confusing and frustrating. Imagine, for a moment, if

you're traumatized and hurting, trying to access those services if you're in the North.

And I will remind the minister that there are very limited federal counselling services available already, so for this minister to pass the buck to the federal government, when it is his responsibility and this Premier's (Mr. Pallister) responsibility to offer counselling services, and then to sit in this Chamber and act as if they're doing their job when, really, the Premier only cares about the bottom lines on the back of victims in Manitoba.

Will—

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

**Mr. Cullen:** Well, Madam Speaker, the NDP never mentioned public safety in their platform and during the last campaign.

Madam Speaker, we have a policing and public safety strategy that we have put forward—*[interjection]*

**Madam Speaker:** Order.

**Mr. Cullen:** —announced several months ago to Manitoba. One of the key platforms in there is—talks about making sure that we have money and resources available to the victims of crime. We've committed extra money for that. We've created extra staff for that. We're—made a commitment to the victims of crime and, Madam Speaker, we are fulfilling those promises.

### **Public Services Sustainability Act Collective Bargaining Rights**

**Mr. Tom Lindsey (Flin Flon):** Madam Speaker, right before Bill 28 is heard in court, the Pallister government now says they want to amend the act.

But let's be very clear: Bill 28 is unconstitutional and the amendments that they've put forward do nothing to change that fact.

Why does the minister continue to use unconstitutional legislation rather than bargaining freely and fairly in good faith?

**Hon. Scott Fielding (Minister of Finance):** Unlike the NDP, we're actually a government that listens.

What we've done is made changes to this legislation to make it even stronger, Madam Speaker. We want to ensure things within the legislation is something that's important. We've seen some great examples of some collective agreements that's established through Doctors Manitoba, things like

shared benefit or sustainability, savings we think is important. That's going to be negotiated in between the legislation.

Also, fairness. We—[*interjection*]

**Madam Speaker:** Order.

**Mr. Fielding:** —want to make sure that people aren't impacted by the legislation twice. That's what this legislation does. It provides flexibility. We think it's an important step forward.

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

**Mr. Lindsey:** Madam Speaker, the legislation the minister has brought forward adds insult to injury. Now it seems it will be up to the minister to decide who he likes, who he doesn't, which group might get a raise, who doesn't. It's still not free and fair collective bargaining and it's still not constitutionally right. The Pallister government is interfering in this process.

Will the minister simply rip up this bill and Bill 28 and sit down and bargain in good faith?

**Mr. Fielding:** Well, I know the concept of listening is something that's foreign to the NDP, but I can tell you it's something that this government does on a everyday basis.

What—the premise of these amendments we're bringing forward provides flexibility, which we think is important, whether that be things like shared sustainability, whether that be things like in terms of making exemptions. That's something that's important that's a part of it, adding discretion to the bill.

We also know, Madam Speaker, that's been—there has been over 36 collective agreements, that over thousands of people have been engaged in, in terms of Bill 28, while it's going on.

We think it makes sense. This improves it. This is a process of listening the NDP know nothing about, Madam Speaker.

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

**Mr. Lindsey:** For years the Premier (Mr. Pallister) and his ministers have held an unconstitutional piece of legislation over the heads of workers, but they know their legislation will fail in the courts. Why else—why else—would they pull this stunt, trying to amend an unconstitutional bill right before it goes to court?

Here's an idea for the minister: stop the political games, rip up this unconstitutional piece of legislation and bargain freely like he should.

**Mr. Fielding:** This bill is about listening. That's exactly what this government does. It provides flexibility. We listened to the concerns of both employers and employees.

\* (14:10)

We know that there's over 36 collective agreements that has been established, part of this. This is about improving the bill. This is about improving the bill, making the system more flexible for workers as well as employees, Madam Speaker.

### **Provincial Nominee Program Equitable Access to Program**

**Ms. Malaya Marcelino (Notre Dame):** For families immigrating to Canada, this is a chance at a new life full of new opportunities. Manitoba's successful Provincial Nominee Program was introduced in the '90s. It has helped newcomers access jobs to successfully start their new lives.

A recent lawsuit filed against the Minister of Education has raised some concerns regarding the fairness of businesses qualifying for the Provincial Nominee Program. It is important that businesses of all sizes have equitable access to the nominee program.

What is the minister doing to ensure the Provincial Nominee Program is fair and equitable for all businesses?

**Hon. Kelvin Goertzen (Minister of Education and Training):** While the member will know that it would be inappropriate for me to comment on a case that is before or will be before the courts, she is correct that the Provincial Nominee Program, which was started under the former Filmon government, has been a tremendous success. It's been a tremendous success for many years. For over 20 years we've welcomed many people to Manitoba as economic immigrants, Madam Speaker. They've certainly changed our communities, changed our province for the better.

The program continues to be strengthened as there are new pathways, and I look forward to seeing even more improvements to the Provincial Nominee Program to build on the success that was started under a former Progressive Conservative government.

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

**Ms. Marcelino:** A conflict of interest concern has been raised as a result of the filed lawsuit against the minister. This has the potential to impact the confidence in the Manitoba Advisory Council on Citizenship, Immigration and Multiculturalism and, in turn, our Provincial Nominee Program.

What is the minister doing to ensure confidence is maintained in Manitoba's Provincial Nominee Program?

**Mr. Goertzen:** Madam Speaker, again, while not commenting on its—any specific case that may be before the courts, there's tremendous confidence in the Provincial Nominee Program. We continue to have more applicants each and every year. The wait time for the processing for the applicants has been reduced.

We continue to see communities that are transformed for the better as they welcome new people into those communities from around the world, Madam Speaker. I live in one of those communities. I know many members on our side of the House do live in those communities. It is a standard for—across the—Canada when it comes to a gold standard for a nominee program. We were not only the first outside of Quebec to start such a program, but I believe that we are the best.

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

#### **New Truck Driver Training Policy Enforcement and Oversight**

**Ms. Malaya Marcelino (Notre Dame):** Too often we hear of newcomers falling victim to perilous working conditions, low pay and little training. It is important to ensure labour rights are protected for newcomers but also ensure the safety for all Manitobans.

Mandatory entry-level training for truck drivers took effect this fall, and with all policies, oversight is needed to ensure their effectiveness.

What oversights are in place to ensure the implementation of mandatory training for truck drivers?

**Hon. Kelvin Goertzen (Minister of Education and Training):** Madam Speaker, certainly, the MELT requirements that came into effect here in Manitoba, but also across Canada as a result of the tragedy that 'helpen'—happened in Humboldt, and ensuring that those who are on the roads driving heavy vehicles and driving semi-trucks have the proper training. That is important when it comes to safety.

We've seen those standards across Canada. Manitoba is pleased to be part of those safety standards, and certainly, as the MELT requirements come into place there's ongoing review and ensuring that it meets the standards that is intended to be, but it is primarily about safety and will continue to be about safety, Madam Speaker.

#### **Health-Care Service Reform Impact on Patient Care**

**Mr. Dougald Lamont (St. Boniface):** Recently, we were approached by Heather Houston, who is sitting in the gallery today, with a story of what happened to her father.

In the morning of June 26th, 2018, he was taken by ambulance to Seven Oaks hospital with signs of a stroke. A CT scan missed it. He was discharged and prescribed Graval. By 10 that night he couldn't walk. He was taken to Misericordia urgent care, which had lost much of its staff because it was in mid-transition. Misericordia suspected a massive stroke, but there were no beds available. He was sent home, ended up at St. Boniface the next day, where, 31 hours after his first hospital visit, a stroke was confirmed: 31 hours and three hospitals for a stroke.

It's not enough to say that change is hard.

Does this government measure the negative impact to their health-care changes on patients' dignity and care?

**Hon. Cameron Friesen (Minister of Health, Seniors and Active Living):** That member knows that if he has casework that he wants to raise, that my door is open and my staff would be willing to look at this.

The member also knows that probably the best examination of a particular piece of casework is not done on the floor of the Legislature. But that member also knows that our government is making good investments in health care and correcting years of a system that was poorly aligned and had the worst wait times in Canada.

We're making progress and getting better results.

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

#### **Personal-Care Homes Federal-Provincial Funding**

**Mr. Dougald Lamont (St. Boniface):** Madam Speaker, Ms. Houston's father also had a hard time in some personal-care homes, and this government's

own numbers are clear: while we have an aging population and people are living longer and there are people who have greater needs, there are people who've been—who are being—who should be cared for in hospital or palliative care who are being moved into personal-care homes instead.

The Premier recently wrote asking federal party leaders to commit to more health-care funding, yet actual spending on health and personal-care homes has been frozen for the last year, as I—the last three years, which I table.

The federal government is increasing funding at 3 per cent a year.

Why is the Premier asking for more health transfers from the federal government when provincial spending on health care has been flatlined? Will the Premier commit to using those federal funds to improve training and increase staff in personal-care homes, or will we still see more years of frozen funding?

**Hon. Brian Pallister (Premier):** First of all, I'll offer my condolences on behalf of our caucus to Heather on her loss and on the tragedy that befell her family.

I want to say though, Madam Speaker, it is always wrong for a member to use a personal tragedy to experienced by a Manitoba family in this Chamber to try to score political points, as the member has just done on two questions.

I would say to him that he would—if he would join with us and the NDP, who've agreed that the lower levels of federal partnership funding for health care are a concern—if he would join with us and make that unanimous in this House, that would be helpful to increase the strength and the sustainability of our health-care system so situations like this would be less likely to happen again in the future.

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

#### **Personal-Care Homes Accidental Fall Prevention**

**Hon. Jon Gerrard (River Heights):** Madam Speaker, Heather Houston's father had 22 falls while he was at St. Boniface Hospital, Parkview Place and Middlechurch personal-care homes. This is an extraordinary number of falls. My sense is that the reason for this many falls is that more staffing is needed, as is more training specific to prevention of falls.

Ideally, a person like Heather's father should be able to be in these institutions without a single fall.

I ask the minister: What is he going to do to eliminate such accidental falls in Manitoba's health-care facilities?

**Hon. Brian Pallister (Premier):** Here we go again, Madam Speaker, with a shameful abuse of a situation that calls for higher thinking.

I would ask the members opposite to understand, in the Liberal caucus, that we have had premiers all across this country, regardless of political stripe—Liberal premiers, New Democratic premiers, Conservative premiers, too—have asked repeatedly for a meeting with the Prime Minister to discuss health-care funding.

The No. 1 priority for Canadians, and we can't get a meeting with the Prime Minister of Canada—four years in a row, back to back to back to back.

Madam Speaker, part of the reason that this Chamber has not got unanimous support for such a measure used to be that we had two independent members here, but we don't anymore. And now we simply mean—we simply need the Liberal caucus to join with the NDP and the PCs and ask for a meeting with the Prime Minister to discuss health-care funding so we can move forward together in a partnership to strengthen the quality of care for all Manitobans in the future.

\* (14:20)

#### **Interprovincial Trade Barriers Removal of Exemptions**

**Mr. James Teitsma (Radisson):** Unlike the NDP, our PC government believes in free trade both around the globe and here at home in Canada.

Manitoba is home to a naturally diverse economy, a skilled workforce and sits at the crossroads of our nation. We are a trading province and, under our PC government, Manitoba is again open for business. The removal of interprovincial trade barriers is an important step in strengthening Manitoba's economy and bringing in even more private sector investment.

So can the Minister of Growth, Enterprise and Trade please tell the House about the latest steps that our government has taken to reduce interprovincial trade barriers?

**Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade):** Manitoba is open for business under a PC government. Last week we

announced the removal of a number of exemptions under the Canadian Free Trade Agreement. Removing these exemptions will create additional economic growth and benefit for all Manitobans. Once again, this government is leading the country when it comes to reducing trade barriers across the country.

Madam Speaker, we know the NDP are opposed to free trade, but on this side of the House, we believe the—in the potential of trade, and we know the potential of Manitobans and that's why we're leading the country in terms of economic growth.

### **Flood Fighting Equipment Sale of Amphibex Machines**

**Mr. Matt Wiebe (Concordia):** Madam Speaker, we revealed yesterday that the Province is pursuing the potential sale and privatization of Manitoba's Amphibex machines. What a mistake that would be.

Earlier this year, Darrell Kupchik, executive director of the North Red Waterway Maintenance corporation, explained that they literally had to write the book on the use of the Amphibex machines for this purpose and that ice breaking of this type is quote, is not being done anywhere in the world the way we do it and it takes an operator years to become proficient—years to become proficient, Madam Speaker, at what has now become an essential flood-fighting service in this province.

Why is the Pallister government messing with our one-of-a-kind Amphibex program?

**Hon. Ron Schuler (Minister of Infrastructure):** Our government has put out an RFI, that's a request for interest, in the Amphibex program, which hasn't been reviewed for 15 years. I'd like to point out to the member that, again, he has his facts wrong, that it was under an NDP government that the North Red Community Waterway Maintenance corp. was set up, a private company, and that was done so under ministers Steve Ashton and Christine Melnick. Perhaps he would like to talk to them—I mean, if they're on speaking terms.

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

### **Government Service Privatization Concerns**

**Mr. Matt Wiebe (Concordia):** Madam Speaker, privatizing the Amphibex would be a huge mistake, but let's be clear, we know this minister's privatization efforts are just getting started. Through freedom of information we discovered that the

\$800,000 PricewaterhouseCoopers review includes consideration of privatization of all aspects of government services: highways, bridges, flood mitigation, flood forecasting, emergency management, and disaster recovery programs. There's simply no limit we know to what this minister would consider selling off and privatizing. And if the Amphibex program is any indication, this minister is making a grave mistake.

Will he back down on his plans to privatize essential services like the Amphibex program?

**Hon. Ron Schuler (Minister of Infrastructure):** I'd like to point out to the member that we did put out an RFI, request for interest, on the Amphibex program which currently is being administered by the North Red Community Waterway Maintenance corporation, which was set up by the NDP. And I'd like to point out to all members that, in fact, the North Red Community Waterway Maintenance corporation is also interested in bidding on it. So, Madam Speaker, we've gone to the market to ensure that we get the best product for the best price for the taxpayers of Manitoba. Why are they so opposed to that?

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

**Mr. Wiebe:** Madam Speaker: a world-class jet ambulance system privatized and replaced with slower prop planes and less services; fire bombers used to fight the growing threat of fire—forest fires in Manitoba, sold and privatized to the highest bidder; and now jeopardizing flood fighting with the Amphibex program. But we know that was just the beginning. PricewaterhouseCoopers looked at all aspects of service delivery: highways, bridges, flood mitigation, flood forecasting and emergency management, disaster recovery programs, the list goes on.

The minister is already pursuing privatizing of the Amphibexes.

Where will this minister stop when it comes to his privatization in this province?

**Mr. Schuler:** I'd like to point the member—to the member where this all started. It was those great business tycoons, one Steve Ashton and Christine Melnick, who set up a private corporation to run the Amphibex program.

I'd like to point out to members we are going to the market. We are going to see what kind of interest there is to provide the most safe, the most cost effective and the best program we can get. We're just

testing the market to see what kind of interest there is. We're going to test the market and see if taxpayers are getting the best value for their taxpayer dollars.

And that's exactly what people said to us in the last election. That's why they elected this government: to fix the finances of this province.

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

## PETITIONS

### Legislative Assembly—Official Party Status

**Ms. Cindy Lamoureux (Tyndall Park):** Madam Speaker, I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

(1) Fairness and justice are central to democracy and should be expressed in the treatment of parties in the Manitoba Legislature.

The clash of democratically expressed ideas in debate is enriched when a greater breadth of possible solutions are considered as a result of the inclusion and fair treatment of more voices which represent substantial proportions of Manitoba's population.

(2) The current rules of the Legislative Assembly, which mandate that four MLAs are needed for official party status in Manitoba, were set many years ago under a different electoral system. Those rules are referenced as early as 1924 and 1940, and now need to be updated for today's world.

(3) Many other provinces have requirements which do not shut out parties that deserve to be recognized as legitimate. For example, there's a requirement for only two MLAs for official party status in Saskatchewan, Newfoundland and Nova Scotia.

(4) Other provinces, such as Nova Scotia, include other parameters than just the number of MLAs. In Nova Scotia, the party must have run candidates in three-quarters of the ridings, receive at least 10 per cent of the vote and have two elected MLAs.

(5) Larger provinces like Alberta, which normally require four MLAs for official party status, have provided official party status to parties with fewer MLAs: two in Alberta and two recently in British Columbia.

(6) The Manitoba Liberal Party has had a minimum of three elected MLAs for the past two legislative sessions, winning more than 14 per cent of

the popular vote in each election. It ran candidates in all 57 constituencies in the most recent election and deserves to be recognized as an official party in Manitoba, rather than have its members defined as independent MLAs.

(7) The current rules requiring four MLAs for official party status in Manitoba are arbitrary and undermine the most basic tenets of 'representative'—representative parliamentary democracy: freedom of speech, local representation and the free exchange of ideas.

(8) Democracy in Manitoba is better served when all constituencies can enjoy strong representation and healthy debate in the Legislature.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Manitoba Legislature to support a change in the Legislative Assembly rules and The Legislative Assembly Act, which will allow the designation of recognized opposition party status with the election of two MLAs from the same party, provided that the party achieve more than 10 per cent of the vote in the most recent provincial election.

This has been signed by many Manitobans.

**Madam Speaker:** In accordance with our rule 133(6), when petitions are read they are deemed to be received by the House.

Grievances?

\* (14:30)

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

**Hon. Kelvin Goertzen (Government House Leader):** Madam Speaker, I have an amendment to the Estimates sequence.

In accordance with section 2(b) of the Sessional Order passed by this House on September 30th, 2019, we are advising of the following changes in the Estimates sequence: (1) in the Chamber section to move Education from room 255 section to follow Families; (2) in the room 254 section move Agriculture from room 255 section to follow Sustainable Development; and (3) in the room 255 section Infrastructure will now follow Finance and Crown Services; and we'll move Growth, Enterprise and Trade from the Chamber section to follow Infrastructure.

These changes are permanent and it is—this is signed by myself and the Official Opposition House Leader (Ms. Fontaine).

**Madam Speaker:** It is been announced that in accordance with section 2(b) of the Sessional Order passed by this House on September 30th, 2019, we are being advised of the following change in the Estimates sequence: (1) in the Chamber section move Education from room 255 section to follow Families; in room 254 section move Agriculture from room 255 section to follow Sustainable Development; and in room 255 section (a), Infrastructure will now follow Finance and Crown Services; and (b) move Growth, Enterprise and Trade from the Chamber section to follow Infrastructure; and this amendment has been forwarded by the honourable Government House Leader (Mr. Goertzen) and the Official Opposition House Leader.

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

**Madam Speaker:** It is been announced that the hall—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)

#### JUSTICE

\* (15:00)

**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 the Department of Justice. As previously mentioned, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Hon. Cliff Cullen (Minister of Justice and Attorney General):** Just a few housekeeping items from yesterday, if I may.

First, I will indicate we have Susan Yaskiw, who is a regional manager for Victim Services, who will be joining us as part of the team today. So I'll provide that for the folks over at Hansard.

And, first of all, in terms of some financial aspects, in regard to Public Accounts versus our reported numbers, I think what I'll do is I will table this—I will provide this information. I won't table it. I will provide this information to the member opposite for the issue around the Public Accounts and also then the reporting figures from the last three fiscal years for the Department of Justice. So I will provide that document to the member.

Additionally, there was a request for the—request for proposals for consulting services—for the consulting services for the Integrated Case Management System for Manitoba courts. So I have that document which I will provide to the member opposite, as well.

And, additionally, there was a request for the segregation counts, in the respect of facilities. So we have these as of today and as of one year ago. So I will provide that document to the member as well.

And, additionally, again, I want to thank the department for putting all this information together overnight so—to provide to committee.

There was a request from the committee inquiring about the number of indigenous people currently in custody and—broken down by facility. And, again, I could read three these or I could just provide this to the member and she can peruse that information.

**Ms. Nahanni Fontaine (St. Johns):** Well, miigwech to the minister, but, obviously, more importantly, miigwech to each and every one of the staff that worked to put this all together. I really do appreciate the effort to provide this information. I also do want to acknowledge Suzanne as well, who I've also had the opportunity to work with in the past, and I have to say you're pretty lucky. You have quite extraordinary staff, so, just want to—don't want to leave Suzanne out of that, so.

So we'll move on. I know that we spent quite a bit of time on those northern travel costs, which, you know, I would suggest, have been cut. But let's move on to some other—some additional questions here.

So, you know, and again I know that in the minister's opening statement, the minister spoke about, you know, the importance of restorative justice, and I would suggest that anybody that, you know, I don't think you'd have much argument around the table about the importance of restorative justice, the need for a robust infrastructure for restorative justice. I know that when I was at Southern Chiefs Organization I was very honoured and privileged to

be a part of the development of that program for Southern Chiefs Organization.

So, to that end—so I think that we can all agree that, you know, we support restorative justice and there's a need for restorative justice and all of that. However, having said that, we see that there have been cuts to the John Howard Society of Manitoba, and I probably would suggest anybody that knows John Hutton knows that he is a phenomenal Manitoban, not only a phenomenal executive doctor, but he's a phenomenal Manitoban who does really important and critical work with individuals who, you know, often are left out in the cold once they get out of any correctional facility.

So we've seen that there's been cuts year over year to the John Howard Society, and can the minister explain why?

**Mr. Cullen:** There was one program specifically dealing in residential placements for folks coming out of corrections facilities.

In terms of the John Howard program, we had a look at that program and didn't think it was as effective as it could've been, so we took—I think there's about a \$470,000 allocated to that particular program, again residential living component, and what we did is we re-profiled that money to different agencies in terms of our restorative justice program. So, the \$400,000—and I'll break it down for the member. Onashowin [*phonetic*]?

**An Honourable Member:** Onashowewin?

**Mr. Cullen:** Onashowin [*phonetic*], yes, was \$100,000. Again, this is all—at the end is being repurposed for restorative justice. Cross Lake First Nation was \$50,000; the Manitoba Metis Federation of Thompson, \$50,000; and MKO, \$50,000; and community justice committees, of which there are 49 spread across the province, \$50,000; Norway House Cree Nation, \$50,000; and St. Theresa Point First Nation, \$50,000. So that \$400,000 was repurposed for Restorative Justice. So that certainly explains that—the change in the budget for John Howard Society.

\*(15:10)

**Ms. Fontaine:** Just for clarification because I think I missed the last one, I have got Onashowewin, Cross Lake, MMF Thompson, MKO, 49 community circles, Norway House—

**An Honourable Member:** St. Theresa Point.

**Ms. Fontaine:** St. Theresa Point.

**Mr. Chairperson:** I will recognize the honourable Minister of Justice (Mr. Cullen) so he can repeat that, so we can have it on record.

**Mr. Cullen:** Thank you, Mr. Chair. That was St. Theresa Point.

**Ms. Fontaine:** Miigwech. I'm just—so if we look in volume 2, Public Accounts, and let me just say I know that I've complimented Justice staff.

I actually want to take a moment just to compliment our own staff, Angela Reeves here, who has gone through Public Accounts, which I would suggest is pretty amazing work to go through volumes of numbers and numbers, so I do just want to take a moment to acknowledge her.

When we go—or when, more importantly, when Angela went through there, we noticed that there is, again, year-after-year decreases in the amount of dollars that went to—flowed to John Howard. So, for instance, in 2015-2016 we're at \$821,000, two thousand—and some change; two hundred and sixteen slash two hundred and seventeen, we're at seven—\$777,000, and some change; 2017-2018, we're at \$613,000, and some change; and then we get to 2018-2019, we have \$136,655. So from 2017-2018 to the fiscal year of 2018-2019, there's a substantial decrease.

Is that the \$400,000 that the minister has indicated?

**Mr. Cullen:** Yes, that's correct.

**Ms. Fontaine:** So, if I'm correct, yes, this was—I remember when, I think anyways, I—when this was announced, because I remember getting an invitation to meet with John Hutton, and actually went down to his offices and, you know, the program that was cut—and I don't think we've actually had an opportunity—I could be wrong—but I don't think we've actually had an opportunity to discuss that, other than probably in question period, which we all know there's not much discussion at that point.

But I am curious—I know that the minister says that they felt it wasn't, you know, as—let's just say—as good as it could have been, I suppose. But, you know, when I talked to John, John certainly made the case for why the program was so important for folks coming out of our institutions.

And so I'm curious what the rationale or, more importantly, what the criteria that was used to just get rid of the program.

**Mr. Cullen:** Thanks for the question there.

So there was two components we were working with with John Howard. One was the residential; I think that was actually to put residents in facilities. And then there was sort of the community engagement process if you will. And actually both were under-subscribed. Quite frankly, we just—there wasn't people using either one of those programs.

So there was—that's why we made the change to allocate—take that money and allocate it to other communities throughout the province.

But the one thing we also did, recognizing there's still people dealing with John Howard, was some changes to the supervision bail program to try to enhance that. So we—it was a new initiative called bail navigator pilot. So we added some money to help John Howard to navigate individuals through that particular pilot program.

So I guess we're looking forward to hearing what the results are of—that pilot is relatively new. But, hopefully, the reallocation of resources will be providing better outcomes for those individuals that are coming out of corrections facilities.

**Ms. Fontaine:** So we'll go back to the supervision, bail navigator pilot.

But in respect of what we found here in Public Accounts—so when we look at 2017-2018, and again it's \$613,521. In 2018-2019 it's \$136,655. So you were saying that was the reduction of the \$400,000. However, when I use my trusty calculator here, it actually comes out to \$476,866. So that's a difference of, you know, almost \$77,000.

So I am curious then, you know, what was that additional cut of \$76,000—or, close to \$77,000, to the John Howard Society?

\* (15:20)

**Mr. Cullen:** I think the challenge that we're having in dealing with the numbers in Public Accounts is that, you know, the Public Accounts has one line in there, and without having—we'd have to go back and look exactly what those lines mean, for sure. But I will say, as far as the bail navigator pilot, I think we invested in about \$73,000 into that particular pilot project. So, you know, again, I don't want to get in a discrepancy with, you know, the numbers in Public Accounts,

because it takes a bit of work to make sure we're all on the same page and we're verifying line by line.

**Ms. Fontaine:** Okay, so, actually, if we go back even further, right? So we know that there's a substantial decrease to the John Howard Society of Manitoba's budget, in 2017-2018. Right? And I'll say it again, it was \$613,521; 2018-2019 it goes down to 136 and change. However, if we go back to actually 2015-2016, which at the time the budget was \$821,720, and then we go to 2016-2017, with the budget is 70—seven—seven thousand—no—\$777,000 and some change. Actually, what that ends up being is a decrease from \$44,000, almost \$45,000.

And so, then what we see if we go here, and I'm trying to do this fast; I was trying to do it while you were talking with your staff. If we do this, then we see actually from 2017 to two thousand—no, 2016-2017 to 2017-2018, there was a decrease of 164—\$164,000. So, when we plus that, we see that actually in just those three fiscal years, never mind 2018-2019, we've got a decrease to the John Howard Society budget by \$200,000, almost \$210,000.

So, now I know there's a bunch of numbers there. It's on pages 159 of the Public Accounts, and 97. So I know I've just provided a bunch of numbers. But what I'm trying to wrap my head around is why there—and, as I started at the beginning of this, I think that everybody—I would hope that everybody around the table would agree that restorative justice is a critical mechanism in keeping folks out of the justice system, out of the judicial system.

And—but what we found, though, is that the, you know, there's been a substantial decrease year after year, amounting to \$200,000, and then we've got an additional \$400,000, or \$476,000. So if we add that, we're at, like, almost \$700,000.

Now I know that there's a bunch of numbers here. I'm trying to reconcile Public Accounts and stuff. But I do want to just point out that this line is the John Howard Society of Manitoba. It's not a bunch of different lines or a bunch of different programs. It is simply the line that belongs to the John Howard Society of Manitoba.

So I'm wondering why in the last, you know, three or four fiscal years the John Howard Society has lost close to \$685,000 if we all agree that restorative justice is important.

**Mr. Cullen:** You know, I will say, and I hope the member takes some time to look at our Policing and Public Safety Strategy, within there too one of the key

pillars is talking about diversion and how do we keep people out of facilities, right? So that is a key component to our strategy. And we're working on building capacity to do that—you know, that's both, you know, within Justice and capacity in communities, and with policing as well. And that's an important pillar here.

And we're certainly engaged with the RCMP. We want to engage more so with the communities in terms of how we can deal with restorative justice in a better manner. So we're certainly committed to restorative justice, and I know John Howard was one of those providers.

We have a great working relationship with the John—folks at John Howard. We know the great work that they do. We just, and in consultation with them as well, from time to time, we'll look at the programs that are being delivered, if they're being unsubscribed [*inaudible*] opportunity to make sure that money that we're investing has good value for it.

\* (15:30)

That's why we're engaging all these other communities that I talked to you about. This year's budget, we've allocated \$3.3 million for restorative justice across the province. And I think I'd—what I'd like to do, I'm going to ask my department to go back over the last few years and see just what we actually have spent on restorative justice. And clearly that's going to take a bit of work but we're, you know, we're prepared to do the work.

So I want to prove to you and I want to prove to myself that we take restorative justice seriously and that we are investing money in restorative justice. In 2017, we established the Restorative Justice Centre to act as a hub to hopefully develop better programming around restorative justice.

You know, we've hired staff to do that, we've allocated money to do that and we've been pretty successful at—in terms of diversions at the Restorative Justice Centre. And I know that the centre works in collaboration with communities all across the province. So it's something we believe in, certainly the people that work in the department believe in that. And we're certainly committed to working towards an end.

But I—it's no slight against the people of John Harvard [*phonetic*] for the work that they do, we're still engaged with the folks at John Harvard [*phonetic*]. And we continue—we will work—continue to work with folks at John Howard.

**Ms. Fontaine:** So there was a lot in the minister's response that I just want to just reflect on a little bit.

You know, the minister talks about, again, diversion. And I don't know if the minister knows this, but back in 2002 I was the director of justice for the Southern Chiefs Organization until about October 2010, give or take, and then I was appointed as the special adviser under a former minister Eric Robinson. So I had many years and part—many components to being the director of justice, but a huge component of it was restorative justice. And another piece to just the restorative justice piece was also—and other duties in respect to being a director of justice was working with the police.

So I agree with you, absolutely, because I remember back in 2002, 2003, 2004, the whole time as a special—as the director of justice, you know, sitting on the RCMP's Aboriginal Advisory Committee, sitting on the Winnipeg Police Service's Aboriginal advisory committee and talking repeatedly about the fact that the police have at their discretion the ability for diversion.

So I agree with you. I don't think that anybody around the table would disagree with that, and that is a huge component.

One of the other things that we used to talk about as well—in fact, I don't know if the minister knows that I'm one of the founding founders—founding members of Onashowewin. And I remember back in the early days, the Crown wasn't diverting cases that we thought that we were able to hand on. So there's been an evolution there.

So I agree with you on all of that. Right? And I think that, you know—and Scott will know this—there's some pretty phenomenal police officers who really take restorative justice seriously, particularly in working with youth. I've actually sat on several different restorative justice circle/processes with school resource officers. And so you see the ability to undo harms and make peace. And so you'll get no argument from me in respect of the critical, critical need for restorative justice, particularly when we look at the numbers that we have that you all disseminated to me today in respect of yesterday. Right?

So, when I look at Agassiz Youth Centre and I see 75 per cent of the youth there yesterday are indigenous; or at MYC, 83 per cent of the youth are indigenous; or, you know, the woman's correctional centre, you know, 78 per cent are indigenous; Dauphin, 89 per cent are indigenous. You don't need

to convince me on the transformative effects of restorative justice. I know, and I've been arguing that since 2002 about the need for that.

But my point still remains, is that, you know, we have the John Howard society of Manitoba, that has seen year after year almost close to \$675,000 that's been reallocated. And listen, I have nothing against the reallocation of resources—absolutely not. I think that there are lots of dollars that are given that could be reallocated. Do I think that it should have come from John Howard Society? No, but who am I?

But I think that certainly I understand the need to reallocate. But I really do question taking dollars from somebody like—or, you know, an organization like John Howard Society who works with men getting out of correction facilities who have such a hard time accessing resources, getting jobs, getting education, whatever it is. So let me just say that.

I am curious in respect of the numbers that were noted here. What some of these dollars, you know, the \$100,000 to Onashowewin, Cross Lake \$50,000. In particular, the 49 community justice circles that only got \$50,000, which you know and I know, already they are given just a small pot of dollar to do really critical work. So I'm wondering what all that's about.

**Mr. Cullen:** A very valuable discussion to have. And we've had a lot of discussions since I've been minister about restorative justice.

And, again, I'm going to go back to our strategy, and we had a lot of discussion as we put this strategy together. We've talked to police, we've talked to stakeholders and brought in a lot of experienced people. And just for the record, I'm going to read into the record, this section on early case diversions out of the strategy. So I just want to put this on the public record and I think we're all in agreement, you know, we just—then we have to figure out how do we get to the end, right? That's really the challenge.

So this is what our strategy says: Indigenous people are overrepresented in Manitoba's correctional facilities and are far more likely to be the victims of crime, including serious crimes like homicide and sexual exploitation. Manitoba Justice recognizes that the traditional court process is not always the most effective way to hold an offender accountable or repair the damage done to the victim or the community. By utilizing restorative justice approaches that integrate indigenous cultural practices, Manitoba Justice can hold offenders accountable while helping address the root causes of

their behaviour. This can help indigenous communities be safer and healthier for all Manitobans. Manitoba Justice will work with policing agencies and indigenous communities to expand police participation in provincial restorative justice programs. Key to these efforts will be consultation and collaboration with indigenous leaders and organizations in Manitoba, including the Manitoba Metis Federation, Assembly of Manitoba Chiefs, MPO and SCO. This will ensure respectful and alignment with indigenous traditions and culture in support of restorative justice.

Manitoba Justice will develop a framework of alternative measures and diversion program in partnership with targeted communities: First Nations leadership, Manitoba Prosecution Services and the police. We will also extend the restorative justice centre model to other major centres in the province such as Portage la Prairie, Dauphin and Thompson. So that's our statement. That's our public statement around the strategy going forward.

You know, we've had discussions and we will continue to have discussions on how we can move the concept of restorative justice forward. And I believe we have to enhance capacity to deal with the cases that we have across the province. And the more cases we can deal with at the local community, I think the better. So we're having discussions about how we build that capacity within communities. I know we've—our associate deputy minister has been certainly involved in this in his past life and he continues to be involved in this and engaged in this. I know we've got tremendous buy-in from the new associate commander there, Jane MacLatchy. She's certainly engaged as well. And I think, you know, the stars are aligning. We can hopefully make some positive steps forward on this front.

\* (15:40)

**Ms. Fontaine:** So, of course, I wouldn't disagree about building a more robust, comprehensive infrastructure for restorative justice. I would never disabuse you of that, obviously.

I guess that the concern becomes—and I have to be honest, has been for a long time—in respect of trying to build this infrastructure towards restorative justice. And again, I talked about the community justice circles. Right? And so we've known for a long time that they are given—I think it used to be \$1,200 or \$1,000; I can't remember what it was. And everybody on those committees volunteers. Right? So people leave, people come, they've got amazing people that

are dedicated to restorative justice and stuff like that. But there's not those dollars to actually have paid positions.

I know that for SCO and MKO, the community justice workers that they have are phenomenal people that are absolutely dedicated to serving their communities and keeping indigenous peoples out from the justice system. But often, the—it fell upon us and continues to fall upon us that the dollars or the funds that are needed to be able to do that job or to build the capacity as you're talking about are not necessarily there, right? So I know that right now we're saying that Onashowewin, Cross Lake, MMF, Thompson, MKO, 49 'giinla'—actually, the speaker probably wouldn't have gotten that—49 community justice circles, Norway House and St. Theresa Point got some dollars. Again I did ask what those dollars were for, but, you know, that—what about—

I am curious about Hollow Water. I know that our colleague from Keewatinook has—who, as you know, is the former chief of Hollow Water, was raising some concerns about the Hollow Water restorative justice program there, which I'm sure as you know is—I remember back in '97 traveling with folks from Hollow Water. We were all going to the United Nations, and they were going to present on the work—again, which I'm sure you know, was, you know, not done anywhere, right? Bringing such—again, that was transformative work and they were presenting on that. So they have this long history of restorative justice work. So I am curious about all the other programs and this move towards restorative justice.

How does the government plan to build that capacity and build that infrastructure?

**Mr. Cullen:** So, in terms of the—this previous funding of \$400,000 we announced, I have a breakdown of where that money is going into the respective communities or services. So I think what we'll do is I'll just get you a hard copy and that will give you the breakdown of the projects and programs under each of the respective communities. That could be a benefit, and if you have any further questions, you can reach out to me.

This is really, in my view, it's a journey. And we've been on this journey for some time now and it's still going to take some more work. And, you know, through the strategy we've got some action plans built around there and those action plans really are about, how do we consult, how do we collaborate with the stakeholders I talked about before, whether MMF, M-AMC, MKO, SCO, you know, we got the policing, we

got our prosecutions branch, so there's a lot of stakeholders involved in this process.

And, fundamentally, we have to connect the dots, is what we have to do. And I think that's the key to this thing. If we can connect the dots, then we can increase capacity in the system and in the communities. So we're excited about this journey.

I know I've got—I think we've got we've got buy-in from everybody, so we just got to keep building on it.

We're excited about the work at the Restorative Justice Centre, open in October of 2017. And up 'til this April, I know it's not current but, as of April this year, they handled 2,188 cases, and the triage right through the RJC. And, again, the [inaudible] triaged through the RJC, 516 cases on the dowel directly at the RJC.

So, clearly, Restorative Justice Centre is, sort of, a bit of a hub for this and connect the other communities. And we've been seeing the good work that they're doing with the communities. And we'll continue to work with them, and as they engage in the communities, and I know from the RCMP's perspective there, they're excited about engaging in the community as well to help develop that capacity.

And then also, I think it's developing that—you want to have the ability to do it. And you want to have the direction coming from, you know, the RCMP and the Crowns as well. So it's making sure we have the buy-in from everybody along the way. So that's why the—to me, the consultation and collaboration is such an important part of this.

**Ms. Fontaine:** So, in respect of that, who is—who are the stakeholders? Who's being consulted with?

I know that you spoke about, you know, policing institutions and Crowns and stuff like that, but in communities I'm interested in, you know, community organizations and First Nations and Metis communities, as you know.

So who's being consulted and what's the time frame for that?

\* (15:50)

**Mr. Cullen:** Yes, certainly that's a broad question for sure. Certainly, in general terms, you know, we're having discussions at the high level, certainly with the respective associations, MKO, SCO, AMC, MMF. So that's obviously important.

I think the other key piece of this puzzle is the 49 community justice community organizations we have. Obviously they're on the ground and they understand the community and maybe what's required in the community as well. So we're certainly going to be working closely with them. And so does the—you know, the Restorative Justice Centre works closely with them already. So we may be able to connect some of the dots that way.

And then some of the other stakeholders we talked about, you know, the John Howards, the Salvation Army, they have a role to play in this thing as well. And every community is somewhat unique too, in terms of their capacity, and, you know, we look forward to building on the capacity in these communities. So I know we're in the process of taking some inventory in various communities to see what we got, see what the assets are there and see what we can build on and what we can work with.

And, actually, we're actually working with jurisdictions to the west who are looking at the same sort of outcomes, and they've come—in discussion with some interesting models, how we can deal with the communities as well and maybe possibly looking at technology and how technology can help that interface between communities. So we're excited about that.

I think the member may know we just hired a director of Indigenous Relations. Frankie Snider is in that position. Frankie Snider is on that position, the director of Indigenous Relations.

So she sits on our executive management committee, so she is certainly going to play a key role as we move forward down this journey in terms of the evolution of the restorative justice strategy. She will be certainly assisting folks in the department in terms of what the consultation and collaboration look like and how we move forward and what those definitions look like. So we're excited to have her on board and she'll be a very positive member to the team. She's certainly been active so far, so.

**Ms. Fontaine:** Well, I want to just acknowledge Ms. Snider, and I think that that's really good that there'll be somebody there to—that will be looking at that and working directly with communities.

I do want to just remind the minister, though, in my last question I also did ask for the time frame in respect to this.

**Mr. Cullen:** And a good question, for sure. And I talked about the evolution of restorative justice and I

know the member opposite has been involved in this for, I guess it's going back almost a couple decades now, so clearly it's an evolution, and we—we're committed to building on it, for sure, with our partners. And there's a lot of moving pieces in this, as I'm sure the member is well aware.

So from a restorative justice centre perspective—actually we just hired a new executive director there, Michelle Joubert, so I think with her knowledge we should be able to move some things forward there, and obviously a key role for them will be in discussion with those communities as they go forward, and certainly, you know, with Frankie's input as well, and the two of them hopefully work well together and we can move the ball forward there.

In know in terms of the policing side, again, we've had really good co-operation from the RCMP in moving this forward. And, again, the new assistant superintendent is certainly on-side, and we're excited about an initiative on the east side of the province to engage the RCMP in restorative justice in a more positive fashion. So, you know, you'll hear more about that in the very near future.

So there's a lot of work going on in a lot of fronts. It's hard for me to give you a time frame of what would things look like. I think that's something that we will have to do as a department is make sure that we're focused on where we want to get to and start putting measurements in place in terms of our discussions and then what those outcomes look like. We may have to do it at the specific community by community. I think that's probably one way to help build that capacity.

So, as we journey down this road, you know, we're all in this together, and we're excited about the opportunity here, and I guess there's something we have to keep working for. And internally, too, we have to make sure that we're—keep moving the yardsticks down the field.

**Ms. Fontaine:** So I'll move on from restorative justice. We don't have a lot of time, but—and there's so much to get through, so I will limit it.

But I do want to say this is—I am a huge proponent and advocate for restorative justice. I actually used to teach at the University of Manitoba. I used to teach a course Aboriginal peoples in the Canadian justice system, and if you look at the history of restorative justice and what is called restorative justice now, it fundamentally derives itself from the way that indigenous peoples understood and was done well, well before settlers came to our territories, but it was

done. It was understood as a way of being, how our relationships are with one another and how to make things right so that it's not punitive, but that it actually has long-lasting transformative healing effects for everybody involved.

\* (16:00)

In fact, one of the things that I used to challenge my students on was that while they were in the course with me, they couldn't use the word offender; they had to come up with different words. So you could not ever say offender in my classroom. And the reason why is because, intrinsically, when you use the word offender, it constructs that individual; whether or not we realize it on a conscious or subconscious level, it constructs that individual within a negative framework. And so the exercise was that you could not use that word. And it was interesting to watch students, the words that they came up with.

And a lot of times I would encourage folks to say, you know, individuals who are in conflict with the law. We all have conflicts. Sometimes people get in conflict with the law, but they are still our relatives. They are still—and I mean that for everybody; I mean, not just indigenous people who find themselves in conflict with the law, but everybody. They are still our relatives.

And so, you know, to that end, you know, I, you know, whether or not it's accepted or offered or I do offer any support that I can and any expertise, how little or how great they may be, I do offer that to be a part of anything that I can help out with. I know that that doesn't normally happen in this process, but I do want to say that because I think that it is a fundamental component in keeping predominantly indigenous peoples out of the judicial system.

So, to that end, I am curious in respect of where we are right now with the review on the connection between Justice and youth incarceration and CFS and where we are at with that right now.

**Mr. Cullen:** I appreciate the member's comments and offering up her talents and services.

A couple of comments just to wrap up the restorative justice so that I will bring the member up to speed. In the federal-provincial Justice ministers meeting, I guess, in the spring, this was a topic of conversation among ministers. And I would say, you know, across the country all ministers were engaged in this. And obviously it's moving at different speeds from jurisdiction to jurisdiction, but there certainly was an interest there from every jurisdiction, and

certainly from the federal government—how do we keep moving this forward? So there was some discussions about, you know, who's doing what, and what kind of outcomes did you have, and the numbers and that. So I think that's the, you know, a good format.

We're not alone in this, and I think we can learn from what other jurisdictions are doing as well. And that's something that we'll be—have to be cognizant of as we go forward, is what is everybody else doing and what are some of the best practices out there that work. You know, clearly, you know, Manitoba, Saskatchewan, Alberta maybe have some unique circumstances, but at the same time I think we can learn from each other and learn from some other provinces and territories.

You know, to date, we're dealing with about 5,000 cases been diverted through restorative justice on an annual basis. So we are doing a lot of good things. We're touching a lot of people through these processes. So I know it's been an evolution, but we're certainly had success. We just have to figure out how we can grow that success to deal with more people as we go forward.

The other thing—some of your comments reminded me of the eagle feather ceremony just a week or two ago down at The Forks and yes, certainly, quite a touching event for sure. And one of the elders made the comment was, it's about understanding each other. And that's really what this is all about, I think, as we get through the reconciliation. And certainly from listening to the judges and their perspective on things too, and that's—it's coming away with an understanding of each other, on how we can work together to resolve these. So, certainly that—all that really puts things in perspective for us.

So, in terms of Justice and family services, I know we've done quite a bit of work on looking at numbers. And the ultimate goal here is making sure that kids aren't falling through the cracks in both systems, quite frankly. We know there is certainly a close association with people that are in the child and family services system and then getting into the criminal justice system. That's clearly a concern for us. And I think what's happened in the past, we've had those two departments working in silos, so that there isn't that connectivity there. And it's something that we're working with. So we're working through the numbers. We're looking at an evaluation of sort of a, like a case-by-case situation to see how we can better deal with it.

So we're really just at the preliminary stage where we're putting the numbers together, compiling data, and then, once we get this data, we'll try to formulate some kind of a strategy moving forward. So it's really early work in terms of that particular project.

**Ms. Fontaine:** So is there—was there a—or is there a consultant for this research or is it being done internally? I thought it was being done internally, but—and then, when you—I know that you're saying that you're just at the preliminary steps.

You know, often when we look at, you know, CFS and youth, which is—it is so wrong in the sense that youth are often left out of that conversation, right? And particularly when you look at, you know, youth who are in conflict with the law or, you know, youth who are, you know, in the CFS system or entrenched in the CFS system that we—you know, certainly it requires a level of understanding of, you know, trauma-informed understanding of what, you know, these particular youth are going through.

But I am curious if there's going to be engagement—and I'll say consultation for a lack of better word. I don't think you can use that in the sense of when you're—when we're—it's more than consultation when you're looking at trying to sit down with youth and unpack their experience within the CFS system and then, you know, which, you know, I know that the minister has heard this often and I know that all of the staff have heard this and particularly from the indigenous community that it's like it's a pipe-way into the correctional facilities.

So, you know, are youth going to be a part of this? Is the indigenous community going to be a part of this? And when is the department or the minister looking at having some type of plan or strategy or report?

\* (16:10)

**Mr. Cullen:** I think this is really important work that we're undertaking. You know, we've had—the deputy and myself have had discussions with other jurisdictions in terms of how they're moving forward with child and family services and youth corrections in how they are providing better outcomes, I think, for their clients. So that's why we've embarked on this journey.

Clearly, we have folks from both Families department and Justice on a—some working groups, and we've put together a leadership team to spearhead this, so I will just enter these into the record for you. So we have Jaqueline St. Hill, Greg Skelly, Christy

Holnbeck, Shauna Appleyard, Frankie Snider. Also, we've had Heather Leonoff from Justice on this. Clearly, Scott Kolody and Sarah Thiele taking lead roles from both the Families and Justice side, and Charlene Geise is the project manager overseeing this. So we read a good group here at the leadership table and we'll get those names spelled out so we'll provide a written note for folks in Hansard.

So, you know, clearly, we're gathering information. We're actually doing—we're going to be doing some interviews with actual individuals that are involved in youth justice, certainly, probably some over in there on this family services side of things as well. There will be interviews and discussions with indigenous leadership as well as we go forward. And we're also gathering information from other jurisdictions that have made some changes to their systems. So we're certainly interested in what best practices may be in other jurisdictions as we journey down this road.

So, you know, we're optimistic we'll have some of this information together over the next, you know, six to eight months. Hopefully, shortly after than period of time, maybe in the nine month area I'm hoping to have some kind of a strategy or an implementation forum for us to have a discussion about. So, again, a lot of fact-finding information between now and the next six to eight months.

So we're looking forward to this journey and hearing what Manitobans have to say as well, especially those that are involved in, you know, on the corrections sides and the prosecution sides and, certainly, out in the community as well.

So, again, I think very worthwhile undertaking and I'm optimistic it'll lead us to a path to provide better outcomes for kids, and that's really what it's about.

**Ms. Fontaine:** So I guess the question is—a couple of questions. How is this review—so from what I understand, it is now an internal review, there's no consultant. How is this review going to be different than, let's say, the AJI or the Aboriginal Justice Implementation Commission, like, how is it going to be different from there, and will the review undertake kind of a global analysis in respect of the connections between poverty and mental health and addictions and how youth become in conflict with the law?

**Mr. Cullen:** I think trying to put this whole project in context is important, and we've seen good outcomes in other jurisdictions. And we're trying to figure out

what those best practices are to provide best outcomes for kids. And at the end of the day, this may provide a—in my view, a structural, a better structural process for dealing with kids, kids in custody, kids in care, whatever the case may be. I think that's really what we're trying to evaluate in this, and what works and what doesn't work. And there's so many components to that. That's why this review gets fairly broad in its nature.

\* (16:20)

So, clearly, one of the main focuses is in terms of the crossover—those individuals that are crossing over between Child and Family Services and into youth corrections. That's very important. So part of this analysis is actually figuring out who these kids are and figuring out where they're at in their path. So I think that that's very important. We have to understand the individual situations so that we can deal with those individual situations.

So that's why it's important to engage those folks that are already engaged in the respective systems, and certainly those that are dealing in those respective systems as well. So it's going to take a lot of work to make sure we are reaching out to consult, but I think that's very important, that we get direction from those that are engaged in the system. So that certainly is a key component of this.

The other side of it is we do want to drill down and figure out which programs are effective and which programs aren't effective. Obviously, we have an interest in making sure that we're investing in programs that are effective and, again, providing the outcomes for kids. So as we got through this, you know, we're going to be asking those questions of the individuals we talk to: What programs do you find effective? Which ones aren't effective? Have you heard of other programs in other jurisdictions that are effective that we could use here as a best practice model?

So there's a lot of pieces at play here. I know this is primarily an internal review. We have engaged in the Manitoba Centre for Health Policy. They're going to be looking at some of the interactions between Justice and Health, some of the folks in there. So we're expecting a report from them over the next short period of time. So, that should prove hopefully beneficial in terms of our discussions going forward and ultimately what type of an implementation strategy—what that would look like in terms of the structure going forward.

So that's the review in a nutshell. A lot of information to gather. And then, at the end of the day, hopefully we can find a positive path forward.

**Ms. Fontaine:** Two questions. Will the Children and Youth advocate be involved?

And as the minister knows—you know that every time, you've heard it repeatedly in question period, that—from us—that, you know, every time you all do a review, often there are cuts associated with that. I mean, that's, I am sure you've heard that, I don't know how many times now, but—and so, you know, I guess on this side of the, where are we, we're in the committee room, we get a little nervous when we start—every time you announce another review.

And the reason why I bring that up is because you just said in your response that you're going to be looking at, you know, programs and services that work or that, you know, may not work. And so, I—is this an exercise in cuts? And if it isn't—because I would suspect that the minister's going to say no, but—which, of course, we would probably disabuse you on that if we find otherwise—but—or—and if the internal review finds that, in fact, you know, those programs and services are being utilized, but actually they need to be more supported and that, you know, it requires additional government resources, you know, is the commitment going to be there?

And I'll—yes. I mean, I think that, you know, there are—actually I just realized I was about to say something I'm not privy to say it in here.

So, I guess those are the questions, is that if we find, you know, that, you know, those organizations and programs and services are actually doing really good work, are—you know, is the government going to support it?

As well, you know, often, you know, my youngest son is about to turn 18. My oldest is 24. My youngest turns 18 in January. And I know that the minister, and certainly the Minister for Families or everybody around the table, should know how scary it is often for kids in CFS care as they approach 18.

There are some kids that want to just be out. But then there are those kids that, you know, literally, the thought of turning 18, and I know that there are supports that you can—additional supports that you can apply for, and if you qualify and all of that—but I can't imagine my son, who I love so much, I can't imagine, like, as soon as he turns 18 in January, and saying, okay, Niniichaanis, you're out. Like, he'd have nowhere to go. I mean, I—you know, he still expects

me to make breakfast in the morning, which makes me just mental every single morning.

So, you know, if it is deemed that this report finds that actually we have to increase those services for kids that are in care past 18, even more so than is done right now, is the support there for the government—from the government?

**Mr. Cullen:** To the question regarding the children's advocate, yes, we will be engaging the children's advocate in this process. I'm not exactly sure to what extent we will engage her, but I do want to mention for the member that we are actively engaged with the children's advocate on—with regular meetings in discussing the reports that she's previously put out. So we have a group of deputy ministers from four departments that regularly meet with the children's advocate on various reports, and so there's certainly a lot of back and forth already and this is clearly an opportunity for her input, in terms of moving forward as well. So we certainly welcome her input into this.

\* (16:30)

This exercise is really about outcomes for kids. You know, you shared some of the numbers on kids in custody, you know, the numbers with the kids in care. Our numbers in Manitoba are way too high, relative to other jurisdictions. That's really what's prompted us to say, okay, is there a change that we can make to this system and how we deal with kids that are better outcomes for kids?

I think we know that locking kids up in Corrections facilities is probably not the best solution; certainly there's some kids that, fortunately, that's, maybe, the best, safest place for them. But for the biggest part, how can we deal with these kids, and can we make sure that they're getting the resources through the programs that they need to get in the right direction? That's really what it's about. And I at least think there's so much room for improvement here in the province. That's why we've embarked on this road.

You talked about the financial piece to this. I mean, the most expensive financial piece for us as a government is kids in custody. And that's a real cost driver for us. So I—my personal view is why don't we allocate that money to resources and programming for these kids to make sure they get on the right road? That's really, in my view, that's the right outcome for this process.

So we're excited about having these discussions but, again, we want to know who these kids are, get their background, whether they've had their proper

resources or we're not providing the proper resources to these kids and the programming, and how do we get them the resources they need to get back on the right track. So I'm not losing sight of the big picture and that's really the big picture. And I think that's the committee and the leadership group all see this. It's a big picture and it goes back to providing outcomes for kids.

**Ms. Fontaine:** So the minister noted that there is staff that meet regularly with Daphne, the advocate. And so I—my next series of questions were, you know, what's been the progress, if anything, and what is the plan in respect of the advocate's report on youth incarceration and solitary confinement? Right, and so we talked about segregation yesterday and got some of those numbers. But, you know, I think that the report was pretty stark in respect of what goes on with youth incarceration and solitary confinement.

So where are we at with that? Because those are things that we can do—do now, right? So—and if you're meeting with the advocate, what are those discussions like? Where are we at with that? What's the plan?

\* (16:40)

**Mr. Cullen:** So in terms of the children's advocate, and maybe just give a little more wholesome explanation of the relationship that we have with the independent officer. So the deputy ministers of Health, Education, Families and Justice do meet on a regular basis with her, and they're obviously responding to questions she may have from either her reports or follow-up questions to her reports.

We also have a working group of officials who deal with the children's advocate directly, as well. Again, the concept is to address any specific questions that may arise from reports or anything subsequent to that too. So I think we've established a pretty good working relationship with that independent office.

So in terms of the reports that are already been tabled, obviously we have responses established for those recommendations. Those responses are public. I think there's just, in the last few days, I think some of the most recent responses from government across departments have been provided to the children's advocate. They've been put on the government website. So the member should be able to find our responses to those specific recommendations.

My understanding is the children's advocate obviously will be looking at our response to her recommendations. I assume there will be further follow-up with the respective department in terms of

those recommendations and where we're at, and how we're going to move forward to get to achieve those particular recommendations. So it'll be an ongoing dialogue.

Clearly, this is an evolution with her as well, having a relatively new department and new responsibilities as well under legislation. So we're working through that. On the upside, in terms of the kids in—under observation, I know we're down to two kids in observation today. And, again, our numbers—you will see our numbers in youth corrections are down, which is certainly a step in the right direction.

I think as we talked about earlier, I think we still have room for improvement in terms of those numbers and making sure we find kids adequate resources and programming to make sure they get back on the right path forward. So certainly as a result of the children's advocate report and recommendations, the department has certainly made some changes in terms of their policies. And I think those have been sort of positive and well-received.

Certainly the concept of segregation is—seems to be an ongoing discussion across the country, at the federal level, across the various jurisdictions as well. So I think we're all learning as we go through that process, and it's certainly is an evolution when it comes to that particular program and respective policies around that particular program. So I know our officers are using the concept of segregation only when they have to and it's, again, it comes back to a matter of safety; safety for certainly the inmate, and safety for those that are working in the facility. So certainly take safety of everyone paramount. That discussions are—discussions and decisions are made around safety issues. So happy to see that we've made some changes.

I know there were some ongoing changes prior to the report coming out, and certainly we're working with the children's advocate as we move forward with additional policy changes in that respect.

**Ms. Fontaine:** So I just have one more question and then I know the member for Elmwood (Mr. Maloway) is very anxious to ask you some questions. I think it should be a good time with the member for Elmwood.

So we found something again in Public Accounts. And I am very curious to know what the Northern Meat Service is. [*interjection*] There you go. That's how we looked when we saw that.

So, in 2017-2018, the budget was \$2,476,000 and some change. In 2018-2019, the budget was 1.5 and

change—\$1.5 million and change. So it's about a decrease of almost a million dollars. So we are very riveted to know what the Northern Meat Service is.

**Mr. Cullen:** I thank you for the question. So this is a public tender for food service for correction facilities, so this is done on an annual basis. So you will see fluctuations, obviously based on food prices. And it's all tendered process.

The numbers could be reflective of the variation in the numbers in correctional facilities as well, so if there's a fewer number in the facilities, that would be reflective of a lower food usage.

So, yes, it is—I guess we would put together a list of what food we require for these correction facilities and then we would tender it through the normal MERX process.

**Ms. Fontaine:** So would you have record, then, and I—yes, everybody around the table knows that meat and food prices jump all over—especially meat; in the last couple of years it's been—thank God I'm a vegetarian. But would you have a record then, of what those costs would have been in 2017-2018 versus the 2018-2019? Because, I mean, meat's expensive, but I don't know if it's decreased enough to be \$1 million.

And if we look at—I don't know if the numbers of folks who are incarcerated has decreased substantially. So those two factors together, I'm not sure if it constitutes almost \$1 million in decreases to that budget.

**Mr. Cullen:** So, to the question, that particular line item refers to only one vendor. So there will be a number of vendors supplying products throughout the year, so there will be other line items in Public Accounts that would be reflective of other purchases made in that year. So the figures that you provided are not full figures for food for the year. There will be other items in there relative to other purchases for food.

So that's just the one specific vendor, so they clearly were successful one year and not as successful in the following year. So that's the scope. So that is just one of the vendors that was successful.

\* (16:50)

**Mr. Jim Maloway (Elmwood):** I did want to ask the minister some questions regarding consumer affairs in this province. And the minister will know that on April 17th of this year, 2019, CBC did a show on direct sellers operating in Winnipeg. And I guess I'll

just have to read the contents of the press to give you an idea of what the story was about.

It was door-to-door salespeople from a Winnipeg company allegedly persuaded a Winnipeg man to sign multiple costly contracts for home energy products, creating a mountain of debt for him and raising questions about whether such sales should be banned. They took full advantage of him, according to his step-sister, and the contracts were signed with Prairie Home Comfort. They were door-to-door, came knocking on his door over a two-year period.

Now, at the end of the day, he purchased items that were, I think, valued in the \$30,000 range and now has a lien on his home worth over \$30,000.

Now, the door-to-door people from Prairie Home Comfort, they sell water heaters, furnaces and air conditioners. They started coming to his house in 2017 and again in '18 and they tried to convince him that he had lead in his water and later that a 10-year-old furnace needed to be replaced. And so he was paying—the sales pitch was \$50 a month for the products. He signed a 10-year lease for a new furnace, a HEPA filter, electronic air cleaner and water filter.

And, now, the claim was that there was about 200 complaints in the last three years to Manitoba Hydro. Consumer Protection Office recorded more than 60 complaints concerning home energy door-to-door sales in '18 and '19—double what it was the year before—and Hydro said that it received 200 complaints about Prairie Home Comfort in the past three years, more than any other door-to-door sales company.

Now, they go on to say that, of course, the gentleman has difficulty paying his bills. This Prairie Home Comfort is a division of Utilebill Credit Corp., a Toronto-based corporation that finances—specializes in financing HVAC or rental programs.

And so the question, I guess, is whether or not anything has been done about this situation with these direct sellers. For example, this—I have several examples, but this one is—the one covered by CBC is the worst that I have seen—a total of \$37,000. For example, the furnace alone was \$10,000—well, actually 11—must have been one fancy furnace; HEPA filter for \$9,800; electronic hair—air cleaner for 56; a water filter for \$6,700. And this whole—this thing came to \$37,000. And now he's got a lien on his property. And so this, to me, is a case for Business Practices Act, I would say—*[interjection]* Thank you—Business Practices Act for sure. And so I would like

to know what the status of this particular case is at the moment.

**Mr. Cullen:** I appreciate the question from the member. In regard to the specific case that you're referencing, we're trying to determine if there's been actually a submission to the department in respect of that sale. So we'll have to do a little homework on that one to see where that's at.

\* (17:00)

In general terms, these situations are very unfortunate and consumers are taken advantage of by unscrupulous folks, so we recognize that's a challenge. The 2018 Throne Speech—we made a commitment to expand protection under legislation, so I will advise the member that we're actually looking at that legislation now. Certainly, in terms of the HVAC and some of those systems, those are a big concern for many Manitobans and we've had those issues expressed, certainly.

So we're, certainly, looking at the legislation in terms of what would be proper to include in that legislation. So that's really the phase we're in right now is investigating that legislation and see what would be appropriate to have under that legislation to protect Manitobans from those direct marketers.

I will say, certainly, we have staff within the department of consumer affairs that will deal with situations like this. They, certainly, will do whatever they can to see if there's avenues to cancel these contracts, if there's avenues to get money back from these unscrupulous business deals.

And I know they've been successful, and I think it's about \$450,000 back to consumers over the last—well, I guess that goes back over about five years now. So there has been some success in getting some money back for consumers over the last little while. But we certainly made a commitment to look at the legislation and see how we can further protect Manitobans from these direct marketers.

**Mr. Maloway:** Well, you know, that was actually my next question. Two thousand and eighteen Throne Speech promise was made that action would be taken, and here we are into 2019 and we don't have anything to report other than that you're—said you're looking at it, you don't know about the scope of what the bill should include.

When do you think this is all going to come about? Normally, in a Throne Speech, you make

promises for the next session—not like 10 years from the next session.

**Mr. Cullen:** Well, the one thing about it, we made a lot of promises over the last four years, and we've fulfilled pretty well every one of those promises. So we said we'd look at this particular situation; we didn't commit to a time frame on it. I do know that in this particular file, we're actively monitoring and there's certainly a lot of debate about what products and services would fall under this. Clearly, we were having some discussions about that. We want to make sure we get this thing right. So you can expect some legislation coming forward in the near future.

**Mr. Maloway:** Now, could you tell me how many—could the minister tell me how many direct sellers there are licensed in Manitoba at the moment?

**Mr. Cullen:** I thank the member for the question. I'll refer him to page 53 of the 2018-2019 annual report—

**An Honourable Member:** I'm already there.

**Mr. Cullen:** So the member will see there are 158 vendors. So the vendors—

**An Honourable Member:** Where?

**Mr. Cullen:** If you look to the bottom half of the page—

**An Honourable Member:** Oh, yes.

**Mr. Cullen:** Yes. So this is—this chart reflects the licences, registrations and authorizations. So the vendors are actually the companies that are licensed in Manitoba, then the direct seller, the line below it, is actually the individual licensees. So the vendor is the company that's registered, and then the direct seller are actually the individuals that work for those companies that are licensed individually.

**Mr. Maloway:** I'd like to thank the minister for that, and also, so the minister can see that the direct sellers are—total around 2,763, and yet the complaints that have been made against those 2,700 people is 178 in '18-19 alone. Another 130 from the year before. Are those against the same people? Are—I mean, at a certain point, if you keep going back from '18 to '17 to '16, at a rate of complaints like that, you're going to have like a hundred per cent of these people being complained about.

Have you done any stats on that? I mean, are there certain—I guess the question is of the 2,763, are there, like, a few of them that are attracting most of the complaints?

**Mr. Cullen:** So the department will obviously keep track of the complaints, so the complaints would be kept track of by the vendor of the company as well as that particular individual working for that particular vendor. So certainly the department would monitor that. Also I guess we have Manitoba Hydro involved in some of these operations as well; they're cognizant of getting complaints from folks who are dealing with these unscrupulous business folks. So they also would be monitoring that and passing on that information to our staff here.

\* (17:10)

So, once staff recognize that there's a situation, they can take steps to, again, try to get the individual out of a contract, or if they have already paid into the contract, try to get the money back from that—the business. So there is certainly some steps that the department can take to try to mitigate the damage that these unscrupulous business dealers have caused.

**Mr. Maloway:** Now, in the case of these direct sellers there is a bonding requirement, I believe, and I don't know whether the bonding requirement extends beyond the direct salespeople to the actual company. My guess is the bond is, you know, in the neighbourhood of 25 or 30 thousand dollars, around in there.

*Mr. Len Isleifson, Acting Chairperson, in the Chair*

But the question is that if the direct sellers are required to purchase the bonds—and the companies, too, I assume—then what is the process for calling in these bonds? Because if you have a number of people—and, like I said, I've got a few of them here who are out a bunch of money—then what is the process for getting these people their money back, presumably using the bond as a vehicle to do that?

**Mr. Cullen:** A couple of situations here, and I think we'll try to explain the differences and some of the opportunities for the department to provide the penalties to these unscrupulous dealers.

First of all, let's look at—when we've had situations arise where direct sellers are not licensed by the department. So, clearly, in situations like that, the department can go in there and apply administrative penalties, to that direct marketer. They can also go in there, on these unlicensed direct marketers, and try to get the contract terminated. They can also try and seek some damages in terms of what may have been paid on the contract to date. So that's the role with the department in terms of unlicensed direct dealers.

So, on the other side, those dealers that are licensed, they do have to have a bond, and certainly that bond can be called by the department if there is some unscrupulous or illegal activity going on. So there is the opportunity to call that bond.

That bond, as you know, may not be sufficient to cover everybody's contracts, but it certainly would be paraded—pro-rated across those individuals that have filed the claim. Furthermore, the department can still administer administrative penalties to that licensed company as well; so that certainly has been done in the past.

**Mr. Maloway:** So that was another one of my questions, is whether these administrative penalties that are referred to here in the annual report deal with this specific situation as regard the company that was covered by the CBC report of April 17th. And, by the way, the same companies are involved in my constituent's similar complaint, and they are of Utilebill Credit Corporation; I believe that's one of the names they use. They use Prairie Home Comfort on both of these files.

In the case of my constituent, they have, right on the Prairie Home Comfort customer information completion certificate, they have the address of this company, which is the same as the CBC case, but they have something in addition, which I find kind of interesting. They have the name of—or address of their local lawyer, who just happens to be MLT Aikins, LLP, put it right on their documentation here.

*Mr. Chairperson in the Chair*

So all of their documents that they are running around getting my constituents to sign are being approved by their lawyer who presumably is following the law, right? And their—their—their address for service is the lawyer's office. Okay.

So sounds to me like these are two, like, two cases involving the same group, and so are they part of the bonding process, or were they part of the non-bonded direct sellers?

\* (17:20)

**Mr. Cullen:** In response to the member's question, we don't have that information at our fingertips. Each company is licensed or not licensed. There would have to be some research on that. We'll have to do some digging on that particular file and see if there's been complaints filed with the department and what the outcomes were about that particular investigation.

I know we've had another situation—I guess this was back in 2018 where there was a non-licensed—well, I think both vendor and direct seller—the direct seller working for the vendor didn't—neither one—neither the vendor nor the direct seller had a licence.

So, in terms of the administrative penalty, there was—it's \$5,000 for the first contravention; \$10,000 for a second contravention; and \$20,000 for any subsequent contravention.

Se we know we did have two administrative penalties issued to this one particular company. Again, one for the company not having a licence; another \$5,000 penalty for the seller themselves not having a licence.

So those sort of things, quite often when they do happen, the department will issue a public notice so then the public is aware of the company that has been fined and also the respective dollar figures for those fines.

**Mr. Maloway:** So could the minister tell me the name of those two companies that are the—yes, the name of the companies that these administrative penalties were applied to?

**Mr. Cullen:** This bulletin was July 23rd, 2018, and the company—it was issued—the administrative penalties were issued to 950688 Canada Incorporated, doing business as True North Home Solutions, and they were in the HVAC, water filtration, air quality systems.

And, again, that was for—the vendor was not licensed and the seller was not licensed. Two administrative penalties of \$5,000 each in this situation.

**Mr. Maloway:** Could the minister tell me, then, the address of these companies that the administrative penalty was applied against?

**Mr. Cullen:** Well, again, our staff are going above and beyond the call of duty, and Google results have shown a Winnipeg location of 112 Market Ave., unit 310. And they also have what appears to be an Ontario address—Concord, Ontario.

**Mr. Maloway:** I've been told that this particular company operates under different names and that they've changed their—you know, they start dealing with a customer under one name, Prairie Home Comfort, and then they end up calling themselves something else in their 'nother' iteration. I'm just wondering if it's the same people. You know, is it the same people, or are there two parallel, you know,

companies running around doing this kind of stuff? Because what we've been able to find out from talking to people is that they are out knocking on doors. And so they've hit a bunch of people in the same area of my constituents.

And I, too, was wondering about whether or not they would be actually bonded, because if they were, then that would be—make matters a lot simpler. However, if they're being—if they're dealt with a non-bonded situation, then under the consumer laws, I believe there is a one year—one—there can be one year to just eliminate the contract, right? Meanwhile, these people have taken all the money out of this lady's bank accounts, right? About \$800 at this point in time.

So the question is, are you people on top of this or not? I guess that's my question because, you know, CBC did run a big story on this and it was all—it was in the public's view. And I'm sure they are looking to get an update fairly soon on this whole matter about what has happened with these people, right? And so—and then I have my examples over here, which are one right now but maybe more on the way. So we want to know, are these people going to be, you know, covered? And, if so, how are they going to be covered?

Because, as you indicated, Minister, the bond is only so big if it's an individual. Let's say it's a \$25,000 bond. Now, the CBC case, which was April 17, if that case is covered by the bond, which is \$37,000 right there, depending on the provisions of calling the bond and the paying out of the bond, my constituent over here may be left right out of the process.

Because if you see—if you call the bond, in the case of the first one, pay-out the first party, now what's going to happen with my constituent? There won't be any money left under the bond. So there has to be formula. There has to be some sort of time frames here, you know, dealing with these bonds, if, in fact, these people are even covered by the bonds, which, if they're not, paints even a worse picture out here about these direct—with these direct sellers.

Because what is the point of getting a direct seller's licence and going to all the paperwork and getting a bond if you're going to go out and conduct yourself like these people are, right? Because all you're going to end up is a whole bunch of bond claims real quick at the rate they're going.

So my guess is they're probably not bonding themselves at all, but I don't know, and that's why I'm

asking if you can check these names and tell me whether there are any bonds or anybody operating under the name of Utilebill Credit Corporation, Prairie Home Comfort, which is the name that appears in the CBC case as well. It's 'utileybill' over there as well, so clearly the same people.

And I believe it's the prairie, what'd I say it was, Prairie Home Comfort—yes, Prairie Home Comfort. So it's the same corporate entities, okay. And certainly on—not on the—in the CBC case, but in the case of my constituent, we have whatever this completion certificate is here, indicating that 1209 Richard Ave. is their office, but then their address for service for Prairie Home Comfort is none other than MLT Aikins LLP, the lawyer. Shouldn't be hard for you guys to track—

**Mr. Chairperson:** The member's time has expired.

\* (17:30)

**Mr. Cullen:** All right. Appreciate the question around bonding. You know, clearly we—I guess we would mandate what level of bonds are required; that would be by legislation. This is part of our review of the legislation. That could be one aspect that we would look at, is the bonding requirements and what level of bonding requirements would be required by the licensed—again, licensed—vendors and direct marketers.

I think the other thing we should be looking at, too, when we talk about legislation, is the penalties that would be applicable to that. In my view, there's certainly room for discussion about penalties to these respective businesses that are finding improprieties.

So it has come to light that we have received complaints about prairie home company. So it would be standard procedure for the department to do an investigation when there is complaints provided. So that's standard procedure when complaints are provided to the department, so there will be investigations under way when complaints are given.

And I would say, you know, furthermore, the department is cognizant that there is other potential relationships with other companies—not just in Manitoba, but potentially in other jurisdictions as well. So that is something that the department does monitor once they get into the investigative mode. So they certainly have an eye out for relationships that may be out there between these unscrupulous dealers.

**Mr. Maloway:** Well, you know, these complaints have been arising now for a couple of years, and so I'd

like to know what the results of your investigations have produced at this point. Has anybody received compensation because of what these people have been doing at this point?

**Mr. Cullen:** We won't get into a discussion about specific investigations. Some clearly may be ongoing as we speak. So we're not going to get into a discussion about ongoing investigations. We probably could have a discussion offline, maybe a briefing in terms of some of the other outcomes in some of these situations, and certainly would provide that to the member to make sure that we're not disclosing anything that we shouldn't be disclosing.

**Mr. Maloway:** Certainly, there's some questions about how the—these people are being approached by these companies. And, of course, it's the same company in both of these cases.

In the—in this case of the CBC story, the Prairie Home Comfort came to their door in May of '17 to test his water. They—the guy said he was sent there by water utilities because they were getting brown water. And they evidently poured—put a tablet in the water and the water turned black.

And in the other case, the—my constituent wrote them a letter, which she sent registered. And, of course, they don't take them—their mail, so it came back. And she gave it to me the way it was. But she said that her concerns with you people are faulty equipment, both the air cleaner and the water filter are used. The water's not drinkable—her water, which was fine until these people showed up at her door—she claims her water looks like milk now.

So, of course, she can't drink her water after these people showed up. And they—the homeowner disconnected the equipment, the faulty equipment and was demanding that these people come back and pick it up or she would deliver it to them. But then she couldn't get a hold of anybody at their office. And she said the water smells bad as well. So this is a case where what they installed in here made life for her worse than had she not done anything with them.

\* (17:40)

So my question is, why would you not issue a warning? I know that past ministers of consumer affairs have issued consumer warnings about people doing stuff like this. You know, you haven't been able to tell me yet whether either one of these companies are bonded, bonded direct sellers or whether their salespeople are bonded, or whether they're operating as—in a non-bonded environment.

Well, let's start by answering that question: Are there any people bonded at the moment with Prairie Home Comfort?

**Mr. Cullen:** For the member's information, there is a public registry of companies that are licensed as vendors and direct sellers as well, so that information is on a public registry. I can tell the member that Prairie Home company does not currently have a licence in Manitoba.

**An Honourable Member:** Okay, and what about the salespeople?

**Mr. Cullen:** So the vendor would have to be licensed for the salespeople to be licensed. My understanding is the—if you're a salesperson, you would also have your vendor listed on your licence. So the salespeople may be licensed, but they may be licensed under a different vendor—but they shouldn't be licensed under Prairie Home company.

**Mr. Maloway:** Well, I'm simply looking at the contracts that the people signed, and they're under Prairie Home Comfort as the trade name.

So I am assuming, then, that that's the name under which the—they would be carrying a licence if, in fact, they're carrying one. But at least it would give some comfort to the people that are—have lost money in this scam that they would get something back out of the bond. But, by the looks of it, it doesn't sound to me like there's any potential for any bond to be in play here based on what you're telling me right now.

So which then brings me to my next question, which is why would you not issue a warning that there's, you know, unlicensed direct sellers out there duping Manitobans into buying overpriced furnaces and HEPA filters and other things like this. Why wouldn't you issue a warning?

**Mr. Cullen:** Clearly, there's a couple of points to this. The bond, I'm told, is still in play, viable, for two years.

**An Honourable Member:** By what?

**Mr. Cullen:** By two years. The bond is still available for two years. When they were licensed—*[interjection]*—have to have—*[interjection]*—they would have to have a bond.

**Mr. Maloway:** So let me get this clear. They were licensed and bonded in Manitoba at some point under the name Prairie Home Comfort.

**Mr. Cullen:** That is true, and they do no longer—they are no longer licensed in Manitoba.

**Mr. Maloway:** Since they're no longer licensed in Manitoba, there is the provision that there's a two-year period where the bond can be called upon. The question I have is, how big is the bond?

**Mr. Cullen:** Yes, we're not going to get into the specifics of this particular case. Clearly, there could still be an investigation under way, so we're not going to be discussing the situation in public. Again, we could have a briefing with the member and try to address any questions he may have in regard to the specific situation.

**Mr. Maloway:** So I gather, then, that people like my constituent here should be encouraged to—who, by the way, was not aware of the CBC report, so knows nothing about the issue with the CBC and the home–Prairie Home Comfort issue from before. It's all new to her.

So, if she files a complaint with the department, that she has potential to get some compensation from the bond that did exist a year or so ago—or in the past.

**Mr. Cullen:** I would recommend that if consumers felt that they've had something untoward happen to them, they should contact the department of consumers affairs. There is—if you contact information direct at 945-3800, toll free 1-800-782-0067 or email consumers@gov.mb.ca.

And the other thing—I want to go back to your other question about notification. Clearly, before we name an individual company, we want to make sure the investigation is complete and that we have actually determined there was some illegal or untoward activity there before we notify publicly about companies doing business.

Clearly, I think we, as a government, and certainly I know the City and Manitoba Hydro continue to send out bulletins warning the public about some of these dealers that may be out there, so to be mindful of it and be cautious of it. But, certainly, our staff is here to deal with situations as they arise and hope that Manitobans will contact us.

\* (17:50)

**Mr. Maloway:** Well, this company has been running amok here in Winnipeg. I mean, does—the CBC case that they covered began May of 2017. My constituent's contract was for April 26th, 2018, so that is a whole year after.

So what have you people been doing? What has your department been doing in that year? Like, they haven't slowed these people down one bit. They're still

out there, taking advantage of the consumers of Manitoba, and all you've done so far has said, in your Throne Speech a year ago, that you were going to do something about these direct sellers, but you've admitted yourself that nothing's been done.

So I'd like to know what the timetable is and what direct action you're going to take, and I will take you up on that briefing.

**Mr. Cullen:** Well, I know the member sat over there in government for a long, long, long, long time, and then he went away for a while. And then he came back for another long, long, long time, and he's still here. When he had the opportunity, if thinks there was something here, a conspiracy theory, he certainly could have changed the legislation during the 17 years the NDP were here before.

We've made a promise to Manitobans that we're going to clean up this mess and that's what we're going to do, and we're going to do that sooner than later.

Thank you.

**Mr. Chairperson:** Hearing no further questions, we now will proceed to consideration of the resolutions relevant to this department.

Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$59,120,000 for Justice, Crown Law, for the fiscal year ending March 31st, 2020.

*Resolution agreed to.*

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,029,000 for Justice, Legislative Counsel, for the fiscal year ending March 31st, 2020.

*Resolution agreed to.*

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$474,479,000 for Justice, Community Safety, for the fiscal year ending March 31st, 2020.

*Resolution agreed to.*

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$64,518,000 for Justice, Courts, for the fiscal year ending March 31st, 2020.

*Resolution agreed to.*

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,034,000 for Justice, Consumer Protection, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 4.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,110,000 for Justice, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 4.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,090,000 for Justice, Capital Assets, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

The last item to be considered for the Estimates of this department is item 4.1.(a), the minister's salary, contained in resolution 4.1.

At this point, we request that the minister's staff leave the table for the consideration of the last item.

The floor is open for questions.

**Ms. Fontaine:** I move that line item 4.1.(a) be amended so that the Minister of Justice's (Mr. Cullen) salary be reduced to \$1.

**Motion presented.**

**Mr. Chairperson:** The motion is in order. Are there any questions or comments on the motion?

Is the committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Shall the motion pass?

**Some Honourable Members:** Agreed.

**Some Honourable Members:** No.

**Mr. Chairperson:** I hear a no.

**Voice Vote**

**Mr. Chairperson:** All those in favour of the motion, please say aye.

**Some Honourable Members:** Aye.

**Mr. Chairperson:** All those opposed to the motion, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Nays have it.

\* \* \*

**Mr. Chairperson:** Resolved that there be—sorry.

Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$41,117,000 for Justice, Administration and Finance, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

This completes the Estimates for the Department of Justice.

What is the will of the committee?

**Some Honourable Members:** Rise.

**Mr. Chairperson:** The time 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 Crown Services. As previously agreed questioning for this department will proceed in a global manner.

I had inquired about the possibility of taking this meeting outside and instead of acknowledging people throwing a Frisbee to the various members asking questions, but for technical reasons that was not an option available to us at this time.

I do want to, however, acknowledge the glorious weather and the pending bad weather which is threatening our beautiful province.

However, that's not the purpose of this meeting. We're here to discuss Crown Services, and so the floor is now open for questions.

**Mr. Mintu Sandhu (The Maples):** Thank you, Minister, and all the staff, and this is my question [*inaudible*] I asked you a question in the Leg., but this is the first time in the—okay—and the question is, what promoted your government to pass a Cabinet order directing MPI to engage in a consultation with the Insurance Brokers Association of Manitoba?

**Hon. Jeff Wharton (Minister of Crown Services):** And further to your comments about the nice weather, I'm getting a nice breeze coming through here, and I hope you're enjoying that as we sit in here this afternoon and work through the democratic process in Estimates.

So welcome to everyone as well and, again, I welcome our team from the Crown Services—and a special welcome to my colleague from The Maples. I appreciate—congratulations on your win in The Maples and, certainly, we have had the opportunity to have some dialogue and looking forward to this afternoon and continuing that dialogue as we go forward for the betterment of all Manitoba.

Thank you for that.

In respect to your question, certainly, with the directive essentially was in place to ensure that this is treated like a business and, you know, the bottom line is that the public interest is put front and centre, and, obviously, ratepayers are front and centre. So having conciliation in place will certainly help move this file forward to ensure that the outcomes are for the benefit of all parties involved and all stakeholders that are involved, including the ratepayers of Manitoba Public Insurance.

**Mr. Sandhu:** Did the board and senior leaders of MPI's board consultation between MPI and IBAM?

**Mr. Wharton:** Just the last part of your question, I'm sorry.

**Mr. Sandhu:** The leadership of MPI's board consultation between MPI and IBAM.

**Mr. Wharton:** Thank you again to my colleague from The Maples for the question. An answer—the simple answer is yes—and essentially, the CEO and board chair were aware of the opportunity for conciliation. Again, and for the betterment of moving forward—for the betterment of ratepayers of Manitoba Public Insurance.

**Mr. Sandhu:** Did the government ask the MPI to engage in this or them—MPI ask them, like, our government to?

**Mr. Wharton:** And, again, a quick answer for the member from The Maples essentially is a directive and I know my colleague, the minister at the time, had issued the directive to—for the two, IBAM and MPI, to enter into conciliation to move this process forward so that, again, with again a clear lens on ensuring that all stakeholders are properly consulted and we move forward in a fashion that's—has a view of ratepayers in mind again, as well.

So I hope that helps the member.

**Mr. Sandhu:** So it was the government told MPI to get into consultation, but MPI never wanted to get into consultations, right?

\* (15:00)

**Mr. Wharton:** And again as I mentioned to your colleague yesterday, the member from St. James, and the last couple of days, I endeavour to try to ensure that the information I give you is accurate and, of course, fully transparent.

So I've been able to—what I wanted to do for the member is run over approximately the last year of discussions between IBAM and MPI. For over a year they had been meeting to talk about this particular issue and they continue to have discussions.

Through the process there was a meeting with the board chair, and the board chair had asked about the potential of conciliation going forward. They continued on without conciliation for some time, and at that point it was decided to move forward, a directive from the former minister of Crown Services, to move forward in a conciliation format to ensure that, again, as I'm—I'll reiterate the fact that to move forward in a timely fashion to ensure that ratepayers of Manitoba Public Insurance can move forward in a sustainable fashion.

**Mr. Sandhu:** Has conciliation occurred between MPI and IBAM?

**Mr. Wharton:** Could you repeat the question? *[interjection]*

**Mr. Chairperson:** Oh, oh, oh. Sorry. The member for The Maples.

**Mr. Sandhu:** Has the 'consultation' occurred between MPI and IBAM?

**Mr. Wharton:** I can tell the member that MPI is currently moving through the process to tie in the conciliators so they can move forward in a timely fashion.

**Mr. Sandhu:** So is there a timeline when that can happen?

**Mr. Wharton:** In response to the member's question, as I mentioned earlier, MPI is working with a 'conciliator' now to work forward towards the time process. And when we have that date and time down we'll certainly endeavour to get that information to the member.

**Mr. Sandhu:** Sorry, I just want to go back a little bit, Minister, on this. You said you had the MPI board had the meetings. Can you please provide with those meetings if it's possible?

**Mr. Wharton:** Do you want specific dates that you're looking for, just so we're clear on what I can get for you?

**Mr. Sandhu:** Yes.

**Mr. Wharton:** Thank you, and I'm going to assure the member that we'll get you those dates. We'll have the team working on it and we'll get them to you in a timely fashion.

**Mr. Sandhu:** How many meetings were there?

**Mr. Wharton:** That will be included in the dates.

**Mr. Sandhu:** What promoted Cabinet to pass a regulation changing the reserve rate requirement held by MPI?

**Mr. Wharton:** I would like to thank the member for The Maples (Mr. Sandhu) for this question because it gives me an opportunity again to go through the—some of the areas with MPI and, in particular, will get to your question about MCT and why that directive or that area has changed.

And, first off, I can let the member know that MPI came to us asking for a change in minimal capital testing, simply for the fact that they were under industry standards. So if MPI was to suffer a catastrophic loss in, i.e., a hailstorm, you know, anything that was catastrophic—hailstorms are usually one of the worst ones that happen, but certainly there are others; flood events and other things like that—they wouldn't be adequately able to cover massive catastrophic loss.

\* (15:10)

So, for years, when I served on the board back in 2016-17 at MPI, this was an issue that MPI brought forward, where they'd said, they had asked for the former government to assist them with moving forward to an—obviously, an area that they could cover off catastrophic loss instead of having government and taxpayers of Manitoba have to step up for \$100-million hail damage.

So, certainly, I think it was very prudent of MPI and their board to move forward with a request to raise the minimal capital testing to ensure that they do cover ratepayers for losses that could, quite frankly, hurt Manitobans for years to come.

I know the member probably is aware that MPI has essentially three lines of business. Basic insurance is essentially the only area that doesn't—is not a profit area for the corporation. It, essentially, is an area that is very volatile. And the reason why there's volatility

there is because of what I mentioned earlier: the potential for a catastrophic event.

MPI will produce rates at their GRAs to ensure that they can be at a level where they don't see that they're going to need to dip into any of their reserves. So it's definitely a very talented thing to do with MPI. I've seen them go through this process and, I tell you, it's very interesting.

We also have two other lines of business that are their profit lines of business, and special risk and extension deductible. So, as you know—and I know I do it because I've had too many windows to replace on my car, but I buy down my deductible to \$200 to ensure that, geez, you know, the window's \$800; at least it's only costing me two. And being travelling on the highway a lot, living in the Interlake—I can tell you it happens more often than I want to admit.

So—but, certainly, you know, MPI with respect to the—moving forward at their request with increasing the MCT, it's more of a—again, more of an industry standard. We were the lowest in the industry when it came to ensuring that we have adequate resources in the case of a catastrophic event.

So, again, I—sorry for the long-winded answer, but I just want to make sure there's a fulsome, you know, understanding of why MPI came to the government to say, look, we need to move on this, because we need to protect our ratepayers of rate shock and catastrophic loss going forward.

**Mr. Sandhu:** How much reserve they have it—right now?

**Mr. Wharton:** I can inform the member that as of March 1st, 2019, MPI had an estimated MCT of 66 per cent. And I can inform the member current rate filing shows MPI has achieved 100 per cent MCT in basic, while achieving an overall rate reduction for Manitobans of 0.9 per cent.

**Mr. Sandhu:** Is there ever a loss in this reserve?

**Mr. Wharton:** Thank you, and again, just to recap the question was, what happens if they go into their reserve or below their reserve, I believe?

**Mr. Sandhu:** My question was, was there ever a loss in this fund, or was it the reserve was always at the same level?

**Mr. Wharton:** I can inform the member that the current range approved by the Public Utilities Board for MPI's basic Autopac reserves is between 34 and 85 per cent MCT.

As I mentioned in my other comments earlier, as of March, 2019, MPI had estimated it at 66 per cent, and I did mention also earlier that now they—the MPI has reached 100 per cent MCT.

**Mr. Sandhu:** As the minister indicated earlier that he was on the board at one time, which I think was '16-17. Is there any other MLA right now on the board of MPI?

**Mr. Wharton:** No.

**Mr. Sandhu:** I'm going to change course a little bit. It's going to be in regards to ride-sharing questions.

Minister—has the minister or his department had any communication with MPI regarding insurance product, per ride sharing or taxi service this past year?

**Mr. Wharton:** I can inform the member that MPI is in constant contact with the taxi industry and the ride-share industry, as well.

\* (15:20)

And again, the member and I were talking about it when we first had the opportunity to meet the other day about where the Taxicab Board was moved in Bill 30 to the City of Winnipeg where it belonged. We had that discussion, and I know the member agreed that things are going well and it's really glad to hear that. And certainly I know MPI is working with ride-share companies.

I know I've had the opportunity to use TappCar in Winnipeg, and certainly it's a great alternative to Unicity or Duffy's if you've run behind somewhere and you can get on an app pretty easy. So I think it's been a really good move for Winnipeggers, in particular, and in Manitoba.

As you know, rural municipalities can also pass a bylaw now too, as well, under Bill 30 to have ride-share in their communities. So communities where I come from, like up in Gimli and what have you, where, you know, we're still an hour and a bit away from Winnipeg but we can still take full advantage of, if the community decides, to engage in a ride-share.

You can even start your own business, which is kind of cool because you can do that anywhere in Manitoba if you have a—if you want to be a—start a ride-share company or operate a local cab company, you can do that. I know a fellow that runs one out of Beausejour, another one in Selkirk, and a couple more in the Interlake; certainly they're doing well.

And I'm glad to hear from the member too though that Bill 30 has made a difference for not only

the ride-share companies but for the families of Unicity and Duffy's as well going forward. So all in all, a good news story.

**Mr. Sandhu:** Mr. Minister, my question was: Has the minister of his department had any communication with MPI regarding insurance product for ride-sharing taxi service this past year?

**Mr. Wharton:** Well, I can answer for the current minister of six days now in Crown Services, and I can inform the member that I have not.

**Mr. Sandhu:** Did the department have any meetings with the ride-sharing or taxi service the past year?

**Mr. Wharton:** I can inform the member for The Maples (Mr. Sandhu) that over the last two years there were two meetings and they were both with Uber, and the most recent meeting with Uber was spring of 2019.

**Mr. Sandhu:** Can the minister undertake to provide this communication and update the committee as to the substance of it as well?

**Mr. Wharton:** Well, my understanding is the contents of those meetings were essentially to discuss Manitoba's insurance, MPI's insurance structure. Certainly, I think there was articles in the paper regarding that when Uber was looking at coming to Winnipeg and Manitoba and those, obviously, are pertinent discussions to have; and also to talk about their structure—Uber's structure—as far as insurance goes, as well. So I think there's, obviously, a lot of discussion about insurance.

**Mr. Sandhu:** Has the department or MPI conducted any analysis of the impact of the introduction of ride sharing since bringing forward legislation legalizing it several years ago? If so, can the minister share it with the committee, please?

**Mr. Wharton:** I can inform the member that MPI continues to have discussions with large ride-share companies looking to set up here in Winnipeg and in Manitoba. So, certainly, that's an ongoing process and, you know, again, that's something that MPI and their team will be certainly working on as they go forward.

**Mr. Sandhu:** So the question is: Did MPI or the department conducted any analysis of this?

**Mr. Wharton:** Again, I apologize to the member. I think we've got this answer now.

Yes, to your question and, again, MPI is continuing to do jurisdictional scans to do

comparables, and I think that's a prudent thing to do to ensure we get it right in Manitoba—and so is MPI. MPI, as a matter of fact, are performing their own internal analysis, as well, with respect to the ride-share firms and doing a fulsome review of things can move forward.

\* (15:30)

**Mr. Sandhu:** Several ride-sharing companies have complained about—that insurance is structured and created by MPI for ride-sharing services. Does the minister intend to change insurance structure currently offered by MPI or make any directive to MPI on this matter?

**Mr. Wharton:** I certainly have some information here, it's fulsome as I promised the member I would try to do. And I'll read this out to the member and get it on the record so that if he has any concerns, he can certainly look at Hansard at a later date.

In selecting the rating model used by Manitoba Public Insurance, they developed and evaluated seven models within the context of compulsory nature of basic and MPI's intention to limit 'cross-subsidation' between vehicles for hire, drivers, and the rest of the basic policy holders.

When designing the VFH insurance rating model, MPI identified the following required successive criteria: the rating model must be fair and equitable, the rating model and associated rates must be accurately supported, the rating model must be flexible enough to accommodate different regulatory frameworks that may be created by municipalities due to provisions in The Local Vehicles For Hire Act. It's Bill 30 that I had mentioned earlier.

The chosen rating model is now enshrined in regulation and was reviewed by the Public Utilities Board in 2018, interim VFH application. This model was approved on an interim basis on January 15th, 2018, in order 1118 whereby MPI was directed to file for final approval in the 2019 GRA. On December 3rd, 2018, the PUB granted final approval of MPI's VFH application based on data analyzed since the interim application MPI proposed—no changes to the rating model.

MPI stated that where possible, pricing of its VFH policies were based on known experiences and that pricing of future policies would incorporate updated and ongoing claims experience to ensure that customers are paying appropriate premiums.

So, again, further to that, as I mentioned earlier, MPI is continuing to have regular consultations with ride-share firms as they go forward through obviously this very new and exciting process of ride share in Winnipeg and in Manitoba.

**Mr. Sandhu:** Minister, my question was, does the minister intend to change the insurance structure currently offered by MPI or make any directive to MPI on this matter.

**Mr. Wharton:** Okay, just to be clear, I've read this out, but I'll read it to the member again just so we've got it on the record for him.

Based on data analyzed since the interim application, MPI proposed no changes to the rating model. MPI stated that where possible pricing of its VFH, vehicle for hire, policies were based on known experience and that pricing of future policies would incorporate updated and ongoing claims experienced to ensure that the customers are paying appropriate premiums.

**Mr. Sandhu:** So to make it clear—so—and the minister will not be sending any directive to the MPI on this matter?

**Mr. Wharton:** Here, here. Good afternoon.

Certainly, like to give the member from The Maples the answer that he's looking for and, certainly, we respect MPI's actuarially sound and PUB-approved vehicle-for-hire policies pricing model, of course, as I mentioned earlier; and this ensures that ratepayers are not essentially cross-subsidizing the VHF drivers and that all customers are paying appropriate rates.

So, again, with a lens on that, I think that's, obviously, a prudent way to move forward as we continue these discussions with large ride-share companies coming into Manitoba.

**Mr. Sandhu:** How many companies are currently registered as ride-sharing companies in Manitoba and how many drivers are registered as a driver for ride-sharing companies?

**Mr. Wharton:** Twenty-plus companies are now in Manitoba.

\* (15:40)

**Mr. Sandhu:** This is a different question. In 2016, I want to know how many front-line people were working for MPI and how many people were working for upper management?

**Mr. Wharton:** So just to be clear, are you talking a global number for MPI and upper management?

**Mr. Sandhu:** Yes.

**Mr. Wharton:** I can inform the member that there were 165 management, 1,922 FTEs, and, of course, 8.5 per cent was management as of 2016-2017 fiscal.

**Mr. Sandhu:** What are the numbers now?

**Mr. Wharton:** We're 'merking' now. We're going a lot quicker. Mr. Chair, '19-20 fiscal—129.3 management positions; total FTEs—1,927.9, and percentage of, of course, management was 6.7 per cent.

**Mr. Sandhu:** This is going to be all over the place. I have a question regarding rate.

What—why is there so much different in rate, like—insurance for the ride-sharing taxis and accessible vans?

**Mr. Wharton:** Based on the actuarial costs of claims associated with three bands, so the actuarial costs are how, essentially, that is costed out. And an example is, I know that this—in this case, motorcycle rates go up when passenger vehicles go down. The costs per claim are much higher.

And I know from being there and understanding the process that yes, claims are definitely are different for different scenarios and motorcycles is one of the areas that certainly is a concern.

**Mr. Sandhu:** How much money did we pay last year to insurance brokers of Manitoba?

\* (15:50)

**Mr. Wharton:** We're working here to give the number for '18-19—we're still working on that—but I guess, in the interest of time, I wanted to be able to give you the number for '17-18, which was \$83 million.

And also, just for ease going forward too, as well, advise the member—and I'm sure he's probably aware of it too—that these numbers will be available to the public on the PUB website. So you can pick them up there, as well. And failing not getting you the exact number today with some technical—technology issues, the standing committee on Crowns will also be an opportunity to get that exact number for '19-20—or I'm sorry—for '18-19. But for now, '17-18 is \$83 million. And if the member would like, we can still continue to look or maybe we can look for that number for him at a later date.

**Mr. Sandhu:** Later date is fine.

**Mr. Chairperson:** The member for the—did you want to ask another question? Sorry, Hansard, we're just figuring this out.

**An Honourable Member:** Oh, Mr. Chair?

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

**Mr. Wharton:** Well, as we did in our opening and will do it in our closing, I'd like to thank the team to my right here and—for all their hard work. And I can tell the member from Maples that we do have \$85.6 million was the amount of money to IBAM in '18-19, so we were able to get that number for you.

**Mr. Adrien Sala (St. James):** And we are going to continue with Crowns for probably another hour or so.

I'd like to ask the minister—we're going to shift our focus now to cannabis, and I'd like to start by asking the minister, the government said it earned \$760,000 from the social responsibility fee on cannabis in 2018-19. Is this fee currently being applied to cannabis sales, even though legislation authorizing it has not passed the House?

**Mr. Wharton:** I would like to refer that question to the Department of Finance. The Department of Finance would be in a better position to answer that question.

**Mr. Sala:** Just to get clarity from the minister, would that answer apply to all questions around revenues tied to cannabis?

**Mr. Wharton:** I appreciate the follow-up question from the member, and Manitoba Liquor & Lotteries collects the fee on behalf of the minister—or behalf of Finance, pardon me, and essentially that is the only area that MBLL is involved in.

Essentially, similar to what we do in municipalities where we collect the education property tax and submit it to the Finance, it's a similar-type process, where the money is basically collected and then resubmitted to the appropriate department.

**Mr. Sala:** I thank the minister for the response.

Can the minister provide a breakdown, by department and agency, of the costs associated with the sale of cannabis, both one-time and ongoing?

**Mr. Wharton:** I would refer that question to Finance as well.

**Mr. Sala:** Does the minister have an estimate of annual profits they expect to reap as a result of the sale of cannabis?

**Mr. Wharton:** I can give the member exactly what he's looking for here. A revenue of \$29,991,340. Cost of sales, \$22,434,305. Gross profit was \$4,557,035. Operating expenses, allocation from payments, of course, minus \$1,196,271. The net income in fiscal '18-19 of \$3,360,765.

**Mr. Sala:** Thank you so much for that information, greatly appreciated.

Can the minister give a more detailed breakdown of the source and amounts associated with the MBLL markups for the sale of cannabis?

**Mr. Wharton:** MBLL markups of \$4,557,000.

**Mr. Sala:** Have any licences for the sale of cannabis been revoked since legalization?

**Mr. Wharton:** Again, I would refer this to Justice, simply because LGCA is the body that issues all the licensing for cannabis. Liquor, gaming, cannabis; LGC.

**Mr. Sala:** When does the minister expect that all Manitobans will have access to cannabis in line with the Premier's (Mr. Pallister) comments, which were having cannabis sales in a 30-minute drive for 90 per cent of Manitobans?

\* (16:00)

**Mr. Wharton:** I certainly appreciate the question from the member.

The 30 minutes' drive, of course, is the goal for all Manitobans to have access to cannabis. I will read into the record, just for the member, too, as well—for his review potentially at a later date—some of the success stories that we've had in this short time since cannabis was legalized. And consumers, of course, can buy non-medical cannabis, too, from private retail stores, in person, online.

And I will—to that point, I will mention to the member, as well, that other jurisdictions in Canada have come to Manitoba to review our model on cannabis retail, which is a great news story. We're leaders in that and we should be proud of that because when you've got neighbours from across Canada coming to you for advice on our model, you know you're getting it right with your stakeholders in partnership. So that is certainly a good news story.

For the member, Manitoba has 24 retail stores—14 in Winnipeg, four in Brandon, two in Portage la Prairie, one in Dauphin, one in The Pas, one in Morden, one in Thompson. And it includes also locations operating on First Nation land in The Pas, Portage la Prairie, Winnipeg and Thompson. That's another success story, as well—the engagement with First Nations and—in this process has been phenomenal. That's just a great, great news story.

And then, again, a lottery was—to determine second phase of cannabis retailers was conducted back on May 2019—based on a pool of pre-qualified candidates, of course, with the provincial goal of adding cannabis, as the member from St. James mentioned, within 30 minutes' drive for 90 per cent of Manitobans. And following that, we've included Altona, Flin Flon, Lac du Bonnet, Niverville, RM of Russell Binscarth, Swan River and Virden.

And the following retail organizations have accepted opportunities to open locations in Manitoba coming soon to a retailer near you: Westleaf Retail Inc. in Altona; Garden Variety in Flin Flon; Matzelle Holdings Ltd. in Lac du Bonnet; canaba—Canna Cabana Inc. in Niverville; Corktown Cannabis Company, Rural Municipality of Russell Binscarth; Fire & Flower Inc. Swan River; and Northern Hotel in Virden. And again as we go forward, the goal will be to ensure that all Manitobans that want to purchase cannabis will have that opportunity within 30 minutes.

And, again, I know the member will agree that the deployment of supply has not been a success story from the federal government. And, as we continue through that process, we can continue to open up stores through the betterment of Manitobans that want to purchase cannabis based on the supply chain from the federal government.

**Mr. Sala:** Did the minister's government develop any projections for estimated gross profits?

**Mr. Wharton:** Just remind the member that, back in Budget 2018-19 when cannabis became legal, we offered our budget to Manitobans up, that did not include a line item in revenue for cannabis. Being new to the federal marketplace, there are a lot of unknowns when it comes to the retail end of cannabis.

Again, being new, we certainly needed to establish pricing and working with stakeholders and partnerships. So it was prudent not to have a line item because, quite frankly, we didn't know what the revenue was. So, coupling that with the fact that not knowing what the revenue was, we also didn't know

what the liability would be or the expense going forward.

So, as we continue down this process and down this road in discovering what, you know, what the market will bear when it comes to respect to retail sales of cannabis, we'll certainly be able to work with our stakeholders right across the province in municipalities, for instance, where I wear my other hat, the questions always come up about revenue sharing. And municipalities are very aware and onboard to ensure that we get it right, and we understand exactly what the income and expenses are going forward. And also we've asked municipalities to provide us with information on expenditures that they anticipate having as they go forward.

So we're working collaboratively with everybody as we go forward on this new venture as far as retail sales of cannabis. And, you know, I can certainly share with the member that's been going on since the legalization and prior to when we knew it was coming under the federal Liberal government. And those consultations will continue under our watch, and we'll be sure for the member that his concerns about not only getting retail services to Manitobans but also ensuring that we're not losing money for Manitobans. We've got a lens on that, and we'll work with our stakeholders to ensure that happens.

**Mr. Sala:** Thank the minister for the response.

Does the minister anticipate further licences being issued for the sale of cannabis this year?

**Mr. Wharton:** As I mentioned earlier, the focus initially on the offset of, or the out, of the start-up of cannabis sales, retail sales, was the lack of supply. So, as we go forward, we have to ensure that the supply is there. We are looking forward to moving forward on phase 3 of the rollout of retail cannabis throughout the province, to again to ensure that 30-minute window is met.

\* (16:10)

And as we continue to gather information for the federal government on the availability of cannabis, we will work in concert with that information to ensure that we reach the goal of reaching Manitobans within 30 minutes.

**Mr. Sala:** I'd like the minister to expand a bit on some of the supply issues that were referenced earlier within the Manitoba context.

**Mr. Wharton:** Again, thank the member for the question. I have some information here that I'm sure he'll find very helpful.

As of July 31st, 2019, suppliers have delivered over 4,730 kilograms of product to Manitoba. Manitoba's model consists of product shipped directly from licensed suppliers to licensed retail stores via retail orders placed through Liquor & Lotteries product listing. Liquor & Lotteries is continuing to administer an allocation process where supply exceeds demand. Retailers are beginning to move selective—be more selective with their product basis—purchases as well and are aligning product assortments with consumer demand.

So as this process rolls out, as I mentioned, there's always a few changes as they go forward, and obviously supply's important but also the type of product that folks want to purchase from retailers is changing as well. So there's a constant adjustment there.

Supply volumes increased over April to May 2019, resulting in more product and greater variety for retailers. So there we go; we're moving in the right direction. Retailers are being more selective in purchasing product to align with consumer demand. In April, retailers ordered 66 per cent of product available by volume, while in May they ordered 37 per cent of available product. Supply volumes continued to increase throughout the months of June and July 2019. Retailers are continuing to be selective of products and continue ordering similar volumes to previous month, and in June retailers ordered 25 per cent of available product offered, with 34 per cent ordered in July. Liquor & Lotteries is working with suppliers and retailers to align products and price points with consumer preferences.

So that's pretty good information, and certainly I hope that helps the member with his question.

**Mr. Sala:** Thank you very much for the response. By the way, I appreciate the pace with which we're moving today; it's greatly appreciated.

Moving on to—just back to MBLL here, I'm hoping the minister can speak a bit with respect to the social responsibility mandate of MBLL, whether or not the minister can indicate if MBLL is currently spending all the allotted funds for social responsibility on projects for this past fiscal year.

**Mr. Wharton:** I appreciate the comments about moving quicker today. We're all getting a little bit better. And I'd certainly like to extend my thank you

to the Chair for moving us along in a timely fashion, as well.

In response to the member's question, the act also states—this is simply, again, giving the information that—accurate information to the member—the act states that MBLL must allocate 2 per cent of its anticipated net income to social responsibility initiatives. In 2019-20 fiscal year, the amount is \$12.9 million. And out of that \$12.9 million, some of it will be accrued into the next fiscal year, essentially, because there'll be a—there'll be sort of an area that needs to be covered off that skips into another fiscal.

But the—certainly, the money is—\$12.9 million is the total amount, and it's fully committed.

**Mr. Chairperson:** The—is it the will of the committee to take a 10-minute recess?

**An Honourable Member:** No. No, five.

**Mr. Chairperson:** Is it the will of the committee to take a five-minute recess? *[Agreed]*

We'll now recess for five minutes and return at about 4:24 or five.

*The committee recessed at 4:16 p.m.*

*The committee resumed at 4:26 p.m.*

**Mr. Sala:** I appreciate reconvening here.

I wanted to just revisit the last question we talked about, whether or not MBLL is currently spending all of the allotted funds for social responsibility on projects for this past year. And the minister referenced funds that have been allocated.

Can we just get clarity on those funds, the actual spend?

\* (16:30)

**Mr. Wharton:** I have the numbers that the member is looking for. Just some clarification, though: I'm going to give you these numbers here but this—these are numbers that are actually calendar years because of when the—when this was borne, so it's calendar not fiscal. So I'm going to give you the calendar years report.

Right now funding support is \$8,189,000; internal research and program evaluation, \$954,000—again, this is 2019—operating and consumer awareness, \$4.45 million. And funding carry forward—okay, so just before I get into carry forward prior year, I mentioned earlier in my comments about a carry-over.

Well, this carry-over right now prior years spent in current years, \$2,917,000. And funding carried forward to future years, one million, nine hundred and sixty-five for a total of \$12,641,000. I hope that helps the member.

**Mr. Sala:** Yes, I appreciate the clarification.

I'd like to ask the minister, what role will social responsibility in the gaming review the minister—sorry. What role will social responsibility play in the gaming review the minister is planning to conduct?

**Mr. Wharton:** The gaming industry provides a revenue stream, as the member knows, for urban, rural and northern communities and remote areas of the province. Lottery revenue also contributes, of course, to revenue to the Province to approximately \$325 million to the provincial Treasury annually. However, and here's where the view takes a direction that's necessary; there are social and economic impacts, as I'm sure the member knows, related to gaming, which the commission will examine and make, again, related recommendations.

So, moving forward, we definitely—I believe—the gaming review and again, being new to the portfolio, I'm certainly wrapping my head around this particular issue because it is important to understand the full impact of the social impacts, the economic impact, on folks that endeavour to gamble, for lack of a better term.

**Mr. Sala:** I thank the minister for the response.

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. Wharton:** I'd just remind the member of what the mandate of the 2016 review was essentially to look at the overall market in Manitoba and whether it was saturated at that particular time. And what this review does in 2019, as I mentioned in my earlier response, was to focus in on a broader mandate, and looking at the social and economic impacts related to gambling.

So moving forward with that lens is obviously the prudent thing to do as we go forward in the review for 2019.

**Mr. Sala:** That's it for my questions, and I'd just like to thank the minister for the information. I enjoyed the exchange.

Thanks so much to the support team, and it was enlightening. Thank you.

**Mr. Wharton:** And I, in turn, would like to thank the member from St. James. I certainly enjoyed our fully respectful and discussion for the betterment of Manitobans, and I look forward to future opportunities to obviously work towards the betterment of all Manitobans.

And I'd also like to thank my staff for helping, and day 3 worked out well. We're on time and under budget. Thank you.

**Mr. Chairperson:** We now continue with the Department of Finance.

The floor is open for questions.

\* (16:40)

**Mr. Mark Wasyliv (Fort Garry):** Good afternoon, Minister. I'd like to start off today, sort of exploring your centralized procurement modernization program. And I'm wondering if you could set out sort of what you anticipate you will be putting into place and how it's different than what currently exists.

**Hon. Scott Fielding (Minister of Finance):** The essence of the procurement modernization, it's based off a model that one of the eastern provinces did in Nova Scotia, and they were able to save, I think, upwards of \$25 million over a certain period of time. So we anticipate actually savings somewhere in the neighbourhood of \$200 million. And really, essentially, it's just procuring things better, spending smarter, wiser. If you have more buying power, for instance, you get better pricing.

So an example—although it wasn't necessarily right in the procurement package, but was one of the initiatives that kind of came out—was our cellphone contract; that was the first one we initiated. So we invited not just what we call core government, we invited the regional health authorities and also the Crowns to participate. So I think it doubled the amount of, essentially, cellphones that we were using. And so with—and there's a contract RP that went out, and we were able to save actually about \$15 million on this because the buying power was higher.

So, for instance, again, you know, because of, they were all doing their own separate contracts; you put it together; you're able to save additional money through the procurement process.

So that's essentially what it is. There's kind of different waves that are associated with it that we

anticipate savings and we have some fantastic stories, new stories, related to some of the procurement modernization strategies.

So that's essentially what it is: just clustering your buying power together to get better value for your money and essentially, you know, buying power essentially.

**Mr. Wasyliv:** So, if I hear your comments correctly, it's just expanding who's in the purchasing group in order to get a better price from suppliers.

Now I guess my question is that: Will this policy include school boards, Crown corporations, municipalities, RHAs, educational institutions, like the universities? What is the scope? Who's in, who's out, and are these organizations going to be compelled to participate?

**Mr. Fielding:** Yes, we would—no one will be compelled. Hang on, I guess I would say from Crowns, like, you know, from the central government, the summary government for the most part that are affiliated with *[inaudible]* governments would be associated with that. So we believe the savings are there.

We've actually had some fairly good dialogue with some of the municipalities, including the City of Winnipeg, on some potential opportunities to procure. So, if we can do that with some of the school divisions, that's something, you know. It's an opportunity for everyone to save a little bit of money. We think that would be a good process to essentially have more buying power.

And that's kind of a model the Premier (Mr. Pallister) has talked a little bit about, with our health—and this kind of goes more across—nation, across the nation—but, you know, the health equipment is just so expensive, right, so if you can partner with other provinces and do your bulk purchasing, it's able to save money. They've done that obviously at the national level too with drug purchasing.

But, yes, we would like, you know, if there's some partnerships to be had, with—whether it be school divisions or City of Winnipeg or other municipalities, you know, we think that's a good thing because your buying power would be greater having more dollars, I guess, if you will, in play, so you're able to get better value for it, so, yes.

**Mr. Wasyliw:** Given the complexity of this, are there going to be more FTEs assigned to this role? Is this secretariat going to get larger, and by how much?

**Mr. Fielding:** No, there won't be any more staff that's associated with it. You will have some staff, like, let's say procurement's happening outside of central governments, I guess, if you all—with individual departments and that sorts—you know, essentially some will be assembled together. But there won't be more staff. There would be more—there would be probably less staff because we're able to do it in a more efficient and effective way.

**Mr. Wasyliw:** What will be the criteria for procurement? Is it simply best price, or is there going to be other considerations, and is there a hierarchy of considerations?

**Mr. Fielding:** Price is a big component of it. There's kind of a scoring that happens when you do the procurement piece. There is elements, too, where there could be some indigenous—there would be indigenous scoring, I guess, if you will. You get added value points, I guess, if you will. There is a bit of an economic development piece as well, depending on things like IT—that's a part of it. But, yes, absolutely we want to get best value for money that will certainly be a huge component, if you can get good value for money.

**Mr. Wasyliw:** Is there any policy currently in place, or will be in place under the modernization approach, that will favour Manitoba companies in the procurement buying decisions?

**Mr. Fielding:** Yes, under the Free Trade Agreement as well as the New West Partnership. We can't provide any favouritism, I guess I would say, at a local level, and that makes some sense, because with the New West Partnership, that allows us to—Manitoba companies to bid on things like BC marketplaces, and that sorts. So there is no extra favouritism that's associated with a Manitoba company.

Now, that being said, because we've signed on to the New West Partnership, that allows Manitoba companies a huge marketplace. Instead of a \$1.3-billion marketplace, and—you know, it depends on what they're procuring or providing services for—it opens it up to, you know—Saskatchewan's around the same population, maybe a little bit less. Alberta and BC also have—you know, big provinces, right. So you're able to take advantage of some of the buying power, I guess, if you will. So they're able to expand their marketplace based on the New West Partnership.

**Mr. Wasyliw:** Now, the New West Partnership agreement has thresholds—I believe it's \$100,000 for goods and constructions; \$200,000—and there may be another \$100,000 for services, where the Province can purchase those type of goods and services without falling afoul of that agreement. Would your government commit to at least preferencing Manitoba companies up to the threshold?

\* (16:50)

**Mr. Fielding:** You're right on thresholds. I think the numbers are somewhat right, but, for all intents and purposes, you know, you're right on that front. Manitoba has always taken the position that there isn't any preferential treatment. Of course, we are—always want to root for Manitoba companies to grow and prosper, but at the end of the day it is an independent process. We also see, you know, it is taxpayers that essentially are paying for items that you are procuring, so there is a piece that you want to get best value for money for Manitobans as well.

**Mr. Wasyliw:** So I take it the ministry has no calculation or analysis about the multiplier effect of purchasing locally and how that may outweigh some minor price advantage from a out-of-jurisdiction company as opposed to the economic benefits of local development.

**Mr. Fielding:** I guess it really depends on which way you look at it. If you look at the fact that if you're a—let's say you're a Manitoba company and before, you were unable to bid on procurement items in BC, and that potentially could've happened under—if you're not part of the New West Partnership. The added benefit of a company, no matter what company that is, to be able to be part of a, I guess, a buying—I don't want to say buying group, but an ability to provide supplies, or whatever the deal is, on a bigger marketplace allows Manitoba businesses to grow and prosper.

**Mr. Wasyliw:** Is there any consideration in the carbon footprint and the green aspect of procurement for getting out-of-jurisdiction products or services. And what I mean by that, that you may pay a slightly higher price for a Manitoba company, but the actual environmental impact of buying it locally is far more beneficial than getting a cheaper product, which is environmentally less friendly coming from BC.

**Mr. Fielding:** Right, yes, part of this is—part of the, I guess, procurement process, is sustainability; that's a part of it. So there is consideration that's taken into consideration.

**Mr. Wasyliw:** Would the carbon footprint of the product, would that consideration trump price?

**Mr. Fielding:** Well, our belief is, you know—the government's belief is that we're trying to get as best value for taxpayer dollars as we can. So we're trying to, No. 1, increase the buying power, right? If you're able to say we're going to have twice as many cellphones or, let's say, maybe five times as many, kind of desktop computers, you're going to get better pricing. So we think that the scoring system that we have in place does make sense, and we would anticipate the 'taxpayers' would want us to get the best value as we can.

With that being said, there all—there are other factors, as you had mentioned, that do come into the equation. So I would say it really depends on a case-by-case basis, but for the most part we're trying to get value for taxpayer dollars. If we can get value for taxpayer dollars, that means that's more money to spend on health or education, social services if it's costing you less to, you know, through the procurement process.

**Mr. Wasyliw:** Would the minister release to this committee the scoring matrix used in these decisions?

**Mr. Fielding:** We could give an example, for sure. Each of the procured items have kind of a bit of a different score, and for the most part it's the, you know, similar process, but it could have different scoring. So we could absolutely provide some sort of an example of what that would look like. But each individual item may be different in that respect.

**Mr. Wasyliw:** In what way would each item be different? What would be different considerations for different items, and who would be making those decisions as to treat two items in a very different way?

**Mr. Fielding:** We're taking expert advice from some experts in the field on this. And so maybe think of it as a kind of a wave category. There's a category item.

So, for instance, maybe if a number of departments may be buying asphalt or maybe buying sand, right—might be the department of 'stainof' the 'volopment'—the Department of Infrastructure that's there.

And so part of the strategy going forward is identifying, you know, what that score in would like—look like for each of those particular areas. So that—so it really is based on advice we're getting from procurement experts that establish the evaluation on that.

But, for the most part, the scoring is somewhat similar in terms of the approach we're taking.

**Mr. Wasyliw:** Who are these experts, and would the minister provide to this committee a list of those experts that you're relying on their advice?

**Mr. Fielding:** The staff from Procurement Services.

**Mr. Wasyliw:** Does the ministry and the minister rely on any outside experts for advice in building matrix for these type of decisions?

**Mr. Fielding:** We've got a consulting contract with PricewaterhouseCoopers.

**Mr. Wasyliw:** So if I heard the minister correctly, for sort of individual purchases, the ministry is developing criteria—or, a matrix for each one of those sectors.

Will those become publicly available? Will they be disclosed to the public? Will that be transparent?

**Mr. Fielding:** Absolutely, 100 per cent. It's on MERX. It's—that's the tendering backbone system, I guess, for a lack of a better term, for government.

**Mr. Wasyliw:** Is the PricewaterhouseCoopers consultant contract—is it open-ended, or is it ongoing?

**Mr. Fielding:** It's a fixed-price contract for a certain deliverable.

**Mr. Wasyliw:** Would the minister be prepared to disclose that contract to the committee?

**Mr. Fielding:** Yes. All contracts are provided—or MERX. The parameters of that contract is provided in MERX, which is—again—kind of the backbone of tendering infrastructure.

I'm not sure I'm explaining that right, but that's essentially what it is.

Government proactive—sorry, government proactive disclosure website.

**Mr. Wasyliw:** Do we, as a ministry, track the percentage of procurement from Manitoba suppliers, as opposed to out-of-province suppliers? And, if we don't, is that information available and it can be disclosed to the committee?

**Mr. Fielding:** Right. Yes, all contracts are disclosed publicly on that—the website, just—that I—as I mentioned. So it is all public information.

**Mr. Wasyliw:** The company's headquarters, whether it's in Manitoba or it's not in Manitoba, is that

information that the ministry gathers and has to release to the committee?

**Mr. Fielding:** I believe that the—who wins the contract is there. I don't know if the actual location of their head office is there, but that's really—I guess it depends how you look at it. Right? Because you may have a company that might be headquartered somewhere, but they have—they're employing a lot of people, you know, maybe in wherever—whatever part of the city or whatever part of Winnipeg.

You know, that's obviously—maybe you've got a corporation that's headquartered in Toronto, but you might have reps or you might have an affiliate that's here. But everything is provided on the websites that I mentioned.

\* (17:00)

**Mr. Wasyliw:** Is there any policy in your matrix to favour businesses that are newcomer-led?

**Mr. Fielding:** No, we want a level playing field with it. There isn't any matrix that would give advantage to a newer business. We see it more as a product of—you know, it's a services or supports or products that the government is procuring—and so, on behalf of taxpayers, we want to make sure we're getting the best value for our taxpayer dollars.

**Mr. Wasyliw:** I think the minister may have misunderstood how—what I was—how I was trying to phrase that question. I'll try to be clear.

Do you have any policy or matrix in place that an immigrant-led business would get preference, as opposed to?

**Mr. Fielding:** No, everyone's on a level playing field.

**Mr. Wasyliw:** Is there any policy in place or any sort of advantage in the matrix for female entrepreneurs and women-led businesses in the procurement policy?

**Mr. Fielding:** I'd say the same parameters are in place. We want to make sure there's a level playing field and the parameters that are associated with it, whether it'd be the Free Trade Agreement or things like the New West Partnership, you know, are there and so we want to make sure that everyone has an opportunity to bid on these types of initiatives.

**Mr. Wasyliw:** I take it that is similar for Canadian-owned businesses—you don't even preference Canadian-owned businesses?

**Mr. Fielding:** Under the Free Trade Agreement we can't profile, I guess I would say, a Canadian business

over other businesses, whether it'd be through Canada or Mexico.

**Mr. Wasyliw:** And I take it the minister doesn't preference co-ops with just sort of private-run businesses. There's no distinction made there?

**Mr. Fielding:** No, we really see it as, you know, we're buying products, we're buying services for Manitobans and we're using taxpayer dollars. So we're trying to get the best value for taxpayer dollars, and it's not just cost but that is a big factor, for sure. So there isn't any, I would say, any parameters that would be set up above and beyond the scoring of those metrics that I had spoken on.

**Mr. Wasyliw:** Now I think the minister is aware that, under the New West Partnership Agreement there's a whole section on procurement, and there are two large exception clauses for social responsibility and procurement which would allow the Province to preference female-led businesses, newcomer-led businesses, co-ops, et cetera. I take it from the minister's comment that this government would be ideologically opposed to that and would not seek to make those decisions fall under those exceptions under the agreement.

**Mr. Fielding:** Well, I don't really agree with the parameter of the question, the way—the wording that you used. I would say the only preferential scoring criteria that we provide is for indigenous-owned businesses.

**Mr. Wasyliw:** Will there be any changes to the Indigenous Procurement Initiative under the new modernization program?

**Mr. Fielding:** I would say that's a part of some of the work that's being developed right now under the procurement modernization strategy to address procurement in so many different ways. So that will be addressed.

**Mr. Wasyliw:** Do Manitoba-led indigenous companies get preference over Canadian-led indigenous companies?

**Mr. Fielding:** So the answer to this is yes. Under the Free Trade Agreement, there is a parameter that does allow for individual scoring, I guess I would say, of indigenous—Manitoba indigenous organizations.

**Mr. Wasyliw:** Would the minister be able to provide the number of contracts that were given to indigenous companies in Manitoba in 2016, 2017, 2018, 2019, and the values of those contracts per year?

**Mr. Fielding:** The website does not currently provide whether it was an indigenous organization or not. Now, could we go back and identify that? I guess, really, your—you know, we'd have to figure out what the definition of, you know, the parameters of indigenous-owned. Was it a hundred per cent 'digious' owned others?

The short answer is, we could provide that information, review our files. Everything is on MERX, so all the contracts are—everything is provided on the website. But it doesn't specifically, you know, identify whether a group is indigenous or a group is non-indigenous, I guess I would say.

**Mr. Wasyliw:** Now, the minister had indicated that under the Free Trade Agreement in Canada, our internal free trade agreement, that this preference for indigenous purchasing is there. But I guess the question I want to get at from the minister is, just because it's there doesn't necessarily mean the Province is using it.

Is the policy of this government to preference Manitoba indigenous companies as opposed to indigenous companies that are outside our jurisdiction?

**Mr. Fielding:** I'd say yes. The vast majority of contracts or procurement items, whether it be services and supports, there is a parameter that does look at indigenous Canadian-owned as well as indigenous Manitoba-owned. So there is a scoring system that's built into—there's a scoring system that's built in how decisions are being made.

**Mr. Wasyliw:** Now, in my review of the current program, it basically call—creates categories of when indigenous businesses would actually be called upon to provide goods or services.

One of them is if the government is purchasing culturally specific items like indigenous art, or if the service is being targeted towards indigenous communities, such as a study on diabetes with the—within the indigenous community.

There doesn't appear to be a general preference to hire indigenous businesses in regular competition. I'm wondering if you can clarify. Is that correct? And if it is correct, why are not indigenous companies allowed to get a preference in general competition?

**Mr. Fielding:** So there is, you're right, some cultural and other items where it specifically lays out in the criteria, but I can tell you, as a best practice and as a government, we do practice where indigenous

component is part of the scoring for procurement services and products.

**Mr. Wasyliw:** So if I hear the minister correct, an indigenous company will get preference over other companies, even despite better prices, in a general competition?

**Mr. Fielding:** The indigenous component is one of the items—one of the scoring items, I guess, if you will, right. There's a scoring system. That is one of the—that's one of the items that's a part of it, part of the scoring.

\* (17:10)

**Mr. Wasyliw:** But it's not a overriding or dominant consideration; it is just merely one factor to be taken care—taken into account as of many.

**Mr. Fielding:** It's one of the items in the scoring system.

**Mr. Wasyliw:** Now another category are set-asides, and it appears that the government outlines certain competitions to be only given to targeted indigenous businesses to compete. How many set-asides do we have a year?

**Mr. Fielding:** We would have to go back and find that information for you. So we'll—I'll take that under advisement to provide that information for you.

**Mr. Wasyliw:** I'm wondering if the minister can inform the committee how many points in a competition would be assigned to indigenous business ownership, and how many points would be assigned for having the most competitive price.

**Mr. Fielding:** It would be for five points for Canadian-indigenous owned. It'd be five points for Manitoba-indigenous owned. That plays a factor into the overarching scoring, I guess I would say. And price is the predominant factor we go with.

But, again, there's a scoring system that does happen and the points that I just mentioned are associated with that, with indigenous; again, whether it be Manitoba or Canadian companies.

**Mr. Wasyliw:** So what is the points for having the most competitive price?

**Mr. Fielding:** Okay, so what happens is a company or, you know, provider will bid a price on a product, and then what happens is there's a scoring system. I believe it's one through 100. Some of the components—the indigenous or the numbers which I refer to. So what happens is the company is evaluated.

They've got the price; then they're evaluated on a scoring system in terms of the amount of points and then you divide it in two.

So let's say a company gets 50 points. They bid a million dollars on a product. You divide a million by 50 and that would give you your score, and that's how they would evaluate all the companies within the bidding cycle.

**Mr. Wasyliw:** Now, the minister had mentioned that a Canadian or non-resident indigenous company is scored the same as a Manitoba resident indigenous company.

Would the minister consider rescoring that to give preference to Manitoba indigenous companies and, if not, why not?

**Mr. Fielding:** I would suggest that there already is that preference, right, because if—let's say you're a Canadian indigenous-owned company, you'll get five points. If you're located in the province of Manitoba, you would get an additional five points.

So I guess the answer is yes, the scoring, if you're, again, located in Manitoba, you are getting a preferential because you're getting 10 points as opposed to five.

**Mr. Wasyliw:** Now, is there any consideration about where the services or goods are being used? So, for example, in the North, if a company is buying gravel to do road work on a First Nation, is there some type of preference built into the system for indigenous companies in that circumstance?

**Mr. Fielding:** Well, I'd say a couple things. Number 1, Manitoba is engaged, of course, in this modernization procurement. As I mentioned earlier, everything is being reviewed.

What I would say is infrastructure, let's say up in the North, is done a little bit different. You have the normal 5 per cent, 5 per cent, for Manitoba versus—Manitoba and Canadian Indigenous, and Infrastructure has an ability and does incorporate some indigenous local component into that.

So that is a little bit different than the other 'procurmadium.' With that being said, there's a review of all the procurement services that is ongoing, part of our review to modernize procurement.

**Mr. Wasyliw:** So is the minister looking at the specific area for improvement or changes?

**Mr. Fielding:** Well, I don't want to prejudge the work that's happening with modernization and strategy,

right. We want to get good advice from experts and people in procurement, our staff in procurement, to make decisions on the modernization.

I guess from our point of view we believe that if you're able to buy smarter, shop smarter, I guess some of the terminology we've used in the past, what that means is you're spending less money on services and supports. That means, you know, better value for taxpayer money, and then you can invest more in health or education or other things.

So, again, we want to modernize to see how other provinces are doing it to be as efficient, as effective, as we can and we do want, you know, better value for taxpayer dollars, and some of the initiatives that we have taken, again, I'll just point right to the cellphone contract. You know, you can get better value. If you can save 15 million bucks from a cellphone contract, imagine what you can—you know, what you can save if you use—another example, desktops. If you have five times the buying power that you have, you know, you're going to get better value for money.

So that's really the core essence of what we're trying to achieve.

\* (17:20)

**Mr. Wasyliw:** Now, there's another category called Mandatory Indigenous Business Participation, and that's where, my understanding is the participation rate is determined by the proponent of the tender. I'm wondering if the minister is able to give an example of when this would occur or what sort of scenarios that this happens in.

**Mr. Fielding:** I guess, for the most part, the way I would describe it is if some of the infrastructure is going through a indigenous area or territory, whether it be a reserve or other items such as this, then the mandatory provision does kick in where you would use local indigenous workers, companies.

**Mr. Wasyliw:** How many of these contracts are awarded a year?

**Mr. Fielding:** I'm going to take that under advisement.

**Mr. Wasyliw:** Would the minister be able to release that number for each year that their government has been in office?

**Mr. Fielding:** Yes, we'd be able to release that.

**Mr. Wasyliw:** Who are the stakeholders that are being consulted by the PricewaterhouseCoopers review?

**Mr. Fielding:** I would say a variety of sources. Number 1, procurement individuals in departments. I would say (2) were the users of our procurement network, I would call it, whether it be Manitoba Heavy Construction, the people that are essentially bidding on these sort of procurement types of items, be there. I would also say that there's been some fairly good dialogue with municipalities, with the City of Winnipeg and other, you know, I guess that's what I would leave it on, on the levels of government.

**Mr. Wasyliw:** Is there any indigenous groups being consulted in relation to this policy?

**Mr. Fielding:** Yes, the Aboriginal Chamber of Commerce. We also have a number of suppliers through a network, whether it be a service or support that are indigenous-owned, so we consult regularly with all groups such as that.

**Mr. Wasyliw:** How will this policy advance reconciliation if price considerations are still dominant?

**Mr. Fielding:** We think that those elements are certainly a part of the procurement, but what we're trying to do is provide—get services and products for taxpayers at a good value. Our premise is that other jurisdictions have been able to save millions of dollars on the services and supports that you procure—'picure'. So that—the essence is to get better value for taxpayer dollars, and if you're able to save money by doing it, the focal point would be to focus on, you know, investing in areas like health, education, social services, you name it. Yes.

**Mr. Wasyliw:** Again, I don't want my comments to be viewed as an attack, and I appreciate it's a partisan environment, but I more just—trying to get to the thinking of the minister and his government.

So reconciliation would be a sub-goal in this procurement strategy; the primary and main goal is to get—to put it in the minister's words, sort of value for the taxpayers with the most cost-effective price, and if that meant that reconciliation goals were not met, that's just the way it's going to be. That's the ordering of priorities. And again, trying to put it in as neutral as I can.

**Mr. Fielding:** I would say the focal point is to provide value for taxpayer money. So if we can get services and supports, there's a variety of things you'd take in consideration in scoring of things. Some of the indigenous components that we've been talking about for 15 or 20 minutes are certainly a part of that scoring, which we think is important. We think that

there is a number of indigenous businesses and organizations that have been part of the procurement network, and whether you're indigenous or non-indigenous, we're all taxpayers in one way or the other. And so we're trying to get value for money, and so if we can shop smarter and get products and services at a better costing, I would say, while providing a quality service for the products and services that we procure, we think that will make a difference.

We also have talked a lot in the past about shopping smarter, so we think that's a big part of it. It's an area of government where we think that won't have—where you can save money as a government and yet not have an impact on front-line services. So that would be the focal point of the modernization strategy, incorporating all those elements into one.

**Mr. Wasyliw:** There is a final category called desired indigenous participation. I'm wondering if the minister can expand on that, if—what that is, and how many of those do we get tendered a year?

**Mr. Fielding:** Just further to my comments, that is the five and five, for Canadian indigenous business, and the other five is for the Manitoba indigenous business that—

**Mr. Wasyliw:** Will the Manitoba—sorry—Sustainable Development procurement guidelines be part of the new procurement strategy?

**Mr. Fielding:** Yes.

**Mr. Wasyliw:** I'm wondering if the minister can outline how the guidelines are incorporated into these decision-making, how are they part of the matrix, the scoring, how many points they get, that sort of thing.

**Mr. Fielding:** Sorry, just clarify the questions. The—as it relates to procurement for Sustainable Development types of, like, products and services?

\* (17:30)

**Mr. Wasyliw:** So the green policy aspect of it, the green procurement policy, I'm wondering if you can outline what that is and how it gets built into the index or matrix.

**Mr. Fielding:** Yes, I'm going to read you under procurement administrative manual, and that's subsection 10.5 of the sustainable procurement. The policy of Manitoba shall procure goods and services in line with Manitoba's principles and guidelines of sustainable development and other government procurement policies, legislative requirements and

trade agreements. The rationale to ensure environmental effects are taken into consideration when purchasing, also to provide additional policy criteria for which to evaluate a good and service, to adequately reflect environmental, human, health and social effects, and likewise that environmental and health initiatives should adequately take into account economic, human, health, and social consequences.

And just quickly, the applications the policy applies to following organizations: Manitoba government, the departments, special operating agencies, agencies, boards, commissions. And the policy guidelines purchases shall be based on careful consideration of goods, services, impact of environment, economy, human, health and well-being.

The one thing I would add to this, in the last budget the government put together a climate and green—I don't know if it's called the climate and green office—I believe office is what it was. So there was people all over government dealing with environmental types of issues; so they've assembled them together under Sustainable Development. And so government, policies and initiatives will take that lens, I guess, if you will, and take in consideration any environmental types of policies, initiatives, not just on procurement and other things, but really for most policies and initiatives the government's taking.

**Mr. Wasyliw:** So green procurement issues: Do they become a dominant consideration or are they just a point consideration with price still being the overriding consideration in purchase?

**Mr. Fielding:** I'm just going to quote you from chapter 10, responsible procurement, and of course that's the procurement administrative manual.

And preference being given to the purchase of environmentally preferable goods and services whenever they perform satisfactory and are available at a reasonable cost. Consideration of making a market factor such as price, quality, delivery date, specifications, et cetera, recycling, remanufacturing, non-toxic, consideration of full-cost accounting to ensure that no costs associated with the purchase decision and/or action, including the, you know, costs that's left unaccounted for.

Cost-benefit analysis should be conducted when considering the procurement of an environmentally referred good and services. Whenever possible, specification standards and/or evaluations criteria that reflect Manitoba's preference for environmentally

preferred goods or services is to be included in the tendering.

So that kind of outlines a bit of the policies, I guess, that are in place.

**Mr. Wasyliw:** So, if you had two equally placed products, the tiebreaker is which one's more environmentally friendly?

**Mr. Fielding:** Yes.

**Mr. Wasyliw:** But if you had a scenario where you had similar products, one was slightly more expensive but more environmentally friendly, in your 'matrix,' would the cheaper product be—and less environmentally friendly—be the one that would be successful as a tender?

**Mr. Fielding:** Depends on the situation and it depends on what the scoring comes out at.

There's kind of a very structured process that's in place that I identified prior, right? So that's a costing. And then there's a point scoring, which we, you know, went through a little bit earlier on. And then they essentially divide the cost by the other parameters that are in place. And that's really how we evaluate which product and services would be the tendered product or services supports that we would enter into.

**Mr. Wasyliw:** So is the green or sustainability factor—is that part of the point structure, or is it something that exists outside of the point structure that has to be taken into account after you've done the math on the points?

**Mr. Fielding:** It's outside the scoring structure.

**Mr. Wasyliw:** How are these decisions then accountable or transparent if they're not in the matrix?

**Mr. Fielding:** So the scoring process is—you know, I won't regurgitate the scoring process that's in place. But if the scoring process comes back and there's two products that are equally measured the same, one is more environmentally friendly than the other, then that would get the preference.

**Mr. Wasyliw:** I want to change focus here now and discuss the tax incentive financing program. I'm wondering if the minister can tell this committee how much that program will cost in lost revenue this year.

**Mr. Fielding:** Well, the program wouldn't cost any lost revenue. What tax incremental financing is, is essentially lost potential.

So you have, let's say, you know, an area of land that is assessed at a certain amount. The tax

incremental financing is made up, obviously, of the municipal and the school tax portions. I know you're familiar with that. So if the asset of the land valuate goes up—you know, maybe it's \$10,000 initially and it goes up to \$100,000—the tax incremental financing is the difference between the \$10,000 and the \$100,000.

So I guess it really depends on which way you look at it. Is it a lost revenue? I wouldn't say it's a lost revenue, because the revenues weren't there before of the difference in valuations of the land. So it doesn't cost the Treasury any money, I would say.

**Mr. Wasyliw:** Now, the current policy of this government is not to indemnify the school board or 'municipality' who are out this tax revenue. I'm wondering if this government would commit to replacing that lost tax revenue to the affected school board or the municipality that is out that revenue for five, 10, 20 years.

**Mr. Fielding:** No.

**Mr. Wasyliw:** And what would the reasoning be behind that no?

**Mr. Fielding:** Tax incremental financing is a tool that's used to develop certain areas. Some examples are some of the areas like HyLife Foods got a TIF—tax incremental financing. There's areas like Simplot. And I believe Roquette also got tax incremental financing.

There is two other major projects in the city of Winnipeg. One would be the True North centre—tower. I'm using the wrong name. And one is the new building that's being constructed on Main—I can't remember the name off the top of my head, but it's the new 40-storey building that's associated with that.

So it's a tool that's used for economic development that can generate these areas. What is important to realize with tax incremental financing is making sure that these structures, buildings or whatever you're trying to stimulate—whether it be an economic development piece or whether it be a building in downtown or the other part of Winnipeg, wouldn't have happened without the tax incremental financing in place.

So that is the important part. We went through an extensive process under Minister Wharton's department that made—that evaluated the—

\* (17:40)

**Mr. Chairperson:** Order. Yes. It is the convention of these—[*interjection*]-hang on. I have to recognize you, as I'm speaking now.

We do have to reference other members by their portfolio or their constituency, but not by their last name.

The honourable minister.

**Mr. Fielding:** The Minister for Municipal Relations developed extensive criteria on the tax incremental financing.

I would say it is an important—you know, in a bit of my time on city council, it is—I think it's an important tool. Tax increment financing is an important tool, but with that you have to be reticent that it needs to be, you know, a deal that pushes it over the top, right?

So you can't just be giving away tax room for projects that are going to happen anyways. They've got to be a stimulus, I would say, for development to happen in these areas. And, you know, there's a—I guess, a 25-year window on that tax incremental financing, for the most part, of where they have, I'd say, kind of a tax holiday on that extra assessed valuation.

So it's time limited and there has been some good projects, not just our government, but previous governments have entered into using tax incremental financing.

**Mr. Wasyliw:** How does the government assess whether or not the project would not get built but for the TIF grant?

**Mr. Fielding:** Right, I'd say there's an evaluation. There's a number of different areas.

We've put together an economic framework modelling. We thought that before there was way too many of these economic development agencies that were there, so we tried to streamline the process to create a framework that's in place.

So the long story—long—the long—the short answer is it's a combination of Municipal Relations Department, the new Economic Development Office that does evaluations with this, and Treasury Board.

**Mr. Wasyliw:** So recently your government announced taxed incentive financing program for Paterson GlobalFoods for a processing plant that they are creating. And it appears, from the media, that it was actually the company that approached the government for the money.

So I'm wondering if the minister can explain. How does that happen? Who gets to walk into the Premier's (Mr. Pallister) office, put their feet up on his desk and say, where's the chequebook?

**Mr. Fielding:** Well, No. 1, in that particular deal, I'm very familiar with it, that was—I can't tell you who initiated the first calls, but what I can tell you that with the—there was a real likelihood that the oat production plant—I guess I'll call—that will be in Manitoba would have gone to the United States. I believe it's the Grand Forks area, if I'm not mistaken, North Dakota area.

So it's a 90—I believe a \$93-million investment that is in Manitoba. I think it's somewhere in the neighbourhood of over 70 jobs that are being created from it.

So that's a scenario where if you have an opportunity to work with a Manitoba business to grow and prosper and they're going to create wealth in Manitoba, and the possibility—the—a possibility of it going to another location, which is real in this instance, you know, makes you evaluate.

And a lot of things are based on return-on-investments modelling and that sorts. That's a part of it, but there's a structure process of when we would use the TIF.

I guess the question may be, were you supportive of the TIF?

**Mr. Wasyliw:** So how does the government evaluate a company's claim that they're not going to build in the locale and they're going to go elsewhere? How do you reliably, objectively assess that claim, other than the person with a handout going, well, if you don't do this, we're going to leave?

**Mr. Fielding:** Well, I guess that's the essence of economic development. It sounds like the New Democratic Party is opposed to creating new jobs for Paterson Global, which is unfortunate, because it's a \$93-million investment in the province. It's going to create about 70 new jobs, so if I hear what I think I'm hearing from the New Democratic Party, is they're opposed to the TIF—opposed to the development of Paterson and the development of a \$93-million facility as well as the 70 new jobs. So I guess I just want to verify that.

Is that the position of the New Democratic Party of Manitoba?

**Mr. Wasyliw:** Has this government contractual guarantees with this company that, if those 70 jobs

don't materialize, the money gets returned back to the Manitoba government?

**Mr. Fielding:** Just back to my question, just wondering, has the New Democratic Party taken a position on tax incremental financing? Is that a position that the New Democrats have?

I'm just a little concerned that right now, as a province, we're leading the nation in private sector capital investment. You have some great companies that are coming to Manitoba. You've got Roquette, which is a pea production plant that's creating hundreds of jobs and investments—hundreds of millions of dollars of investments. You've got Simplot, expansions of their own facilities—McCain. You have other areas that are happening like this.

So I guess my concern is there's a risk that if the New Democrats had their, you know, hands on the joystick of power that somehow these investments may not have happened in Manitoba. And suffice it to say, we wouldn't lead the nation in private sector capital investments.

So I'm just—I just wanted to verify what your party's position is on those initiatives.

**Mr. Wasyliw:** The minister is non-responsive to the question. I'm going to ask him what question he's answering.

**Mr. Fielding:** I was—there was a back and forth. I was trying to answer some of your questions. I wanted to get to the bottom of your question, so I was just trying to find the background—whether the New Democrats are supportive of initiatives like the Paterson grain initiative, because it is important. It's an important sign for Manitobans that a government would support private sector investment in the province.

**Mr. Wasyliw:** I take it from the minister's non-answer that there are no protections or contractual guarantees in place, that, if those 70 jobs do not materialize, this company will not be returning that money to the Manitoba taxpayer.

**Mr. Fielding:** We are—I am going to defer a little bit to the Estimates process for Municipal Relations. They'll have a better exact understanding of the parameters that are set. I can tell you that we think that it is an important deal for Manitobans and we think that tax incremental financing is an important tool that a number of the projects that I had mentioned here take place.

We're not handing these things out. We did an extensive evaluation through the tax incremental

financing, which I believe has been made—portions have been made public. So what I can endeavour to do is the items that have been made public of the tax incremental financing—I believe there was an announcement related to the news release—we can certainly provide that information to you to ensure that you're well versed on tax incremental financing.

**Mr. Wasyliw:** Will the minister release a copy of the contract between the government and Paterson GlobalFoods in relation to this TIF agreement and any other TIF agreements that have been negotiated in the past year?

**Mr. Fielding:** I'm going to refer to Municipal Relations, but I believe there is some proprietary information that is associated. Anything that we can release that's public, that's transparent, we're more than willing to do. But as you can imagine, there would be some proprietary information that is related to that item.

**Mr. Wasyliw:** So the minister had stated that he was very familiar with this situation, but somehow he's less familiar to see if Manitoba interests were safeguarded with actual contractual guarantees for job creation, 'absual' investments.

What remedy do Manitoba taxpayers have if none of these things actually show up?

**Mr. Fielding:** Well, No. 1, I guess the concern that I'd have about safeguarding is the fact, if the NDP took over, it seems like from your line of questioning that you wouldn't support initiatives like tax incremental financing, which I can tell you is an important tool for development.

\* (17:50)

I can tell you that we've made substantial gains, in terms of making changes in having—private sector is expanding into the province of Manitoba. There are safeguards always that's in place. We do return investments calculations and evaluations through Treasury Board.

There's items that we can certainly provide to you, in terms of a news release, anything that we can have in terms of the tax incremental financing policy change. We had an extensive review with this just over a few years ago, and I can tell you that because of the fact that the progress we're making at private-sector capital investments, the economy is growing here in the province of Manitoba.

**Mr. Wasyliw:** Sadly, Minister, my time is at an end. I have no further questions.

**Mr. Chairperson:** Hearing no further questions, we will now proceed to consideration of the resolutions relevant to this department.

I will now call Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$706,000 for Finance, Crown Services, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$32,186,000 for Finance, Fiscal and Financial Management, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,756,000 for Finance, Treasury Board Secretariat, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,071,000 for Finance, Priorities and Planning Committee of Cabinet Secretariat, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,577,000 for Finance, Intergovernmental Affairs, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$149,764,000 for Finance, Central Services, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolved—sorry.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$75,875,000 for Finance, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$56,200,000 for Finance, Capital Assets, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

The last item to be considered for the Estimates of this department is item 7.1.(a) the minister's salary, contained resolution 7.1. [*interjection*] Hang on a second.

At this point we request that the minister's staff leave the table for the consideration of this last item.

The floor is open for—[*interjection*]—they actually have to leave.

The floor is open for questions.

**Mr. Wasyliw:** I move that line item 7.1.(a) be amended so that the Minister of Finance's (Mr. Fielding) salary and the Minister of Crown Services' (Mr. Wharton) salary—can't forget him—be reduced to \$1.

I can repeat that if you like.

**Mr. Chairperson:** Okay, the member cannot make extemporaneous comments while reading the script.

And I would ask the member to repeat the motion that has been—that he wishes to put forward.

**Mr. Wasyliw:** My apologies.

I move that line item 7.1.(a) be amended so that the Minister of Finance's salary and the Minister of Crown Services' salary, be reduced to \$1.

*Motion presented.*

**Mr. Chairperson:** The motion is in order.

Are there any questions or comments on the motion?

Is the committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Shall the motion pass?

**Some Honourable Members:** No.

**Mr. Chairperson:** The motion is accordingly defeated.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,054,000 for Finance, Corporate Services, for the fiscal year ending March 31st, 2020.

*Resolution agreed to.*

This completes the Estimates of the Department of Finance including Crown Services.

The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Infrastructure.

Shall we briefly recess?

Is it the will of the committee to call it 6 p.m.? [*Agreed*]

Committee rise.

## FAMILIES

\* (14:50)

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

This section of the Committee of Supply is now resumed—consideration for the Estimates for the Department of Families.

At this time, I invite the ministerial and the opposition staff to enter the Chamber and then we ask the minister—the members to introduce their staff in attendance.

Now I'll ask the minister to introduce her staff.

**Hon. Heather Stefanson (Minister of Families):** I have with me today: John Leggat, who is our deputy minister; I have Brian Brown, who is our assistant deputy minister of admin and finance; we have Michelle Stephen-Wiens, who is here with us today, the director of early learning and child care; as well as Braeden Jones, my special assistant.

**Mr. Chairperson:** Okay, I'll get the opposition critic to introduce her staff.

**Ms. Danielle Adams (Thompson):** Chris Sanderson, policy analyst.

**Mr. Chairperson:** Thank you very much.

As previously agreed, questioning for this department will proceed in a global manner.

The floor is open for questions.

**Ms. Adams:** When will the next capital call be made for child-care spaces?

**Mrs. Stefanson:** Just to inform the member that we're just in the process of redeveloping the capital program, moving toward an open call process. So this allows applicants to apply at any time, and it also ensures that funding is in place by applicants to speed up the development process.

**Ms. Adams:** And the plan to implement this, how is that going to go forward when the position for capital has been vacant?

**Mrs. Stefanson:** Yesterday, we spoke about improving efficiencies within government by consolidating a call centre and looking at consolidating different functions across the department into the areas where there's the most expertise in those areas.

So similarly with the development of the capital program, currently Manitoba Housing and Renewal Corporation manages the bilateral agreement on community capital projects for the Department of Families. And so it makes more sense to have these functions be housed over at Manitoba Housing and Renewal Corporation. So they will be taking on those functions.

**Ms. Adams:** The number of people receiving EIA has been increasing, yet the minister has deleted positions in this area. I understand that client services is, in particular, challenging given the current meth crisis. Why not supplement the workforce by meeting the challenge in the workforce and meeting the growing case load? Why cut these vacant positions?

**Mrs. Stefanson:** I thank the member for the question, and I think it's an important one, and it's—gives me a chance to highlight, I think, some of the things that we're doing and the approaches that we're taking with respect to EIA clients.

Certainly, we have been successful in working in a whole-of-government approach with respect to moving people from EIA and to—and finding them employment. We've worked closely with the Department of Education, as well, and various programming things like Jobs on Market, which has been quite successful so far.

In fact, with that, we've actually expanded that into Jobs on 9th in Brandon as well, which has become—which is—which will be an exciting thing, I think, for that community as well.

I think it's important to mention that as a result of this, the growth of the caseloads has significantly slowed. In the last year alone, it's down to 1.5 per cent, when in the past it's been, you know, 6 and 5 per cent, in terms of annual growth rates.

And so I think we're making some headway, but we do recognize there's more work to be done. And I think the more we take that whole-of-government approach to this and work closely with Education and Training to ensure that we move people off of EIA and into the workforce, I think that's a positive thing for people in our community.

And so we'll continue to make progress in this area, and again, I just want to thank the Department of Families, and particularly those who work in EIA, for the tremendous work that they do working with our clients on a regular basis.

**Ms. Adams:** What is the current processing time for EIA?

**Mrs. Stefanson:** I just ask the member, are we sort of moving into EIA questions now? Because we would probably bring the appropriate staffperson—

**Ms. Adams:** Just the one.

\* (15:00)

**Mrs. Stefanson:** I thank the member for the question.

The answer to the question is that it varies depending on—it varies from about two to three days to about two weeks, depending on where you are in the province and how complex the case is.

**Ms. Adams:** What is the average processing time for EIA?

**Mrs. Stefanson:** I think it's important to just point out to the member opposite that we in the department deal with these individual cases. Each individual case is quite unique, and I think what the member's probably trying to get is to decipher whether or not if someone is in a more extreme need that, you know, we have the ability to deal with people on an emergency basis, Mr. Chair.

So sometimes the processing time can be same day, and sometimes, you know, it depends on—if the person shows up, and for the application, that they don't have all information with them that's needed for the application, we need to wait a little bit to get, you know, for that individual to get the necessary information to complete the application. But what I will say is that the majority of cases are handled same day.

\* (15:10)

**Ms. Adams:** I would like—just like to clarify: that is from the initial meeting to the point of payment?

**Mrs. Stefanson:** Yes, the member asked about processing time. So this is for processing time for the application.

**Mrs. Bernadette Smith (Point Douglas):** So, just to clarify: so we're asking the minister to provide the time period from when someone comes in for an intake meeting to when they actually first get their payment from EIA.

So what is the average waiting time for people who are coming in? You know, maybe it's the first time, maybe they've been, you know off of EIA for a year, you know. I know there's lots of different circumstances, but we're asking for what is the average waiting time from when they come in for an intake meeting to when they receive their EIA.

Thank you.

**Mrs. Stefanson:** So just going back to the information that I provided to the members opposite earlier, it takes anywhere between two to three days, up to two weeks, to process the application. Once the approval is given, the cheque flows to that individual, in the vast majority of cases, on the same day.

**Ms. Adams:** I would ask the minister to take it as an undertaking to the processing times from initial meeting to payment for over the last three years, the average wait time.

**Mrs. Stefanson:** I think it's important to note, when it comes to this issue, that, you know, certainly I've already indicated that it's, you know, somewhere between two to three days and two weeks. The department doesn't track averages because we look at people on an individual basis, so we don't see the usefulness of tracking the averages. We want to ensure that these individual cases that we deal with—these individuals—get the timely access to the EIA payments and get a timely access to those payments, and we look at it on an individual basis.

\* (15:20)

**Ms. Adams:** Oh, we're going to be moving on to housing and having a couple of questions on housing.

The terrible fire at Massey Manor in Brandon, in Manitoba—Brandon, Manitoba, May of 2018: I understand that there has been progress made. I understand that there was some hope that the work would be completed by early fall, and then I understand the date has been pushed back to November and now January.

Can the minister confirm, is the work—the completion of the work on track to be completed by January?

**Mrs. Stefanson:** I just wanted to introduce Carolyn Ryan, who is the CEO for—the acting CEO for Manitoba Housing and Renewal Corporation who has joined us at the table here.

It is my understanding that the management of this process is being run by the Canadian Mental

Health Association, who is the owner—one of the owners in the building, and they're leading that process. But, as we understand, it is scheduled to be open in January.

**Ms. Adams:** On page 109 of the budget Estimates, the minister has proposed that she will decrease funding as follows: \$532,000 less for direct management housing operations, \$1.6 million less for non-profit and co-operatives and \$766,000 less for rent supplements program.

Can the minister explain why her budget contains these reductions?

**Mrs. Stefanson:** I'll just direct the member to—she first asked about direct manage, so we'll deal with that first. When you look at the expenditures, you'll notice right under expenditures is rental revenue. Because revenue is increasing, it lowers the operating costs associated with that area.

And if the member could indicate what her other areas are that she wanted as well.

\* (15:30)

**Ms. Adams:** One point six million less for non-profits and co-operatives; \$766,000 less for the Rent Supplement Program.

**Mrs. Stefanson:** So for the non-profits and co-operatives, that has been—that is reduced due to mortgages that have matured.

With respect to the Rent Supplement Program, the rent supplement agreement with the Syrian refugees has expired and it's actually—they have been moved into a successful resettlement plan, so that's good news.

**Ms. Adams:** This budget also contains a reduction of \$2.4 million for housing development. This line has seen tremendous reduction. Just a few short years ago it was \$18.6 million.

Why has that housing development been cut?

**Mrs. Stefanson:** So I'll just direct the attention to the member opposite under explanations, below, on that same page, and the No. 1, decrease to housing development is due to the expiration of the investment in affordable housing agreement. So, under that agreement, there was a repair and renovation program that the federal government—it expired and the federal government chose not to renew that.

**Ms. Adams:** The number \$18.6 million was from 2015-2016. This has been a drastic reduction over the last number of years.

Can the minister explain?

**Mrs. Stefanson:** I'll just refer—we're just looking back at the 2018-19 departmental Estimates of Expenditure for the Department of Families and, on page 107, there is an explanatory note there that says, the decrease to housing development is due to the expiry of the Canada-Manitoba Social Infrastructure Fund Agreement in '17-18.

**Ms. Adams:** Those were from last year. So is it my understanding, then, from the minister, that if a federal agreement expires, that the government has no plans on how to support the people that are affected by these agreements expiring. And I would say that the provincial government has a role to play in ensuring people have safe, affordable housing.

**Mrs. Stefanson:** So this particular funding was for capital upgrades on privately owned property, which has been completed. So there was no ongoing funding need there, and so there was no ongoing subsidy needed there.

**Ms. Adams:** When the Pallister government came to office, Manitoba owned 18,200 units of housing, with 14,200 operated by Manitoba Housing.

How many does Manitoba own, and how many units are operated by the corporation?

\* (15:40)

**Mrs. Stefanson:** I think it's important to note, because this—there is a difference here, certainly, from the previous government and the way things were run and managed and so on and the approach that we take. We don't take an ideological approach to providing affordable housing to Manitobans. We believe that we have the ability to partner with other organizations, municipalities, private, not-for-profit sector, as well as indigenous communities as well. We want to partner with those out there to help.

Government isn't always the best manager of things, and so, you know, although we're trying to make improvements there, certainly, but we do believe that there are others out there that we can partner with that are—that can better manage these facilities for us. And so we have gone to that. Primarily those facilities now that are not managed by MHRC are managed by the not-for-profit sector. And so we have found that that has been a very positive

approach to the management of affordable housing for Manitobans.

But I will point the member to page 107 of the Estimates of Expenditures. And under housing it says that Manitoba Housing and Renewal Corporation is a Crown corporation governed by—oh sorry, I won't read that out.

MHRC provides housing assistance to approximately 34,600 households through various programs within the housing portfolio. MHRC owns approximately 17,000 housing units, and nine emergency shelters for victims of violence, of which 13,300 housing units are owned and directly managed by the corporation. The remaining 3,700 units owned by MHRC are managed by non-profit co-operative sponsor groups or property management agencies.

So I just again would refer the member to page 107 and that has the answer to her question.

**Ms. Adams:** What is the vacancy rate with Manitoba Housing?

\* (15:50)

**Mrs. Stefanson:** There are currently 409 vacant and available-for-rent units, but I think it's important to also note that over the past year, Manitoba Housing has reduced the number of vacant units in the direct-managed portfolio by 28 per cent through improvements to the unit-make-ready and offer process, as well as the sale of chronically vacant units. And so I think it's important to note that, you know, we're moving in the right direction with a reduction in the vacant units. Obviously we have more work to do, and we'll continue to do that work on behalf of Manitobans.

**Ms. Adams:** What is the plan to get the over 400 units made available?

**Mrs. Stefanson:** All 409 vacant and available units for rent now are in the process of being filled as we speak.

**Ms. Adams:** Would the minister do an undertaking of a breakdown of where the vacancies are in Manitoba?

**Mrs. Stefanson:** I think it's important to mention to the member opposite that, you know, obviously in larger communities where there is more demand, there is a lower vacancy rate in those communities. And subsequently, as well, in some of the other smaller communities, the vacancy rates would be a little bit higher.

So that's sort of the breakdown. There's no surprises there, I don't think, to the member opposite.

**Ms. Adams:** Is the minister willing to do it as an undertaking?

**Mrs. Stefanson:** Sorry, do what?

**Mrs. Smith:** Would the minister undertake giving us a list of exactly where those vacancies are in the province?

**Mrs. Stefanson:** Yes, we can do a breakdown of that for the member.

**Ms. Adams:** What is the current wait list for access to Manitoba Housing?

\* (16:00)

**Mrs. Stefanson:** So we've introduced a new property management information technology system, which is primarily to reduce barriers for applicants for Manitoba Housing and remove the red tape associated with that, making it easier in the application process to apply. So we would expect that numbers will go up as a result of that, but the latest number that we have is for 2018, 4,132.

**Ms. Adams:** Can the minister repeat that, please?

**Mrs. Stefanson:** Four thousand one hundred and thirty-two.

**Mrs. Smith:** So can the minister clarify, is that how many people are currently waiting on the wait list to get into Manitoba Housing? And what is the current amount of time that people are actually waiting until they put their application in, until they actually get into one of the Manitoba Housing social housing places?

\* (16:10)

**Mrs. Stefanson:** Just to the member's question, I think we've already answered that those are the latest numbers that we've got.

Certainly, when it comes to processing time, again, we're going to go back to where we were in child care and, I mean, it—or EIA, sorry—that we look at this on an individual basis. And so the processing time will vary depend on—depending on the needs of those individuals. And certainly in a—it's based on housing need, you know, unit type, the region that they want to live, and if—the more specific and specialized housing that people want, the longer wait time there will be for those individuals. But—and then for those that are in emergent situations, we can work very quickly to find housing for those individuals.

**Mrs. Smith:** So, if the minister can undertake giving us an average time of when a person puts their application to when they actually get into a unit, that's all we're asking for. We realize that there's, you know, special circumstances for people, so that, obviously, would factor in to the average wait time. So, if the 'minnder'—the minister can undertake that, we'd appreciate. I think Manitobans deserve to know how long they have to wait to get into—to social, affordable housing, especially people who are in, you know, the market rent, that are paying half their income to housing, which is taking away from, you know, perhaps food for their children.

Miigwech.

**Mrs. Stefanson:** So MHRC doesn't track averages. They don't see a value in averages, given the range—the vast range of needs of individuals. So we look at individuals based on their needs and work with them on their needs. And, of course, you know, they may choose to—again, going back to the example of someone that wants to live in a specific community and specific type of housing—all of these, you know, the needs that are needed for that individual, as well, it's very important that we take all of those things into consideration.

So it, again, goes back to where we talked about EIA before, that, you know, we take a very individualistic approach to finding the necessary housing for Manitobans. And, again, MHRC doesn't see the value in keeping averages given the vast range of needs of individuals.

**Mr. Dougald Lamont (St. Boniface):** I wanted follow up, if I could, with some questions on Manitoba Housing.

\* (16:20)

I was in a Manitoba Housing unit; I was asked to, by a number of individuals. They were expressing concern. I guess there had been a change in the type of management, that previously there were some buildings that were managed by Manitoba Housing, and it's been—now it's been outsourced to a different kind of property management company. And the concern they expressed was that while there were some things that this property management company were very good at, there were things that were—they were not as good at security.

So you have situations, essentially, where chop shops and meth dealers were moving in. The one thing they said was outstanding there was their ability on—was their pest control. So it was one of the more

memorable things I've ever heard, that somebody said this is the first time in our building we've had more meth dealers than bedbugs.

So I just wanted to bring that to the minister's attention, that—because apparently this is happening in a number of Manitoba Housing buildings, in a number of different neighbourhoods, where the lack of security has meant that you might have people who moved in and the security isn't as effective. And you might have somebody—I was given the example of a senior who is in her 90s who's been living there for decades who hasn't been able to—and I can provide you details if you like.

But I was just wondering—that this is something that the minister—obviously, security should be paramount—whether the minister would consider a review of these buildings or a review of the case, the issues in security around these buildings, just because it seems to me that we've had complaints from residents, but they're also afraid to be too public about it from the point of fear of retaliation within their own buildings.

**Mrs. Stefanson:** So we're monitoring a number of outcomes for transfers to sponsor management, and are working closely with our partners in that transfer of management. The member opposite brings up safety and security, and we recognize that's extremely important for tenants, and we don't want either meth dealers or bed bugs in these properties, and that's obviously very important to us as well. And we share that concern, obviously, with the member opposite.

We are not seeing a trend of increased security risk as a result of the transfer of management of properties across the board. So—but I will—I'm obviously concerned by the member opposite bringing this up. And if he has specific examples of how he could bring that forward, I'd be happy to set up a meeting with the Manitoba Housing and Renewal Corporation where he could share this, because I think it's very important on these things that we can work together and ensure the safety and security of Manitobans living in these properties.

**Mr. Lamont:** I thank the minister. I will take you up on that offer.

You know, but there have been specific concerns raised on a number of buildings, and though—the residents would clearly like to see it taken care of.

Like I said, I mean, they were filled with praise about the insect—about dealing with pests, but that—

they were seriously concerned about some negative changes as far as security.

The other question I had was about early childhood education. And I know that there have been some—the government made some commitments during the campaign. And I just wanted to—from what I understand that the focus seems to be more on the for-profit child care, and I understand, recognizing that there are families, you know, who—as somebody said, they—when they find out when they're expecting, they'll contact a child-care centre to put a name—get a name on the list before they even tell their family that they're expecting, because the wait lists are so long, it's about 16,000 people.

\* (16:30)

But I also wanted to just raise the issue that there is a very serious need for not-for-profit supports. I was contacted by the board member of an early childhood education centre in St. Boniface, and it's not-for-profit. And their challenge is that they're sort of being crushed between a lack of funding. On the one hand, there is a cap on the parental contribution, but their clientele are not able in any way to be able to pay anymore and that there is really a desperate need for that kind of not-for-profit support because in their case I think they're dealing with families—sometimes they're newcomers; sometimes they're refugee families—where the parents maybe have difficulty finding work because of language difficulties and so on, but essentially that their clientele are families who depend on the centre itself to properly feed their children.

Is it—this is a—very important role for this particular child-care centre, and, again, this board member asked that I bring it up, so I just hope—while there is a focus on for-profit child care, I hope that the minister—I just want to actually ask whether the minister or the government is contemplating expanding support for not-for-profit simply because those are—in terms of need, I recognize the need happens everywhere across Manitoba, but it's a particularly deep need in terms of the challenges facing these families, you know, whether the government is going to be considering expanding support for not-for-profit child-care centres as well.

**Mrs. Stefanson:** I thank the member for the question, and, certainly, you know, early learning child care is extremely important in all of our communities, and I appreciate the member bringing forward this example in his own community. And, just before I get into answering his question, I do want to say to the

member opposite that if there are specific concerns with a specific child-care facility, you know, again, let us know, and I'd be happy to set you up with the appropriate individuals in the departments.

I think it's also important that—I know we did inherit a significant challenge with respect to early learning and child care from the previous NDP government, as you know, and, in fact, the child-care wait-list more than doubled under the previous NDP government's watch. And so we recognize that there's significant work that needs to be done here, and we need to work with our partners to ensure that we, you know, that we find ways to improve and reduce that wait-list.

So we have embarked on and have announced that we will be doing a full review of early learning and child care. We're going to be working closely with—I have a—or sorry—the minister's consultation table, so at that table are members of the Manitoba Child Care Association, there's parents, ECEs there as well, at the table so that we can really work together towards finding a solution to reducing this significant wait-list in Manitoba.

So we've conducted that review, but I think it's also important to say that we, unlike the previous government, we don't take an ideological approach to increasing daycare spaces in Manitoba. That's why we have announced the Child Care Centre Development Tax Credit to work with businesses in the community to, you know, to increase the number of spaces, and I know the most recent one was the Qualico—was Qualico and partnering with them, and I think it was upwards of 74 new spaces that were created there, and we think that's a good thing. We've also increased the number of in-home daycares, as well, to try and find more spaces for those individuals who need it.

So I do, again, thank the member opposite for his question on this and again, if you've got a—if he has a specific issue that he'd like to bring forward with a specific facility, we'd be happy to set up that meeting for him.

**Mr. Chairperson:** Any more—next question.

The honourable member for The Pas-Keeewatinook—or The Pas—*[interjection]* Kameesak.

**Ms. Amanda Lathlin (The Pas-Kameesak):** Did the folks across need time to switch for my portion of CFS?

**Mrs. Stefanson:** Would it be appropriate now, Mr. Chair, to maybe just take a five-minute break, if

that's okay. And then we'll get—bring the appropriate people in. So we're done with housing now, I guess.

**Mr. Chairperson:** Is it the will of the committee to take a five-minute break? *[Agreed]*

*The committee recessed at 4:36 p.m.*

*The committee resumed at 4:43 p.m.*

**Mr. Chairperson:** I guess we'll resume our—the Estimates and Committee of Supply.

If you could all come to order.

So we'll start with the honourable member from The Pas-Kameesak.

**Ms. Lathlin:** Thank you, Mr. Speaker—

**Mr. Chairperson:** Chair.

**Ms. Lathlin:** Chair? Chair. Yes, that's right.

My first question is in regards to, of course, with the CFS. I just wanted to know what authorities and agencies have signed block funding agreements with the government for the care of children in care.

**Mrs. Stefanson:** I just want to take this opportunity to welcome the member back to the Chamber, as well as to her critic role, as well—the member for The Pas-Kameesak.

And—so I just also want to introduce our staff member here who—Sarah Thiele, who is the ADM for child youth—Child and Youth Services. So she is joining us at the table today.

And with respect to the answer to the member's question, we're just in the process still—the department's working closely with the authorities to finalize the terms of the agreement. And so, you know, the department's working very closely with them and we'll just wait to see what comes out of the final terms of the agreement.

**Ms. Lathlin:** Thank you, Mr. Chair—sorry, I'm getting used to this again.

Again, too, I just wanted to take this time to welcome back you, and welcome our new staff here as well.

Now my question is: can the minister provide the formula for determining block funding amounts for each authority and agency, please?

**Mrs. Stefanson:** So, the formula for determining the block funding was reviewed and agreed to by all the authorities, and it has sort of two components. It's

based on the 2018-19 actual expenditures within the authorities and—as well as the days in care.

**Ms. Lathlin:** I just wanted to go back to the first question there, in regards to who has—but, how many agencies and authorities have expressed willingness to sign on with block funding agreements with the government?

**Mrs. Stefanson:** Well, we're still finalizing the terms of that agreement, so I think it would be a little premature to indicate one way or the other at this stage.

**Ms. Lathlin:** Can the minister indicate whether there have been any changes to the CFS—CFIS database system in the past year specifically to address lack of usage or data completion?

**Mrs. Stefanson:** Could the member just repeat that question again?

**Ms. Lathlin:** Yes, I can.

Can the minister indicate whether there have been any changes to the CFS—CFIS database system in the past year specifically to address lack of usage or data completion?

\* (16:50)

**Mrs. Stefanson:** So I thank the member for the question.

And when it comes to the usage, the agencies have been directed to use the CFSIS system now. And, of course, when it comes to data completion and compliance of that, the authorities are working very closely with the agencies to ensure that they're complying with this.

It's really, really important that we are using the same information and that we have a complete and up-to-date data that we agree upon between the agencies and authorities and the department.

**Ms. Lathlin:** And regards to that as well, can the minister indicate what percentage of workers and agencies are currently making use of CFSIS?

**Mrs. Stefanson:** Our expectation is that they all are. Again, the authorities work to ensure that those agencies that fall under their authority are in compliance.

**Ms. Lathlin:** My question is, have there been any funding changes for children in foster care or foster parents in the past year? If so, can the minister provide the changes and accompanying rationale?

\* (17:00)

**Mrs. Stefanson:** So foster care per diem rates have been placed on hold pending the outcome of a review. A key deliverable of this review is recommendations to revise foster care rates to support agencies transitioned to single envelope funding.

So per diems were set by agencies to meet individual needs of children, and this hold allows for the time to review it for accountability and oversight.

So our goal is for the agencies to have greater accountability and flexibility in this area.

**Ms. Lathlin:** Is there any plans to cut the rates?

**Mr. Chairperson:** The honourable minister. The honourable member for The Pas-Kameesak (Ms. Lathlin).

**Ms. Lathlin:** As I was reading the annual report for Families, I was—from a personal point of view and—we have numbers of children in care and we have numbers of children in voluntary placement—all sorts and pie charts.

Is there any indicators that can be—that have good news? Family reunited—are there going to be numbers on that? What are the investments for that, because I just see out; I don't see back in.

So what are the plans there, what are the investments there and how can that be portrayed next time in the annual report, instead of just reading the kids being shipped out but not the good news when kids are reunited with mom, dad, grandma, auntie?

**Mrs. Stefanson:** I want to thank the member for The Pas-Kameesak (Ms. Lathlin) for her comments earlier.

I think she brings up a very good and valuable point that we need to start looking at some of the positive news stories that are coming out of some of the changes that are being made. And I think, you know, certainly, we do know—and she mentioned perhaps highlighting some of these in the annual report and those types of things, and that's certainly something I'm willing to take back and discuss with the department moving forward with some of the changes that we're making. Because we are making some significant process—progress in some areas.

\* (17:10)

In particular, if we look at the number of kids in care, as the member opposite knows, last year was the first year in 15 years where there was a decline in the

number of children in care. And, you know, we're pleased to report that there is a reduction again this year in the number of kids in care.

I think it's also important to talk about the number of kids who are apprehended. And we know that when we had a pilot project of eight agencies that were part of a block funding pilot project initiative—as a result of that, the numbers of kids who were apprehended were down significantly there, as well, as a result of that.

And we know that reunification of families, it was—it's a little bit soon to maybe gauge those numbers, but we do know from the numbers that we've received that it's been stable, and we do expect, as there starts to be more of proactive approach on the preventative initiatives within those agencies, that we expect those numbers will go up. It obviously is a focus of our government. We do want to focus on family reunification. We want to focus on preventative initiatives that keep people out of the child-welfare system. We want to sure—'winsure' that those children have the best chance possible in life. We obviously want to—we'll always take into consideration the safety of children, as well.

But I think the member opposite's quite right, we do have some good news stories that maybe should be highlighted a little better.

**Ms. Lathlin:** In regards to the legislative review, I'm curious to know what investments are going to be made in regards to mental health for our children.

I was—I had the honour to participate in committee and asked, should counselling be—not a requirement, but what's that word? It should be 'compulsary'. *[interjection]* Yes, mandatory. Because I just find, from my own personal experience and working with young people back home, I just find that this whole culture of CFS is affecting families and workers, and I just find that we're feeding who's going to go into the jail system, who's going to go into poverty, who's going to go into addictions. Their mental health is going fall even further. And I just—I see it right before me, and it's right in my own yard too.

So I just want to know what investments, especially with the new announcement with mental health and addictions, how are you going to tie that in with our children within the CFS system? I think that should be tied tight because I just this culture—we're feeding the jail systems, we're feeding addictions, we're 'meltu' health, we're feeding suicide. and I want

to know what investments are going to be made, especially in northern Manitoba and rural Manitoba as well.

It's nice that announcement was made here for the city, but I want to know for people outside the Perimeter as well. So I'd like to know what investments are going to be made there.

**Mrs. Stefanson:** So I want to thank the member for her question and for her comments as well.

I just want to address—I mean, certainly mental health and addictions, we take a whole-of-government approach when it comes to some of the challenges that we're facing in these areas. And yesterday's announcement was a part of that, where we had the Minister of Health, myself, the Minister of Education, the Minister of Justice (Mr. Cullen) all announcing various things within our areas of government that are helping youth in Manitoba through mental health and addictions—with mental health and addictions challenges.

For the Department of Families, we announced Thrival Kits. That's not just for the city of Winnipeg; that's actually for the entire province. All grade 4 to 6 children will receive these Thrival Kits. So that's something that will also be distributed to—in the schools of the member for the 'pahl'—The Pas-Kameesak, as well as Thompson and all areas in Manitoba. So we think that that's—it's a \$1.5-million commitment to ensure that these children have the tools that they need to help them through some mental health and addictions problems.

So that's one example of how we are reaching out across the province. But yesterday's announcement was just one of a series of announcements that will be made. I can't make those other announcements here today, but I say to the member opposite, stay tuned, we do take this—these issues very, very seriously.

I think it's also important that we mention that there is a youth justice review that is taking place right now between the Department of Families as well as the Department of Justice to try and stem the number of CFS children who enter the justice system—really, is one of the primary components of that review, and just see how we can find better ways to provide the tools for those individuals to keep them out of the justice system. So that review is taking place now, and I think it's important that we work together across different government departments to see how we can come up with a collaborative approach to some of these challenges.

So I thank the member again for her question.

\* (17:20)

**Ms. Lathlin:** In regards to that, can the minister give in an update as to the status of the joint review of the connection between the child-welfare system and the justice system that was 'initiated' in early 2019?

**Mrs. Stefanson:** The member is right. We're working collaboratively right now with the Department of Justice towards developing an action plan moving forward where we can work more, you know, collaboratively towards, you know, providing 'better' results for Manitoba youth in the CFS system as well as in the justice system, to provide, I think, better opportunities for Manitoba children.

And so, again, yes, we're just in the process of developing that action plan now.

**Ms. Lathlin:** Can the minister indicate why the Tracia's Trust report release was delayed for publication and why the recommendations that were contained in the draft report were removed?

**Mrs. Stefanson:** First of all, I just want to say that—I want to thank the staff, who produce the reports. There is a tremendous amount of work that was put into Tracia's Trust, and it's really very unique in Canada. It's something, you know, in addressing sexual exploitation of youth, and we're really sort of ahead of the curve as a province, when we look at other jurisdictions across Canada. I want to thank the staff, but I also want to thank those community members who were part of the consultation process, who had significant input into the content of the report as well.

\* (17:30)

I think it's important that in answering this that we understand that we don't work in silos. We work at a whole government approach, and so I think it's important when we're talking about addressing sexual exploitation of youth, that we also find alignment with the Mental Health and Addictions Strategy, as well as, you know, the Youth Justice Strategy as well, and make sure that we're all in a line and we're moving in the right direction, which, of course, is towards the greater protection of those individuals.

And so, again, we take that collaborative approach across government, and so we wanted to take the time to get that right. And we're always looking for better ways and better outcomes for children and youth in our province.

And, again, I just want to commend those who were involved in producing this report, which is, again, unique across Canada.

**Hon. Jon Gerrard (River Heights):** My question deals with birth alerts, and I understand the minister has indicated that there will be continued issuing of birth alert.

There has, in the last few years, been a series of studies showing the tremendous adverse impact of taking children away from mothers: harm to the mother's health, including increased risk of suicides, and there is also potential significant deleterious effect on the impact of the child.

So I am looking for an update on the status of that and what the minister is planning.

**Mrs. Stefanson:** So I want to thank the member for the question. And, certainly, the safety and security of infants, children and youth is our government's top priority. Sometimes families face challenges that might leave a newborn vulnerable, and we need to ensure that children are 'safed' for first and foremost. So we have been working with the CFS authorities to limit birth alerts to situations only where there is a high risk of harm to an infant, and we remain committed to that shared goal.

We do recognize, of course, that this came out of the MMIWG inquiry as well as our own Legislative Review Committee as well. And we know that BC is moving in a certain direction, and we're having a very close look at this, but we do know that, certainly, birth alerts are—the number of—that birth alerts themselves are down and—but we, first and foremost, we need to ensure the safety of those children. So that will remain to be our top priority.

We're also taking other preventative measures as well. We've introduced our new social impact bond, which is working with doulas working with expectant moms closely to develop birth plans and—moving forward. And so we're looking forward to moving that forward as well.

We want to, obviously, look at ways to prevent the apprehension of children in cases where we can. We don't want to have apprehensions where they're not needed, but we will—we have to look with that safety lens first, and so we'll continue to work with the authorities and agencies towards that goal.

**Mr. Gerrard:** Yes, I would be interested if the minister could share the statistics showing the number

of birth alerts and how that they are actually going down.

I'm quite concerned about this for a number of reasons. I remember a young woman who had her child taken away at birth. She was breastfeeding. The child was grabbed and taken away on day 4. She was doing well. There was no good reason for taking the child away, as was proved in court some six or eight weeks later.

And what do we want to make sure is that you have a good opportunity for mothers and children to do well, and, you know, this practice of, you know, preventing mothers from breastfeeding, who have been—and developing some of the attachment that is so critical to early childhood development, and I think that the—what I'm concerned about is that we really have strong, valid measures being used in terms of the risks of children and that in this case, the agency concerned had adequate opportunity to make a thorough and careful assessment before the child was born, and they failed to do that. And they were nervous, as a result of not having made that assessment, and they went ahead and issued a birth alert and took the child away.

\* (17:40)

So I think that we need to make sure that the agencies are involved and make—taking preventive measures, looking carefully at and developing plans with mothers.

So I would ask what preventive measures are being taken and what—so that mothers can be supported properly and so that you decrease the chance of children having to be taken away.

**Mrs. Stefanson:** I thank the member for the question and we do take prevention initiatives very, very seriously, and we've been—I did mention in my previous answer about our social impact bond, called Restoring the Sacred Bond doula project. So we'll keep working to protect vulnerable newborns and support families through initiatives like that.

I think it's also important that part of our prevention work also includes partnerships with community-based organizations, like the Indigenous Women's Healing Centre, Villa Rosa, Families First and insight mentorship program to support pregnant women and new parents.

So the prevention side is—we take it very seriously. We will obviously want to reduce the apprehensions, where possible and so those are some

of the initiatives that we have ongoing on the prevention side.

**Mr. Gerrard:** Yes, my time is up so I will pass the question—microphone back to my colleagues.

**Ms. Lathlin:** Can the minister provide an update on the review of StreetReach? Has the RFP been awarded and if so, to who? And when does the minister expect to receive this report?

**Mrs. Stefanson:** Yes, so what happened there, when the RFP went out, we didn't have the uptake that we wanted in terms of people who were willing to do the review, and so what we decided to do was roll it into the youth justice strategy and have them look at—take a lens on that program.

I will say that it is something that, you know, I have been out with these people and I've seen the work that they do to—in the community to help these children. They have personal, you know, relationships with some of these children and these children know them and they're used to them, and it's a positive thing.

And so, certainly, I know the youth justice review has been looking at that and that's what happened with that.

**Ms. Lathlin:** Can the minister indicate who was the core director for StreetReach and can the minister provide staffing details in regards to a number of vacancies for StreetReach?

**Mrs. Stefanson:** So Briget Baer is the manager of StreetReach. And there are four individuals working with her.

**Ms. Lathlin:** No more questions.

**Mr. Chairperson:** No more questions? Okay.

We're time—I guess it's—we'll go through the resolutions.

The first resolution that we'll go through is resolution 9.2.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,257,840,000 for Families, Community Service Delivery, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,732,000 for Families, Corporate Services, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$719,357,000 for Families, Child and Youth Services, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$117,884,000 for Families, Housing, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,058,000 for Families, Costs Related to Capital Assets, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

Resolution 9.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$289,000 for Families, Capital Assets, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

That's—the last item that—to be considered for the Estimates for this department in item No. 9.(a) minister's salary, contained in resolution 9.1.

At this point, I request that all—I guess all the staff has already left. *[interjection]* Oh, okay, we'll get all the staff to—opposition staff to leave the Chamber for consideration of the last item.

The floor is now open for questions.

**Ms. Adams:** I move that line item 9.1.(a) be amended so that the Minister of Families' (Mrs. Stefanson) salary be reduced to \$1.

**Motion presented.**

**Mr. Chairperson:** The motion is in order.

Are there any questions or comments on the motion?

Is the committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Shall the motion pass?

**An Honourable Member:** Yes.

**Some Honourable Members:** No.

**Mr. Chairperson:** I hear there's noes. The motion is accordingly defeated.

\* (17:50)

So we'll now—we'll go back to resolution 9.1.

Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,557,000 for Families, Administration and Finance, for the fiscal year ending March 31st, 2020.

**Resolution agreed to.**

This completes the Estimates for the Department of Families.

The next set of Estimates will be considered for the section of the Committee of Supply for the Department of Education and Training.

I just wanted to ask what the—what—will of the committee for—

**An Honourable Member:** Rise.

**Mr. Chairperson:** Okay, we can—actually can't rise until after 6, but we can recess until 6 o'clock.

Recess? Is it all agreed? *[Agreed]*

So we'll recess until 6.

*The committee recessed at 5:51 p.m.*

*The committee resumed at 6:00 p.m.*

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

Call in the Speaker.

**IN SESSION**

**Mr. Deputy Speaker (Doyle Pivniuk):** The hour being 6 p.m., the House is adjourned and stands adjourned until 1:30 p.m. tomorrow.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Tuesday, October 8, 2019**

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