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and
PROCEEDINGS

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Second Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 28, 2021

*The House met at 10 a.m.***ORDERS OF THE DAY***(Continued)***GOVERNMENT BUSINESS***(Continued)***COMMITTEE OF SUPPLY****(Concurrent Sections)****ROOM 254****ENABLING APPROPRIATIONS**

Mr. Chairperson (Dennis Smook): Will the Committee of Supply please come to order.

Before we begin, I have a leave request for this section of Committee of Supply. Our long-standing practice is for the opposition to sit at the committee table to the right hand of the Chairperson. Because the minister is participating virtually this morning, I am asking if there is leave of the committee to waive this practice. This would make it much easier for the members of the opposition to see the screens that are situated in the room.

Is there leave? *[Agreed]*

This section of Committee of Supply will now consider the Estimates of the department of Enabling Appropriations.

Does the honourable minister have an opening statement?

Hon. Scott Fielding (Minister of Finance): Just a brief opening statement. It's an honour to be part of presenting a budget. Obviously, it's a very crucial time in the Manitoba—not just Manitoba economy, but probably over the last, I'll say, century, in terms of protecting Manitobans and also providing supports that are in place in this critical and historic time with everything that's going on with COVID-19.

And so we're here to talk a little bit about the enabling appropriations. And so we're very proud of the fact that our plan really is to protect Manitobans and advance Manitoba in so many different ways. We are prepared and ready to address any additional waves, as we're obviously deep into the third wave. And so we're hopeful that with the vaccine program that's in place that we won't go into a fourth wave, but this budget really protects Manitobans—or our COVID

plan really protects Manitobans in health, education and supports for individuals as well as businesses.

And we will really do what it takes to protect Manitobans to this point. We want to make sure Manitobans are supported not just on a protecting—on a health basis but also supported in so many different ways from businesses and supports. We've stockpiled PPE, vaccine; testing sites are up and running, obviously, and more are coming online as—I believe there's upwards of nine right now and other site, and—but clearly, we're not out of the woods yet with COVID-19.

And what this budget does, the enabling appropriations, it makes sure that we're ready and prepared. We're spending more on COVID-19 supports, more than most other provinces, in terms of Ontario and Alberta and Saskatchewan, on a per capita basis from the provinces that we've recently tabled. And so we do think this is a good plan going forward. And with that, Mr. Chair, I'll wait for comments and any questions from committee members.

Mr. Chairperson: We thank the minister for those comments.

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

An Honourable Member: No, we do not.

Mr. Chairperson: Before I open the floor for questions, I'd like to inform the minister and the critic that when you have one minute of speaking time remaining, I will hold this sign up for 10 seconds so that you know that you have a minute left. The floor is now—*[interjection]*

Sorry. Does the committee wish to proceed through the Estimates of this department chronologically or have a global discussion?

The member for Fort Garry, could you turn—you seem to be muted because we can't hear you. Is your—

Mr. Mark Wasyliv (Fort Garry): Yes, global, please.

Mr. Chairperson: Global?

An Honourable Member: Yes.

Mr. Chairperson: Thank you.

It is agreed that questioning for this department will proceed in a global manner with all resolutions to be passed once questioning is concluded.

The floor is now open for questions.

Mr. Wasyliw: I'm wondering if the minister can sort of direct his attention to page 152 of the Estimates of Expenditure book. What I'm hoping to do with the Enabling Appropriations section is basically to go systematically, line by line, through the Estimates.

And so I'd like to start at page 152, part A, Operating, 26.1, Enabling Vote.

I'm wondering if the minister can just expand: What's the purpose of this line item and what's being included in it?

Mr. Chairperson: The honourable Minister of Finance, if you could raise your hand when you're ready.

Mr. Fielding: One second, sorry. My hand signals aren't as good as they should be, so just conveying that I will indicate when I'm ready to speak, if that's okay with you, Mr. Chair?

Mr. Chairperson: Yes, thank you.

The honourable Minister of Finance, did you raise your hand that you wish the floor now?

Mr. Fielding: Can you not hear me?

Mr. Chairperson: No, sorry, we didn't. Like, you have to give me your hand signal so that I could recognize you so that we could hear you.

Mr. Fielding: Okay, can you hear me now, Mr. Chair?

Mr. Chairperson: Yes, you're coming in clear. Thank you.

Mr. Fielding: All right, okay, good. Thank you very much. I'll raise my hand from now on. It's like school.

Anyways, 26.1, Enabling Vote. So, funding is allocated from the enabling vote to the department program appropriation where the costs are incurred, actual expenditures are not typically reflected under the appropriation.

So obviously there's \$100,000 for Canada-Manitoba Framework Agreement on Treaty Land Entitlements, other expenditures.

This obviously is delivered through Indigenous and Northern Relations. It represents the activities

related to negotiations, co-ordination and implementation of treaty land entitlement agreements and other settlement agreements, expenditures related to administration and co-ordination of TLE memorandum who—of understanding and compensation to municipalities for tax losses.

Over the past few years, the department has been able to accommodate these expenditures from within existing resources and has not sought an allocation from enabling vote. However, the amount continues to be budgeted so it is available for the department to acquire.

So this is something—kind of an ongoing something that's been in the budget for a number of years, and they have incorporated that in in their line departments for the future.

So that's the first item.

Mr. Chairperson: The member for Fort Garry? Could the member from Fort Garry please turn his mic—like, I can't hear you if—are you muted right now?
* (10:10)

Mr. Wasyliw: Yes, I believe the moderator is muting me. Given that we're in committee and I'm going to be speaking quite regularly, perhaps the moderator could govern themselves accordingly. That's going to be rather awkward if I have to constantly unmute.

My question to the minister is under item (b) International Development Program, Grant Assistance.

I'm wondering if he can explain what is that program and what is the \$1.2 million going to, what type of grants are being given there and to whom.

Mr. Fielding: So, the International Development Program, allocated \$1.2 million

So this has been kind of in the budget, I think, most years. I don't think the number has changed.

So, since 1975, the government of Manitoba has provided an annual grant to the Manitoba Council for International Cooperation, known as the Manitoba Government Matching Grants Program. MCIC, which is the acronym used, is the funding to leverage grants from other levels of government in international aid organizations to support a variety of international development projects worldwide, Mr. Chair.

The MCIC is a coalition of 39 member organizations involved in international development and relief work. MCIC is a co-ordinating body for the

Manitoba-based organizations active in international development, peace and social justice. MCIC promotes public awareness of international issues, fosters members' interactions, and administers funds for international development.

The grants are distributed by the MCIC through four funds: the Development Fund, which makes up about 80 per cent; the Theme Fund, which is about 4 per cent; the Community Solidarity Fund, 6 per cent; and the—sorry—Relief and Rehabilitation Fund, 10 per cent.

Grants address a wide range of issues, such as education, literacy, job creation, agriculture, environment, microenterprise, business development and health. Projects are delivered by the Manitoba organizations and their partners abroad.

Mr. Wasyliw: The next heading there is Immigration Projects, Grant Assistance, and there's been a significant reduction, almost 45 per cent, in that heading.

So I'm wondering if the minister can explain: What is that immigration project? Why would it be under this heading? And why has it been cut almost in half from the previous year?

Mr. Fielding: So, the next item is the international immigration projects, the authority to notionally allocate the immigration-related projects in the departments of Advanced Education, Skills and Immigration, Economic Development and Jobs.

So the member asked about, I guess, the difference in the budgeting. So there's a 3.936 year-over-year decrease in the amount allocated, and it's due to a \$3-million grant to settlement services, which are now being funded through the federal labour force agreements. So it's funded. Same amount of money is going, it's just funded through the labour force agreements.

Mr. Wasyliw: If we could turn now to 26.2, Internal Service Adjustments, again, we have a very large line item, that (a) \$1,180,000 of COVID response expenditures, and I'm wondering if the minister could spend some time to provide some more detail there and break down the allocations of those numbers.

Mr. Fielding: So the numbers are breaking down. Yes, there's absolutely a big increase in this area.

So, this is related to COVID expenditures for the most part, and some other moving pieces here, but it's for \$1.1 billion. And so this is something we announced just before the budget.

Really, it's made up of a number of different sectors. First, around \$230 million for COVID kind of response. These are kind of carry-over items, I guess, if you will: commitments we've made, health system costs. So that's about \$350 million. What we wanted to make sure, at least that time, we had fully prepared for a third wave and potentially a fourth wave. And so this is costs that may be associated through COVID types of relief that's in place or health costs systems—to the system.

We also have additional PPE, vaccine sites, for \$100 million. So this pays for, again, like, the vaccine site rollouts. We, of course—the federal government's paying for all the vaccines, of course, but there's a number of costs. For the most part, we've front-ended a lot of these, like, the costs, maybe, for the super-centre at the Convention Centre and other areas like that, so we've entered a number of leased agreements.

Staffing, I think, you know, makes up a good portion of this; I think somewhere up to—under \$40 million of this for staffing, but, as you can see, with a \$100-million budget, there's a lot of money that's available for that.

We also identified \$160 million for K through 12 for safe restart funding agreements for \$160 million. This is a safe restart capital for about \$40 million. So that's part of the plan to get the economy moving again.

And we also put \$300 million in contingency—thank goodness we did, as we're going through the third wave. And so, of course, we've had to allocate some monies from these types of areas for things like extension of the Bridge Grant program—tune of around \$71 million; a sick leave program which could be upwards of \$60 million and some other smaller programs for restaurants and others that we'd—part of it. It's also made up of kind of 'surgical'—surgical procedure backlogs for about \$50 million.

So that makes up the bulk of the money for this particular area.

Mr. Wasyliw: So, the \$230 million for COVID response, you indicated that was from prior commitments, and now it's before the budget.

Has that money all been spent?

Mr. Fielding: So, this is a carry-over of items for COVID that we made, expenditures—made the commitments to.

The 230 is made up of things like test sites, leases, right. So, we've got leases at the Convention Centre

and Brandon Keystone Centre, places like Leila, the soccer complex—I'm not using the right name for that. And there's been a number of other sites that have opened up. I believe the—Gimli, if I'm not mistaken, is opening up today or will open soon—and other, you know, areas that the Minister of Health could get into more details of the numbers and all that sorts.

* (10:20)

But essentially, testing sites, the leases, that would be part of it, for the vaccine site leasing—so, there's the testing site leases and the vaccine site leases, other vaccine costs, contact tracing and things like PPE.

Mr. Wasyliw: So how much of that allocated money has not been spent to date, then?

Mr. Fielding: We, of course, are just, you know, kind of two months into the year, so we will be revealing a comprehensive update in Q1. What we did last year, and I think probably, although we landed on it, but I think it makes some sense, is to provide kind of a COVID expenditure updates throughout the quarters that we'll commit to doing. We think that makes a lot of sense, and that will kind of highlight, you know, kind of where we are year to date for the areas.

There is some fixed costs. We do anticipate testing site leases, you know, for the most part, probably going to cost us \$5 million, give or take. Vaccine site leases, again, \$7 million. Things like visitation shelters is part of that, so that was part of the areas in personal-care homes, right, so that's somewhere in the neighbourhood of 45—those are \$35 million.

That's some examples of it, but, at the end of the day, we will providing a comprehensive spending document that will categorize where we're at in the Q1 report.

Mr. Wasyliw: The next category you broke down is \$350 million for health system costs for a—the third wave and for a potential fourth wave.

So I'm wondering if you could break down, of that \$350 million, how much is actually been spent on this third wave; how much is being budgeted for the third wave and what's going to be left over for a potential—and, hopefully, we don't need it—fourth wave?

Mr. Fielding: I like this approach, Mr. Chair. I feel like you're the headmaster at a school here where I'm answering some questions.

In any event, so the way the, you know, the budgeting works—because we obviously introduced the

budget in April, and then what happens is, it reports back from the departments kind of, like, after the month happens, and that's how we kind of consolidate it for the most part. So we really only have one month of data.

Now, our hope, and what we had planned for in the budget, is to make sure we're prepared for a third or fourth wave, and that's why we put so much money in here, compared to other jurisdictions, in terms of COVID supports.

But we do anticipate, with the wave and, you know, where we're at with, you know, the first month or so, is that we should be on track with what we had allocated the three, four—\$350 million in the first quarter, but, quite frankly, until we get more information back in terms of the expenditures, we know that we've been hit a lot harder in May than we have in April, and we don't have those numbers—consolidated—back from Health. But, you know, there is a lot of moving pieces that does happen in the budget process and especially during the pandemic.

And so, you know, what we do is we consolidate the numbers and we're committed to, you know, have a full-out understanding of where the money's being spent after the—at the first quarter. So, to be fair, we are tracking where we thought we would, and that will provide enough money to provide supports. And even if we didn't have enough money, our government's committed to spend what it takes to protect Manitobans.

Mr. Wasyliw: It's good to hear that the government actually put a plan in place for the third and maybe, regrettably, fourth wave.

So I'm wondering of that 350, how much has been allocated for the third wave and how much has been allocated for the fourth wave?

Mr. Fielding: Yes, I'm going to refer you back to my previous statement. Again, as indicated, we allocated \$350 million. We believe we're tracking on track with that number. We'll have a better indication after Q1, but to be fair, we've got over one month of data and, you know, there's obviously more expenditures in May, but I can tell you that we'll have a more full-some response to that when Q1 report does come out. And we're committed to identifying our COVID expenditures.

But we are on track to spend that \$350 million.

Mr. Wasyliw: When the minister indicates we're on track to spend that \$350 million, that's through a

course of an entire year, is that correct? It's not through the course of the third wave.

Do I have that accurate, that he's anticipating leaving a chunk of that money not spent on the third wave?

Mr. Fielding: No, that's not at all what I said.

Mr. Wasyliw: Well, then, I'd ask the minister to clarify his comments and make it clear to the committee.

Is that \$350 million budgeted for an entire year, or is it budgeted for this third wave, and will he spend the entirety of the \$350 million battling the third wave, or does he have a portion of it that's set aside for potentially a fourth wave or something that could happen in December of 2021?

Mr. Fielding: Yes, I don't know what to say to you. I've answered the question twice to you.

So, we've allocated \$350 million. It's more than any other provinces have allocated for COVID types of expenditures. And so this will—we believe will protect Manitobans, ensuring that supports are there.

You do have to remember, too, that we already have things like a year's supply of things like PPE that are on hand. And so there's some costs that you won't have that you had last year. That's a part of it. But the \$350 million is allocated to support the third and potentially—you know, hopefully this doesn't happen—a fourth wave.

So, again, you know, we've got one month of data that's there, and so we're tracking on track with that expenditure.

Mr. Wasyliw: So the minister said that they're on track with what they've allocated, so clearly they've set aside a portion at that \$350 million for the third wave.

So I'm wondering if he can tell us what has been allocated for that third wave, where are they in their tracking—because they say they're on target—and how much is left within what they're allocating for the third wave after that.

Mr. Fielding: Yes, Mr. Chair, I mean, I've answered this question three times for the member. I'm not sure what he doesn't understand about it, but clearly there's a lack of understanding, so I'm just going to refer him back to my statement two answers ago.

Mr. Wasyliw: With the greatest of respect, the minister hasn't answered my question. He's dodged it

several times. He absolutely understands what I'm asking him, and he's basically told this committee that they're not spending the entire \$350 million on the third wave and that they're apportioning it, and he's refusing to answer how much they're apportioning.

And that's his right, but I wish he would just be straightforward with the committee and say, yes, they're—you're not going to release that information at this time instead of dancing around and playing games with this.

So I'd ask this minister: Are you going to answer this question or are you going to refuse to give that information to the committee?

* (10:30)

Mr. Fielding: Yes, I don't know; I'm going to have to repeat the answer for a fourth time.

What our government has committed to doing is, in the first quarter, we'll release all our expenditures and where we're tracking to date.

I think that's pretty open and transparent, to provide all the information, similar to what we did in the mid-term review—and, you know, we can go through that as well—that identified what the costs were. In fact, in the budget document in the third quarter, there's further tracking if you look on one of the pages here, in the fiscal responsibility outcomes and economic growth strategy under one of the pages where—identified what we had spent last year. So we're very much open to providing the support.

But I can tell you, you know, we have had a month worth of expenditures for April that have been reported into the system, and we're on track to have enough money in that \$350 million to support it. But at the end of the day, our government is committed to supporting the health-care system as much as it needs right now. And so if there would be a need for additional money or to move money, then we absolutely would do that. So there shouldn't be any concerns for the member.

And, again, our government is open and transparent and so—and the first-quarter report comes out; we'll provide all the expenditure costs, break outs, and the member will have all the information that's needed.

Mr. Wasyliw: So I guess this minister has admitted that they haven't spent the \$350 million on the health-care system.

Given that we are in a crisis right now, given that the hospitals are overrun, the ICUs are full, that we're shipping patients out of the province, that we're having massive staffing shortages, why isn't more money being put into the system right now to combat the third wave? What is the minister waiting for, and how much money is he withholding that he could be putting into the medical system right now that he's choosing not to?

Mr. Fielding: You know, I'll refer the member to my previous statements.

We've put \$1.1 billion of support that's in place. That's higher than the vast majority of all provinces in terms of their supports that are in place. Any money that is needed to support Manitobans during the pandemic, we are committed to supporting—and if the member has some sort of request that I somehow don't know of, from a Treasury Board level, that's been blocked, I'd be very surprised.

But any responses, any money that's needed in the system from our level there isn't an issue. We need to do what it takes to support Manitobans, and that's why we put so much money in the health-care system. You've got over \$350 million supports that are there, and you've got \$230 million of things like PPE and everything else that we've relied on that avenue. We've got over \$300 million for contingency. You've got \$100 million for vaccine sites.

So I haven't heard from any health-care professionals that somehow money isn't being, you know, isn't being allocated to address the crisis, the COVID crisis that's in place.

Mr. Wasyliw: So, since we have gone into this sort of critical level in the last few weeks, I'm wondering if the minister—confirm that the Health Department or Health Ministry has not made any additional requests for funding over and above what was already planned for the third wave, that you haven't received any additional requests, no additional money has been put into the system that wasn't already planned to be there, despite the significance of the third wave.

Mr. Fielding: No, that's not right at all.

Well, first of all, just to unpack things, we have allocated, just on the core budget alone, \$156 million more to the health-care field. In fact, since coming into office we've allocated about \$750 million more to Health than the former NDP government ever did. But we have allocated \$1.1 billion for COVID expenditures.

So what happens from a government point—process is any time there is a needed approach, there is delegated authority through the chair—through Treasury Board and other members, to expend money. So every week there will be items that come back to our Treasury Board to make decisions on COVID expenditures.

So—and what happens is we've allocated a big amount of money, the 350 and other monies—1.1, really, when you look at all our avenues.

So, as the expenditures come up, we allocate those dollars and we approve those dollars going forward.

Mr. Wasyliw: Since we've hit the critical level and been in the full sort of throttle of the third wave, has there been additional requests by the Ministry of Health over and above what was normally planned for this time of year prior to us getting hit by the third wave?

Mr. Fielding: So, what happens from a budgeting point of view: (1) there's the core budget that every department has, of course. So they're allocated that money; that's the Estimates process, of course. And so we approve that so [*inaudible*] budget.

So, for instance, the Health budget, between 6 to 7 billion dollars, right. Now, we've kind of made a different department for mental health and addictions, so I think there's 300-and-some-odd, 350-some-odd million dollars that are there. So, departments are able to spend those monies because they've been allocated and approved.

And so what we have allocated above and beyond that is COVID expenditures, the \$1.1 billion, and so we've gone through and—through some of my press conferences and stuff we've identified what we put as costs that are associated with it. So these are monies that are—that we've approved.

Now, there may be a technical process where, you know, the actual cost comes back and we have to approve it, but until you expend the \$1.1 billion that we've allocated under the ISA there would be no need to have another budget appropriation that's in place, because we have money to fund those appropriations either through the line departments, whether it be Health or Education or social services, whatever they are; also through the COVID expenditures.

And so we broke down the COVID expenditures; so, you know, there's \$1.1 billion. So, you know, until you've allocated that full amount of \$1.1 billion, there

isn't a need to appropriate additional monies, but if there would, then we would work with your party and obviously the Liberal Party to appropriate more money.

We did that in the last budget, right; there was two or three different budget bills. One came back because there were some dollars that the federal government appropriated to us for, you know, passing on to municipalities, \$106 million, and other types of initiatives. There was additional monies for COVID because we tabled a budget before the pandemic hit.

So, you know, to be fair to the member, we've allocated the \$1.1 billion. Until we've used that up, there isn't a need for additional appropriations. They can come and, you know, they get approval to expend this. In fact, we've given delegated authority to some of our officials to expend that money, and then it comes back.

Mr. Wasyliw: So, given what the minister's just said, you're—there is a large portion of the \$350 million that hasn't been spent yet, and his comments are—is that when they're tracking it, it's sort of—it's where they expected it to be.

Why hasn't it spiked? Why hasn't there been more requests for more resources during the third wave and that it's just been constant and it's where you expected it to be? Nobody could've predicted the impact, financially, three or four weeks ago. And so if nothing has changed in the ministry's plan, that is very indicative that there really hasn't been any unusual or exceptional expenses being drawn upon it by the Health Department.

So I'm wondering if you can explain that?

Mr. Fielding: You know, again, I'll maybe explain it one more time to the member. I knew—I know he's a new member, so sometimes it's difficult to do all your homework at once and make sure you understand the processes in government is—obviously, it's important to make sure you understand the processes.

But what happens is, again, we allocate money through the budget process. Those go to the departments. They're able to spend their dollars once it's appropriated through the budget. We've appropriated, you know, \$1.1 billion in COVID expenditures, so that money is there. That's a commitment from our government and—to spend those monies. And as the bills come in, that's how we pay it: through the \$1.1 billion of expenditures that are in place.

So, you know, I'm not sure what more I can add to the discussion now. You know, we've allocated a good amount of money, more than other provinces. We're paying the costs as they come in, as the bills come in. We estimate throughout the year, right; you don't know how much you might have to spend on security, or what have you, for some of these super-sites or, you know, maybe staffing levels go up or down.

So, you know, at the beginning of the year, you figure out what we think will be costs, and for the most part you base it on, you know, what are our officials are telling us and what we spent last year on these things, how much PPE you might need, right. And it's taking in the fact that we have a, you know, year's supply of some of these items that's in place.

* (10:40)

So that's—you know, when you do your budget, you do your best guessed estimate of what the dollars and cents are. They've got authority to spend this beyond the \$7 billion they have in their budget, which now, through some of the budget changes we made, they're able to move their monies around a little bit more for it. So they have authority to spend it.

The way the Treasury Board and the government system works—whether it be under the NDP government or a Conservative government—you know, is—the money has been appropriated in those areas, and they're able to come back when these expenditures—when the bills are due and then, you know, we approve them from there.

So it—until you get above and beyond the \$1.1 billion for COVID expenditures, you know, I can't tell you what's going to happen in the fall.

My hope, and I'm sure the member's hope, is that we're through this third wave and so—that the costs go down, you know, and there isn't a fourth wave. But there may be some additional costs. You might have to, you know, look at, you know, other areas, not just in Health but in other areas where you might need more supports. Maybe there's more supports for people coming out of this, right? Business supports or whatever to make sure the economy is charged.

But you know our government is really committed to two things: No. 1 is protecting Manitobans to providing the supports that are in place, and we do think that the amount of money that we've allocated here, the \$1.1 billion, knowing that it's more than pretty much every other province is the appropriate—and a lot of—money.

And my commitment as the Minister of Finance is if there's more money needed to support and protect Manitobans, we're going to do everything. We take—and with the help of the opposition parties, if there would be additional need for additional appropriations, we certainly would be bringing it as quickly as we can to the House.

But until that—'til \$1.1 billion of expenditures is fully allocated, you know, there isn't a need because the money is there. They've got the ability to spend that money.

Mr. Wasyliv: I see in 27.1 of the budget, the Emergency Expenditures, \$100 million has been set aside.

Has any of that money been spent this year at all?

Mr. Fielding: So, the \$100 million is an appropriate—appropriations amount that's allocated for really emergencies, and so the category's broad, but for the most part in previous years that goes for things like floods or forest fires. We know, obviously, this is a bit of a drier year, but we are fortunate to get a bit of rain last week, which is a good thing.

But to directly answer the member's question, no. No money has been spent of that as of yet, but, you know, as we track throughout the year, that's \$100 million of additional expenditures that we could tap into if need be for a variety of things—not just COVID, but it could be for floods and forest fires.

So no, none of that money has been tapped so far.

Mr. Wasyliv: I'm wondering if the minister can give us an update about the rainy day fund and where it sits currently and whether there's any plans to use it to fund hospitals and schools at this time.

Mr. Fielding: As you may recall, at one point the rainy day fund was allocated for an—\$800 million.

Unfortunately, it had been drained by the NDP government to—I think it was about \$110 million when we first came to office. And so with some of the pre-work—and thank goodness we did some of this pre-work, we were able to build up the allocations to around \$800 million—over \$800 million—because of the mistakes made by the NDP government.

And so, at year end, that's when we generally tend to access the rainy day fund. We did access it for the support for the Bridge Grant program. I think it was just over \$200 million. And I believe there's about \$585 million that will be allocated—left in the rainy day fund.

You know, what we want to make sure—and I want to be clear about this, the rainy day fund, there's a lot of talk in the media with this. What this is, it's a fund within our existing system, and the advantage of this, for instance, is you don't want to drain it all because there's fires and floods and everything else that happens in Manitoba, so you don't want to be totally drained from it, but we were able to tap into it to support businesses.

We're very proud of that and, in fact, the ability to tap into just over 200-and-some-odd million dollars for the Bridge Grant program actually saved us money because we didn't have to deal with the capital markets and—to borrow that money because it's money that was on hand, right? And so I think we were able to save, you know, millions of dollars by not going to the capital market over a 20-year period. That's a part of it.

But I want to be perfectly clear, you know, whatever is in the rainy day fund has no implications on the deficit number. Now, it did back in the day, I guess, when the governments mainly went from a core—we used to call it core and summary budget. So, the accounting of that has changed based off what the Auditor General wanted us to do, to move to a summary basis because it's more of a transparency—transparent way of, you know, identifying, you know, how much money you have in your system, not just in the core government, you know, but also, kind of, the Crowns.

And so, you know, again, I don't want to leave anyone with the impression that the amount of money that you're taking in and out of the rainy day fund has any implications on the deficit number, but it is cash on—like, it is real money in account that you can use to address issues, which we did, in the last, you know, public accounts, I guess it was, through our budgeting—year-end budgeting process that allowed us not to go to the capital markets. There was some savings to governments in that respect, and that is something that—and we did release this on March 30th, so there's a press release that talks about \$215 million to protect local businesses.

So if you do have some discussions with, you know, people like the bond-rating agencies, they very much like the fact that we were able to rebuild the rainy day fund and that you have cash on hand. I can give you a real life example. I kind of said this a few times and there has been a huge pick-up in the media, but I think it's really important.

You know, back in March—and I'm on calls to the finance ministers across the nation, really, weekly—

now it's gone down to bi-weekly, but at that point it was really weekly, almost daily contacts with all the ministers of finance and Minister Morneau, at that point. And there was a scary time in March where provincial—we call sub-sovereigns—couldn't access the capital markets, so the spreads were just so impossible that we were weeks—I'd say weeks away from not being able to pay our bills, quite frankly, being able to pay our obligations as a government.

Now that cleared up, and thank goodness it did, and there was some help with the federal government, in terms of some programs, buying T-bond—T-bills, rather, and long-term bonds that helped. And our Premier (Mr. Pallister) actually took a leadership role in that too, because he really convinced the federal government to backstop us, I guess, you know, because they can borrow money cheaper than us, but my point is there was a time in March where we couldn't access the capital markets.

And so having \$800 million on hand really protected us, because if we would not be available to pay our obligations or pay our staff because we couldn't access the capital markets, that would have been a horrible situation.

And so that's why it's important to have a lot of money on hand and also, I guess, if we just look to my press release on March 30th, what is important is the dip in the rainy day fund will keep Manitoba borrowing—from going to the capital markets—saved about \$45 million in interest costs based on what interest rates would be.

Now, interest rates are lower now, which is good, but, you know, governments can borrow money at a better rate, but above and beyond, you know, having this ability to pay, if there is an ability to pay, which is critically important and is very much supported bond-rating agencies, we saved taxpayers \$45 million because we didn't have to go to the capital markets by dipping into the rainy day fund.

Mr. Wasyliv: The minister indicated that there was also a \$300-million contingency fund out of this Internal Service Adjustments.

How much has been spent on that \$300 million to date?

* (10:50)

Mr. Fielding: Yes. It's really important to have contingency during the pandemic. We've kind of seen, you know, one thing that can be expected with the pandemic is you got to—you know, it's a moving target.

I mean, sometimes the items that you think are going to happen or things that you think may happen don't. And so it's really important to prepare.

And so above and beyond, I guess, incorporated in \$1.1 billion was \$300 million in contingency. And so that really provides an opportunity for different initiatives that are funded. Not all these are funded through that same mechanism, but I'll give you maybe a couple examples.

What we heard is, you know, across the country, that because of the federal sick leave program, for instance, you know, we needed to have some sort of sick leave program because there was kind of a week lag before employees could access that federal program. And so we brought in a program—you know, it could be upwards of \$60 million—that will support individuals, and it's the longest kind of sick leave program in the country, about five days; other provinces like NDP BC were three days, and Ontario were three days. And so ours is the longest duration.

Long story short, I mean, programs like that, and I guess the second program that I would mention is the Bridge Grant program. We knew going into the budget process that we had to be prepared, and so the \$300 million allowed us to prepare for different initiatives.

And so we have—did another appropriation for a Bridge Grant program, which, I believe, and I've got—I think I've got close to the right numbers here, so I'll just—might as well give them to the member here.

You know, the Bridge Grant program is in the neighbourhood of \$71 million. So every time you allocate that, I think there's about 15,000 businesses that have been supported; all totalled, you know, we've allocated about \$671 million to business support programs; that's like the bridge programs, the grant—the gap programs, you know, pandemic sick relieve, all these items.

So, long story short, we've used the contingency what we used for these types of initiatives when they're needed. We've talked a lot about having the right programs at the right time, and so those are—allow us the flexibility because of our planning for a second or third wave to address issues like that.

Mr. Wasyliv: So how much of that \$300 million has actually been spent?

Mr. Fielding: So, you know, I guess, you know, quick math just says, really, about \$71 million from

the Bridge Grant program and upwards of \$60 million for the pandemic relief type of program.

Now, again, it really depends on how many people access that program, but we've allocated a good amount of money. We're encouraging people to use it. We think it's good for employers, employees.

There is also smaller amounts for a top-up to the restaurant program at \$3.5 million. Now, that kind of came from a different line, I guess, in our budget. Well, we're budgeting for it. So those are the two allocations so far.

Mr. Wasyliv: The minister had indicated that \$671 million was allocated for business support programs.

How much has actually been spent?

Mr. Fielding: I'll get the member to turn to the budget document on fiscal responsibility outcomes and economic growth strategy, on page 45. So it does identify—and these are the supports for businesses. Now, again, this is the third-quarter report for last year, so it'll—I do have additional dollars, and some of it—and I'll go through kind of what we've allocated this year.

But of that, as you can see from the—page 45, there's been \$430 million as of the third quarter. Now, this takes into consideration Bridge Grant, the gap program, the long-term relief fund, the Back to Work, and identifies our commitments and our expenditures that's related to it. Some of these are ongoing expenditures.

So there's the—that's in the third quarter, and then just the two other expenditures. We spent a lot more, but the other two expenditures—major ones, I guess I would say—is additional, you know, allocation of \$71 million for the Bridge Grant that I just had identified and then up to \$60 million for the sick leave program that's above and beyond that. So that's what we came up with, 671, that appropriates the third quarter reports and the dollars that we've identified this year.

Mr. Wasyliv: So of the \$60 million that you're allocating for the sick leave program, how much has actually been spent?

Mr. Fielding: And, so, the sick leave program went live, I guess, two weeks ago. So I don't have the numbers here. We can—you—we can find out what they would be, you know, coming forward. It really depends on how many businesses apply for it and how many people are sick, for the most part.

I would also talk about the bridge program. The money did flow, the \$71 million did flow to businesses. We didn't have them, you know, kind of reapply or anything else. It just—if you got the Bridge Grant program before, you got the money in your bank account, and I believe they got it over the last week and half or so.

Mr. Wasyliv: The lockdown restrictions have been extended now for at least another week, and the First Minister calls them the toughest in Canada, and it's hurting certain sectors of the small-business community who are again closed for yet another week.

Will there be additional compensation for those businesses to be closed, and when will you be announcing them and in what form will that compensation be?

Mr. Fielding: Yes, Mr. Chair, so thank you for the question.

So, we have allocated, as I mentioned already, this year to small businesses \$71 million. The money did flow about a week and a half ago. So, you know, there is money in people's bank accounts there—from the business sector.

We also introduced over the last two weeks another—again, another program for the paid sick leave program and then also a bridge top-up grant goes to restaurants now, as of June the 30—a three point—\$6 million. So that was, like, you know, there because the restrictions came on kind of around the May long weekend, right. Sorry, not May long weekend; I guess it's Mother's Day, and so lot of restaurants had a lot of inventory, and so we thought that providing a bit of a top up there made some sense. We allocated that.

And then, of course, there was another commitment. I believe it was \$2 million for—it's a program, a rebate program for delivery. So it's kind of like Skip the Dishes and that sorts. We basically pay the costs of that.

So that's money we have allocated already. We obviously have money available, and we do pride ourselves on doing programs at the right time and the right place. So, yes, there will be some potential future programs that are there.

I do also want to have the member recognize that we had a number of dollars that are in the budget for things like job incentives, wage incentives. So, for instance, we know that youth have been, you know,

hit pretty hard during the pandemic, so we allocated about \$25 million to wage support programs.

Now, I think, you know, when you look at these things with the pandemic when you're in a complete shutdown mode, probably programs like the bridge program makes a lot more sense. You know, the wage kind of subsidy types of programs probably will make more sense later on in summer when businesses re-open and they, you know, and trying to hire their staff back.

So it's kind of a balanced approach to providing supports, \$671 million so far, and then the money that we've identified already this year with some of the wage-support programs that are in place.

* (11:00)

And also, I would suggest that, you know, some of the supports that we did for businesses—so things like cutting the payroll tax—is something that the business communities talked about for a very long time. And so we've taken pride in the fact that over the last two years, we've increased the thresholds. And so there's been, kind of, thousands of businesses that haven't, you know, have either not having to pay the business—or rather the payroll tax, or kind of moved up the threshold, I guess, if you will, and so they're not paying as much.

As well as other targeted tax measures for digital tax measures—the film industry, you know, important that is here and so we did some other changes, as well as some other tax measures to lure some digital players, right? Ubisoft is one, obviously. There's some different content and stuff like that that will make them more viable here, as well as other things like the education property tax that's going to benefit mainly residents but also businesses at a 10 per cent rebate.

So we've done a number of those types of things to support businesses, and as the situation arises and we go forward, you know, for the Bridge Grant program—I think this is our fourth what I'll call tranche. So if there's a need to do more—you know, what we have done through this pandemic is really, you know, we're kind of, on a monthly basis, we've kind of looked at this. If there's further restrictions that happen, we would consider it, but the \$71 million for the Bridge Grant program just flowed about two weeks ago.

Mr. Wasyliv: In relation to the Bridge Grant and the fourth tranche, to use your words, you simply just gave payments to, I guess, those businesses that have already benefitted from the program.

But we're hearing from small businesses that new businesses have been barred from applying for the Bridge Grant, and I'm wondering if you can explain why we're not allowing new businesses to apply and that only assistance is flowing to those that have currently been accepted to prior tranches for the program.

Mr. Fielding: So, we really taken pride in the fact that our programs have been flexible. We've made a number of changes throughout the course of a variety of these programs, whether it be the gap program or the bridge—the types of businesses that can't support. They've been easy to access, right.

I mean, just the fact that we were able to allocate another round of payments for the Bridge Grant program, we were able to announce it and we were able to get it in people's bank accounts because they need money right off the bat. So we were able to do it, kind of, an ease basis.

We've been flexible in terms of the changes we need to—made, you know, and other items. So we're always evaluating what makes sense, what businesses need support and where there, you know, where there's support in place.

I think if you look at every level of government, they would probably say—at least if you talk to my colleagues, the ministers of finance across the country, I think, generally been known that there's been some sectors that have been dramatically impacted, right. The accommodation services, the tourism, restaurants, bars—I mean, these are areas where people co-habitate, you know. The cultural sector, you know, and sports facilities, these types of things, they've all been impacted because, you know, more people go to their facilities.

And so, you know, having, probably, some of these global programs where all sectors get money, as opposed to more of a targeted approach, I think most finance ministers would say we need to use more of a targeted approach. And so that's what we've tried to do here.

And one thing I can say from last summer—we went through the first wave and economy started kicking back in. I think we lost somewhere just under 100,000 jobs. And so some of the programs that we had in place, the wage subsidy programs, you know, seemed to work quite well.

But again, I think there's a difference between when you're in a lockdown, like we are now, versus, you know, when you're on the rebound. And so we're going to evaluate these things, and if there's a need.

We've taken pride in the fact that we provide some flexibility with changes to the right programs at the right time.

Mr. Wasyliw: So why have you barred new small businesses from applying for the grants? Why isn't the government going to recognize their sacrifices and their difficulties?

Mr. Fielding: So I guess I'd point out a few things: No. 1, as the third wave and probably the biggest of the lockdown which happened, I guess, a week and a half—about two weeks ago now, you know, we want to make sure people got the money quickly. And so what we did is we extended that out, you know, so people that had applied.

And just for the record, you know, we've had, I think, upwards of 70,000 individual payments, there's about 125,000 businesses in the province of Manitoba. So of the six hundred and, you know, seventy one million dollars of money that's flowed out to businesses to support them during the pandemic, you know, we provided, you know, I mean, 70,000 individual payments to hundred twenty—so I'll let you do the math on that, but there's a good portion of businesses that did get support for—there.

And the Bridge Grant program in and itself supported upwards of 15,000 businesses. So somehow to say that, you know, we weren't catching a wide net of businesses that were supported and the fact that we, you know, continuously listened to the business community and others and saying, you know, this group or that group should be supported. We made some pretty important changes to the programs as we moved forward.

So we're always going to listen to that. We're always going to have a ear to listening to the business community and others that are impacted by the pandemic. And so I'm going to say nothing is off the table.

Mr. Wasyliw: So, what I'm hearing from this minister is that this wasn't an oversight, that this was intentional, that he intentionally excluded new businesses from being able to apply for the grant.

I'm wondering if—how he can justify that? What's the policy reasons for not providing support to new businesses, and will he commit today to changing that and allowing new businesses to apply for the grant?

Mr. Fielding: No, the member's completely wrong. I didn't say that at all. In fact, that's what he said. That's his words, not mine.

What I said to the member is we've allocated \$670 million to businesses to support them. I said that all along we've had a flexible program, we've had a program that's easy to access and broad base program for the most part. Now we're being more—a bit more specific with some of the wage subsidies that will happen probably later on in summer.

So, no, I didn't say that at all. That was the member saying it.

Mr. Wasyliw: That's good to hear.

So will the minister commit today to opening up the Bridge Grant program to new businesses? And if he won't, why not?

Mr. Fielding: We're always committed to listening to the business community and making sure the programs—the right programs, the right time.

You know, I do think that, you know, when we allocated the other \$71 million to the 15,000 businesses that got a fourth round of the payments through the bridge program, we wanted to make sure they got the money quickly in their pockets.

You know, if there's sectors of businesses that we—that somehow weren't supported, you know, we're always going to take a look at that. To be fair, the program has been open for quite a long time and I think we initially established this in—Novemberish, and so it has been open for, you know, five, six months, right? And—*or, rather, you know—[interjection]*—so, five, six, you know, somewhere around there. And so it's a good amount of time for businesses to be supported.

And so we're always going to monitor what makes sense and so if there's other sectors that, you know, didn't apply in that first four-, five-month period, we're certainly will take a look at that.

* (11:10)

Mr. Wasyliw: I'm wondering if the minister can tell the committee how many Manitoba businesses have closed in the past year.

Mr. Fielding: Sorry for the delay. I just—we have a report from a insolvency bankrupt—insolvency bankruptcy businesses. Now, this is pulled from Stats Canada and is incorporated at the Manitoba Bureau of Statistics. So, and I—we can get you the information of what pages these are on.

For the most part, in 2020, there was 28 businesses that filed for insolvency bankruptcy. Now—and so far, it looks like in year-to-date there's been three.

Now, this seems—the numbers seem very low, here, but what I guess I would suggest—and we can get some further information from our departments on that—that's Stats Canada and 'bankruss'—there isn't a requirement for businesses that maybe just shut their doors, right, to report into Stats Canada, that we relay in our Manitoba Bureau of Statistics.

So, you know, I can tell you that, globally, that I know businesses that have been impacted and, really, the sectors that have been hurting the most, you know, I think are things like restaurants, things like hotels, things like accommodation services or tourism, things like, you know, where people have to come out and help out, you know, where they come as a kind of a group setting that's there.

So, we can provide that information from Stats Canada to the member.

I can tell you, during the pandemic, we lost about 90,000 jobs overall. So those are the people that were laid off. Now, about a good portion of that has come back. Now, there's obviously been some, probably, layoffs and that sorts that have happened since the pandemic has happened. But the latest stats was, I believe, over about 10,000 people of that 90,000 are still unemployed, which is far too many.

So those are kind of the areas, the information, that we have. Again, there is no requirement for businesses to register in those areas, but certainly those are the sectors that would be hurt.

Mr. Wasyliv: Well, the Province would have business registration information and the Province would also have tax information. And, obviously, you would know how many businesses stopped paying taxes and stopped being registered as businesses in Manitoba.

So I suspect you have that information. I'm just wondering if you can share that with the committee.

* (11:20)

Mr. Fielding: I apologize for the time. I just want to make sure I'm getting the right information.

So just to kind of circle back with the numbers that I quoted before, so this is prepared by the Manitoba Bureau of Statistics adapted from the industry Canada. So that's Stats Canada. And this was produced on April 15th, 2021.

So those are the latest stats that we have, and it talks about territories, including other in Canada. So this talks about the insolvency piece.

But to directly answer the member's question, there isn't a requirement—like, let's say someone has a business number, for instance. There isn't a requirement for them to, you know, report back to the government or—that issues the business number, that they've, you know, gone bankrupt or whatever kind of business structuring that they have in place. So we don't have that.

Now, we do have a program, and I can—you know, our officials are just looking for this right now. There is a number of businesses that applied—like, we've allowed them to say, if you need to defer your PST remittance or, you know, some of the other taxes that are in place if you're kind of a bit of a smaller business—so we can provide those—information to businesses that have asked that—those deferrals. We had that last year and, of course, we extend it out this year.

So, again, to answer the questions, there isn't a requirement for businesses to call to the 'bijuss'—business registry, right, I guess, and say, you know, I'm going to close out my business number. And that does make some sense, right. Even—let's say you decide to close your doors as a business. You may be a—you know, you may not—the first thing you may do isn't necessarily to cancel your business number. So it's—there isn't really a requirement to report back to the provincial government in respect to that.

Mr. Wasyliv: Now, the minister earlier had said that, in relation to the Bridge Grant, if it needed, you know, more to be done, that they would consider it, and he prefaced that with if there was further restrictions.

Well, there has been further restrictions, and the small-business community is calling for more to be done because they have widely—through their professional bodies—have indicated that the supports that have been in place so far have been inadequate and not enough.

So, given that the lockdown restrictions for some businesses have been extended, will the government commit to another new tranche of the grant program? And if not, why?

Mr. Fielding: So what we had—the money has flown, right, from the third—I don't want to call it a tranche, but third amount of money that's been flowed to—or, fourth, actually—fourth, you know, payment, I guess, to businesses—the 15,000 businesses about a week and a half ago, or two weeks at the very latest.

So, you know, the restrictions that are in place are pretty much kind of—there's been, you know, some changes to them, but for the most part they were status

quo from what has been in place for the last two weeks. So we will evaluate for sure.

And my sense is there would be—some more supports will be in place. But knowing the fact that in the course of when we've had to use the Bridge Grant program, for the most part we've flowed the money, you know, 30 days out or so. It's almost on a monthly basis. We're only two weeks, really, into the global restrictions that are in place. So we will evaluate that. I believe the next health orders last until June 12th if I'm not mistaken—right around the—June 12th. So we will evaluate.

And, again, if there's a need we hear from the business community—I don't necessarily have heard those concerns, quite frankly, from the business community. I mean, they're—certainly have been very good at lobbying for their members, but, you know, I think there has been a lot of support for programs like the bridge program and the gap program and some of the wage incentive programs.

And I think that some of the tax measures were very much supported in the business community. If you're getting rid of or enhancing the payroll taxes, I think that's very much supported. There's about a thousand businesses that don't have to pay the payroll taxes. You know, there's kind of support programs for the digital economy and all that sorts that will be a part of it. There's \$50 million that went out to the Chambers of Commerce for some long-term strategies that's—to enhance, kind of, their e-commerce kind of platform.

So my—back to—my direct answer to you is we're going to evaluate this, but really the money flowed about a week and a half ago or two weeks ago, so we will evaluate that. You know, hopefully there is—doesn't have to be any further lockdowns. So, you know, it looks like the numbers at least this week have—seem to—plateaued, so our hope is, of course, that the numbers, you know, will go down. I think they're actually a little bit down from where they were about a week ago or so, but I haven't seen the numbers today, so.

That's a long-winded answer of saying we'll evaluate it, but the money has just flowed over the last two weeks for the bridge last payment.

Mr. Wasyliw: So if I'm hearing the minister correctly, it's the time of the extension, that it's only a week; that if it was a month then the government would more seriously consider it, but it's too short of an extension period and that's the concern for the government?

Mr. Fielding: No, that's not at all what I said.

Mr. Wasyliw: That's, in fact, exactly what you said.

So why isn't the minister, if that's not what he said, committed to giving more support, given that the lockdown restrictions have been extended for a month, and why does he keep saying, well, we just—the cheques just went out, and normally, you know, we do this on a monthly basis? So how does he reconcile those very contradictory statements?

Mr. Fielding: You know, it's not contradictory. It's you that's trying to make it contradictory. What I clearly have said is our programs are broad-based. They've been flexible—

Mr. Chairperson: I'd like to interrupt. Whenever referring to—the word, you, should not be used. It should be the member's constituency or title.

The honourable Minister of Finance.

Mr. Fielding: That's not at all what I said. What I said is that our programs are very broad-based. They're flexible and it's the right programs, the right time. We flowed over \$671 million so far to support businesses. We've provided a number of programs that provide flexibility for businesses and we will be evaluating, you know, as we go forward.

So, we have money, obviously, through contingencies to address this. We're very proud of the fact that over the last week and a half, two weeks, that 15,000 businesses have got another \$5,000, and so we'll evaluate as we go forward. Our hope is that there won't be any restrictions back; they'll be loosening them, but that really depends on the numbers and what our health officials like Dr. Roussin are advising us to do in terms of the health measures.

Mr. Wasyliw: Now, you had indicated that in this—

Mr. Chairperson: I would like to, if I—just mention that if all comments could come through the Chair direct. Like, you should not be used; it should be the minister or the member or direct it through the Chair, but the word you should not be used.

Mr. Wasyliw: My apologies, Mr. Chair.

The minister had indicated earlier that \$160 million was set aside for COVID-related education expenses for K-to-12 system. I believe in the House we heard, from a FIPPA request, that there's about \$107 million, roughly, has been spent on that. There's roughly about \$70 million left in that.

I'm wondering if he can confirm those numbers that there's about \$70 million left of that original \$160 million. Or, if I have that wrong, what's the actual number?

* (11:30)

Mr. Fielding: So yes, I believe the numbers that the minister had indicated are accurate. I'll get the member to refer to a press release, actually, yesterday that talks about the Province provides protection and additional millions of dollars for safe schools.

So it identifies, you know, \$58 million for new funding for 2021-22, ensured continued pandemic protection for schools towards resources, and then it, kind of, identifies investments over the next school year. It'll be \$40 million for per-pupil allocations for school divisions and independent schools; \$6 million for potential costs for PPE; six—or sorry—\$5 million for kindergarten-to-grade-8 Remote Learning Support Centre for students; \$7 million for contingency, including \$5 million in recovery learning.

Kind of goes on to talk about some of the programs, and I think the initial questions was, yes, for the current school year, the Province is projecting to invest about \$170 million by the end of June.

Mr. Wasyliv: So we heard that there's, you know, something like 60, 70 million that hasn't been spent. There's a few weeks of school left.

Why hasn't that money been spent? And is there a commitment that all that money will go to the schools prior to the end of June 30th, 2021?

Mr. Fielding: So yes, I believe the commitment was 186—that—185, 186, right around that ballpark figure, and—of that money, what the divisions—or, rather what the Education Department is suggesting by the end of June, that \$170 million, that will be spent. Yes.

Mr. Wasyliv: Now, because of Bill 28, many school divisions proceeded as if it was law and didn't fairly bargain with the teachers and other collective agreements in their world. Now that's all blown up and school boards are on the hook for four years of back pay and interest, and this is blowing 20-, 30-million-dollar holes in some of their budgets.

It's leading to—it was reported in the paper today—120, 130 teacher layoffs at the Winnipeg School Division. I know Pembina Trails, another one of my schools divisions, can't—doesn't have the money to hire 19 teachers for the 350 new students that they have this year because they have to catch up and pay this money.

Now this government has prevented school boards from raising that money from property taxes and this government's also cut funding to schools. So this government's created these holes.

So, given that, will this minister take responsibility for the problems that he's created and ensure that no school division is going to be caught short for funding as a result of this and that the Winnipeg School Division and Pembina Trails, in particular, and others as well, will have those costs paid so that they can make sure that, you know, 150 teachers aren't laid off this year.

Mr. Fielding: Obviously, that's discussions that the minister and our departments will be having with each of the individual school departments—school divisions, rather, in terms of that. Obviously, that's an important area. We know that, you know, some divisions have had better luck at not raising taxes.

I know, Mr. Chair, when the member for Fort Garry (Mr. Wasyliv) was part of the Winnipeg School Division, you know, really did focus in on tax-and-spend types of policies and, in fact, just looking at some of the increases they had year after year—boy, here in 2012—and this is obviously one of the poorest school divisions that are around with a lot of needs that are there, but the tax increases for—been jacked up on individuals in the Winnipeg School Division—in 2012, there was a 7.8 per cent increase—goodness gracious; 2013, there was a 6.8 per cent increase in school taxes; 2014, there was a 3.6 per cent increase, and in 2015 there was a 3.2 per cent increase.

So, sometimes it's easy, you know, for politicians to take the lazy way out and, you know, just go to the taxpayers and jack up taxes. That's not something our government is really focusing on. We're focusing on cutting taxes, and so that's why we've done things like reducing the education property tax—a 25 per cent reduction this year and 25 per cent next year, for a 50 per cent reduction. I know the member for Fort Garry thinks that everyone—all those 650,000 homeowners—are wealthy. That doesn't really seem to be, you know, kind of a message.

If I go in my local community, St. James, which is a—you know, Kirkfield Park, which is kind of an average community, if I said to them, you're a property owner, you're one of the 650,000 property owners, and you must be wealthy because the member of Fort Garry says you are, they're going to look at me and they're going to, you know, say this is just crazy talk. You know, providing—you know, having—suggesting that everyone who's a property tax owner in

the province of Manitoba is wealthy because you own property is just completely not something that they would agree with.

Mr. Wasyliw: Well, you know, losing 130 teachers in one school division, 20 in a much smaller school division, is devastating. It's Calgary-type education where there's 47 kids in a classroom. And this minister believes that's the way Manitoba should head. It's shameful.

I'm embarrassed for him for this last comment that he wants to brag about wealthy tax cuts when his government has basically put our education system in crisis. Shame on him. Shame on this government. I'd like to stand behind him when he has those conversations with the parents in his riding and what they think about the cuts to their schools.

School trustees protect the education system. No school trustee ever wants to raise taxes, and they only have raised taxes because there has been five years of end-to-end cuts to the education system by this minister and this government. They have now put the education system in crisis by blowing a huge hole in education budgets. They have, what we're hearing, about \$1 billion sitting in the bank.

Will this minister commit today to paying back the school boards the money that they took with this whole Bill 28 wage-theft debacle?

Mr. Fielding: Well, this is where the two parties have a big disagreement. The member thinks that everyone who owns property in the province of Manitoba is wealthy. That's just something that doesn't fly. And quite frankly, I guess it'll be a big—when the next election comes, you know, having that sort of message where he walks around telling you, yes, you're—you must be wealthy because you own property is something I guess he'll have to decide whether that makes sense to talk about or not.

But the member also talks about somehow our cuts and that somehow we forced the school divisions to increase taxes. Well, you know, I'm looking at his record, and the reality is, Madam Speaker, that he was lazy and he decided, you know, that it was easier to jack up taxes on some of the lowest income individuals. This is before we came to office.

* (11:40)

In 2012, the member who was chair at the point to—you know that Professor Wiens has talked about his out-of-control nature in terms of his approach when he was the chair of the Winnipeg School

Division. He increased taxes by 7.8 per cent. That was under NDP government. And then in 2013, he decided that wasn't enough, so he decided to jack up taxes 6.8 per cent on some of the lowest income individuals in the province. And then he decided that wasn't enough, as well, so it was easier just to go to the taxpayers and jack up taxes in 2014 by 3.6 per cent. And then in 2015 he decided to increase it by another 3.2 per cent.

So I'm not sure if that's the track record the member is bringing to the Legislature. You know, I guess people will have probably this decision point probably in the next election. You know, do they want someone that decides to jack up taxes like the member from Fort Garry does? Is that what you're going to bring to the provincial economy? Do you think that's something that's going to help the provincial economy by that increase in some of the lowest income individuals? But that's his track record and so I guess he'll have to live with that.

Our commitment, in terms of education, actually this year went up by over \$91 million and, in fact, we've committed to \$1.6 billion of new expenditures. And overall, our expenditures on education system have gone up by over \$560 million each and every year more than what the NDP had spent.

Mr. Wasyliw: Will this minister commit to providing money to every school division, including the Winnipeg School Division and Pembina Trails, to replace the 130 teachers they're going to have to lay off because of cuts and underfunding by this government?

And if he won't replace that money, how many kids does he believe they should pack into a classroom? Because they're going to be well over 30 in some schools. So I'm wondering if he can tell us how many kids one teacher should be teaching in a public school in Manitoba?

Mr. Fielding: Our government's very proud of the fact that we've increased education funding by \$560 million. In fact, I think we're second or third in the country on a per capita basis in terms of education expenditures. We're very proud of that.

We wanted to make sure that we're making important investments in the education system and so that's why we've committed to \$1.6 billion of operating and capital expenditures. That includes this year \$260 million in capital expenditures to get 20 new schools built.

That didn't happen under the NDP government. You know, they just decided that, I guess, there wasn't a need for education. We made historical commitments in terms of funding for education, in terms of operating and capital. We're committed to that. We've followed through with what our commitments are as a government.

And to answer the member's direct point, the Minister of Education (Mr. Cullen) will obviously have discussions with each of these school divisions as it relates to that. Obviously, there's been some arbitrary awards that have been awarded; that's part of it. But we think that making \$260 million of commitments on capital schools that should've been funded a long time ago under your former government is an important investment.

We think that more money should be spent at the classroom, you know, where they could put \$40 million more in the classroom than, you know, spending it on things like junkets for school division trustees. I think you were one that enjoyed wintering in Texas at some of these conferences and, you know, I just don't think that's a good use of taxpayer dollars. And so we want to make these investments to support individuals and students.

Mr. Wasyliv: Now, in 2020-2021, the Pallister government budgeted over \$221 million in internal service adjustments.

I'm wondering if you can tell me how much of that \$221 million was actually spent?

Mr. Fielding: Sorry, could you repeat the question? I didn't fully hear it.

Mr. Wasyliv: Certainly. This year, your internal service adjustments is \$1,000,303,000 and some. The previous year, it was two hundred and twenty-one—sorry—million, five hundred and fifty.

What portion of that was actually spent from last year, the '20-21 budget?

Mr. Fielding: That will come out in Public Accounts in September.

Mr. Wasyliv: Now, the Idea Fund had about \$25 million budgeted in 2019-2020 and about \$50 million in 2020-2021.

And I'm wondering if the minister can tell us how much of it was actually spent in each of those respective years.

Mr. Fielding: Yes, we're looking in our Public Accounts. I've got some of our officials looking at it. I'm not sure if we can provide the information now.

You know, we did allocate dollars.

So, the premise of the program was to, you know, look at some long-term costs, if there's ways to saving. I think it's a return on investment's three or four times what your investment would be make. So we'd—may need to, like, modernize some equipment or something that would allow, you know, better technology to save money in the long run.

So we wanted to make sure, in some of these times, that the departments were kind of still thinking long term with these things. And so if they're able to make some long-term investments, there was some money available for them above and beyond what there'd be normally in their budget to, you know, make these investments.

And so what they would do is, we'd put out a call to these departments and they would come back with ideas. And then, through our Treasury Board process we would kind of say, oh, yes, that's a good information that's there.

Just being handed something right now, so I'll maybe go through this. This is from—this is actually from our budget document for fiscal responsibly outcomes and economic growth. It's on page 94. So it talks about some of the ISA Idea Fund programs. And so it's on the top of the page.

So, since the start of the program, 34 programs have been completed with an average return on investment of 247 per cent. Ongoing Idea Fund projects are expected to generate an average return on investments of 134 per cent. All together, the projects' average return on investment for completed and ongoing projects is 148 per cent with a total net savings to the government of \$73.4 million on investments of 49.7.

So we invested 49.7 on—you know, some are technology projects and some would, you know, just—they've got to make sure there's a long-term savings. And so of the 49 or almost 50 million dollars money that we spent, we're—we saved about \$73 million.

The member could be going here, so maybe I'll go here first. We didn't allocate anything under the education—the Teachers' Idea Fund this year. It will come out in Public Accounts. And that's just because everything that was going on with the pandemic, it wasn't something that was utilized because of the nature of the pandemic and, obviously, the focal point on, you

know, remote learning and everything that had to go on with the education system, like everything else in the pandemic this year.

Mr. Wasyliw: The minister mentions the Learning Fund; \$2 million was budgeted both for 2019-2020 year and 2020-2021.

So, how much had been spent out of that allocation in either year?

* (11:50)

Mr. Fielding: Yes. Turning to the Learning Fund, so just so everyone in the committee's aware of—the Learning Fund was established in 2019-20, to support additional training opportunities for public servants to ensure that they had the skills they needed to meet the needs of Manitobans.

In 2020-21 the Learning Fund received over 620 applications—483 individual and 137 group applications; 87 per cent of these applications were approved, for a total investment of nearly \$900,000 in—or, in over 3,300 public servants.

Mr. Wasyliw: Okay, so there was less than 50 per cent of the money spent that year.

How about the previous year? Was the \$2 million spent or was it undersubscribed?

Mr. Fielding: I apologize about that. Could I get the question again? Sorry, Mr. Chair.

Mr. Wasyliw: The minister had indicated that the Learning Fund spent \$900,000 off of a \$2 million budget. So, obviously, it's less than 50 per cent of the money allocated was actually spent.

And I'm wondering if he can tell us—the previous year there was also an allocation of \$2 million.

Was it also undersubscribed? Did it also not get close to that \$2 million that was actually budgeted?

Mr. Fielding: We are endeavouring to find out the previous year how much was spent, so I—our officials are looking for that right now. I may have an answer back before the end of our session today, or I could probably provide that. I know we're going to different sections on probably Monday and Tuesday, if I'm not mistaken. If I'm still in Committee of Supply and—so we can endeavour to get that information to you at that point.

Mr. Wasyliw: Now, given the Learning Fund is about education, why was it included in Internal Service Adjustments? Why wasn't it just simply put as a part of the envelope for the Education budget?

Mr. Fielding: So, we have it in ISA, kind of centralized, because this is something that all government, you know, employees are able to take advantage of. And so what happens on a routine basis is each department or departments that want to do—utilize the program can come back through Treasury Board and get the appropriations at that point. So it's not just a Department of Education initiative; it's kind of a whole government approach. And so that's really why we had it housed in ISA.

And so, you know, I've gone through some of the numbers of the types of, you know, applicants and the amount of civil servants that have access to the program, and so it's easier to do it centrally.

Mr. Wasyliw: The Canada-Manitoba home and community care and health and addiction servicing fund agreement—it's gone up in funding this year.

I'm wondering if you could explain what is that funding agreement and if you could explain the increase.

Mr. Fielding: Yes, the Canada-Manitoba home and community care, mental health and addiction services.

In September of 2018, the Province entered into a five-year bilateral agreement with Health Canada to receive \$182 million in revenues related to home and community care and mental health and addictions. The appropriation provides the expenditure authority, which is shared between several departments, related to the federal funding received through the bilateral agreement. The departments of Families, Education, Justice, Health and Seniors, Mental Health, Wellness and Recovery can request allocations based on approved expenditures aligned with the federal and provincial health priorities.

And this kind of just leads into, you know, very proud of the fact that as a government we were, I think, one of the first jurisdictions to establish, kind of a—own ministry for mental health and wellness, recovery; that's a part of it. We're very proud of the fact that all that, you know, I guess, on a, kind of a yearly basis, it's—although it's a bilateral agreement over a number of years, that \$23 million, we know that we've been allocated—and it'll come out in Public Accounts—but we had spent all that money.

And, you know, who knows, there could be some potential for some additional supports. You know, that's a part of it. The budget, for instance, we actually put an additional \$5 million for Minister Gordon to go out and do some consultations in the community. And she will be making some announcements, I'm sure, in

the next number of weeks and longer, in terms of, you know, what additional supports that are there, but we're happy that we're able to allocate that full amount of money, and it'll be identified in Public Accounts and—because we know—one thing we've heard and we know from the pandemic, if you look at the suicide rates and mental health and addictions, people are having anxiety and are stressed specifically because of the pandemic.

So we're using all that money and more.

Mr. Wasyliw: The Government Fund Remediation—first of all, what is that? I'm wondering if he could explain that.

And then there's been a significant reduction in money from last year to this year, down from \$92 million to, you know, 6.8. So I'm wondering if you could explain that.

* (12:00)

Mr. Fielding: So Budget 2020 included about \$92.8 million in ISA to the one-time funding to remediate—or—special funds. So 16 special funds were remediated in 2020-21 and authority to remediate two funds were carried over in 2021. The two special funds for—were remediated in 2021-22 are abandoned reserve fund and quarry rehabilitation fund.

So basically what this was was, because of the accounting of this—if monies are taken in through some sort of fee or levy or whatever the deal is, they would normally go into this fund and then they would be allocated for different purposes. And each of the funded, kind of different—you know, kind of allocations and how they made the decisions of how that money, once it's brought in, would be flowed.

The problem that we saw was that the money would be brought into the fund, and then because of the accounting—PSAS kind of accounting standards—you couldn't carry through the money into the future year. So when government was looking at it as a core basis, like, you were able to cap for different—but the accounting rules have changed.

So, even though you may bring in—I'm just giving an example—\$30 million for some particular fund, if you don't spend all that money in the current year then it lapses, okay. So, you know, we as a government will bring in a whole bunch of money and it was sitting in an account, but if it wasn't spent by year end then it would lapse. And I don't think that was really the fault of any of the departments; it just was an accounting, kind of, change, I guess, if you will.

So what we actually did is we said we're going to get rid of these funds, but we're going to put it, actually, in the line departments. So you'll see in all these line departments money that we actually thought we would spend that year. So whatever the fund may be, there's—I forget how many there was. But there was a lot of these types of funds, 16 funds. Unless they spent it—like, we would say, well, what are you going to spend this year? They'd say \$5 million. So we would actually put it in print.

So that was a change in the last budget that we did. It was put into print and then there was some money that was left over in ISA for the departments to come back and say how are we going to utilize the rest of that money, otherwise it lapses.

So it was kind of an accounting thing that had to be done and, you know, it made some sense and also provides some reassurance. The way people, like, appropriate it or way people access the programs, really didn't change, and I—you know, you can ask each of the individual departments of how they may have had the application process. I'm not as familiar with each of the funds and how they did that.

But, essentially, that process didn't change for any of the stakeholders that would access the groups. It just—now it's in print. It's in the year, what we actually think it's going to spend, and the rest of that money was housed in ISA and the 'partments' would come back and they would, you know, identify, you know, a way to spend that money. So that's the change.

Mr. Wasyliw: The post-secondary job 'markmet' alignment office: I'm wondering if you could explain, sort of, what the purpose and mandate of that office is.

And it appears for the last couple of years it's been about \$3 million allocation. How much has that been spent out of the budget for the 2020-2021 fiscal year?

Mr. Fielding: So, the item was carried forward from 2020-21, signalled the government's intention to spend in this area. Obviously with the pandemic that was happening, we became aware of the labour-force needs that were in place for our workers. And so we were able to establish a pretty substantial agreement, labour-force and workforce agreement fund with the federal government. So I think it was in the tune of \$47 million, if I'm not mistaken.

And so that would fund different initiatives, but the labour-force agreement was more towards maybe getting people out of EIA or getting people, like maybe kids in care, providing some supports and training and stuff like that so they could enter into the

workforce. And the other piece was the workforce agreements. Those are areas where there may be a need for not just always bigger appropriations, but businesses to access training and aspects, and so we've been able to work with the federal government to allocate about \$47 million.

So this work is ongoing with that department, and that will be one of the functions as we continue to invest this additional 47-and-some-odd million dollars. I want—I'll clarify that number of what the actual agreement was, but I believe it was 47 to 43 million, somewhere right around there, for these types of initiatives.

But that will be a leading indicator helping to address making sure that our labour-force needs in Manitoba meet, you know, kind of the demand of the economy.

Mr. Wasyliv: How many people work in this office, and basically, what is it that they do?

Mr. Fielding: So this is ongoing work that will happen.

Obviously, with the pandemic that happened last year, we wanted to make sure that there were supports in place, and so the agreement that we had established last year with the federal government, some money was spent through the labour-force and workforce agreements. Again, I think it was—I'm going to say \$47 million; if I'm wrong, I'm sure my officials will let me know by the end of the session. I believe, off the top of my head, there was about 16 to 18 million dollars, somewhere around there, was established.

So this office will work in that capacity, you know, to make sure that the labour force needs, whether they're, you know, people coming out of maybe EIA or kids in care, those types of 'programmizing' is in place as well as kind of labour-force needs. So if Manitoba needs, for instance, some sort of labour force, we're making sure that people are trained appropriately.

So this office will be set up to address these, you know, kind of co-ordinate this approach with the post-secondary education, as well as the federal officials, as well as the Minister and the ministries of Economic Development and Jobs.

Mr. Wasyliv: So this office isn't running? It's not operational? They're doesn't have staff? And if that's the case, when will it be staffed up and when will it be operational?

* (12:10)

Mr. Fielding: Yes, Mr. Chair, you know, we've allocated the money to the department. It's our intention that the office will be set up by the end of the fiscal year.

Mr. Wasyliv: The Contingency for Youth Corrections Reform: I'm wondering if the minister can tell us what that is and why it isn't in the Justice portfolio?

Mr. Fielding: This initiative is something that—brought forward through Justice and it is to set up a different program for youth corrections reform that's part of it, and so this office will be up and running by the end of the year.

Mr. Wasyliv: Under this section, there is another \$18-million-plus contingency fund that's up from the previous year.

What is this contingency fund for? It seems that there's a number of staff that go along with it, and I'm wondering if you can tell us what this is all about.

Mr. Fielding: So this is contingency that's notionally allocated, and this kind of is something that's happened on a yearly basis, so I'll go through, maybe, some examples.

So, the first one is, you know, there's \$10 million that's set aside for retirement or severance. It's very similar to what it was last year. So when departments that are unable to allocate retirement or severance costs from their existing resources, they can request an allocation from ISA. So it's money that's held back for such things as, again, retirements or severance.

There's things like employee pensions and other costs—I think it's about \$5 million allocated, very similar to last year. This is for the potential increase in, kind of, salary-related liabilities as a result of actuarial valuations and other adjustments. So, you know, obviously, you get your evaluations from your actuarials just on pension funds and that sort, so it's a bit of a contingency built in, in case the numbers that we get back aren't the same.

There's a flex fund, so there's about 45, you know, types of FTEs for a flex fund which are used as a contingency for—in your staffing requirements. So, for example, 30 FTEs, and 626,000 were transferred from flex funds in 2020 related to the establishment of three new departments as a result of the January 2000 government reorganization. So, again, that's how we'd maybe pull some money over if there's some changes, so when Minister Gordon moved into her role, that would be there.

The only difference that I would say from the funds, if the member's going there, there is there's certain things that we provided, kind of a—we had money for a Central Services scoping fund—I think it's about \$4 million—so we actually put that in the department. So it's in the department's Estimates as opposed to ISA. Same thing with \$5 million for ICT scoping fund. Again, it was held centrally before. Now it's within the departments.

And we also had, last year, about \$20 million of unallocated dollars. That's just, you know, if things happen throughout the year. So we didn't utilize that as much because we've got so much built into other contingencies that we have laid out, so there—that's—that really makes up the difference between the two funds.

But—so it's a kind of a centralized fund that everyone can tap into if things change throughout the year from a department level, and they kind of apply centrally for the dollars. And that's kind of based on, you know, previous years, what we have done.

Mr. Wasyliw: Now, the government has allocated \$40 million in enabling 'approshiations' every year back to 2018-2019 for the green fund. I wonder if the minister can tell us how much has been spent in each of those years, and can he give us, the committee, a cumulative total since 2018 of how much in total has actually been spent from the green fund.

Mr. Fielding: I know our officials are just looking to get that information, but I do have some further information. I had mentioned that the Learning Fund, we would be able to provide the information. So in 2019 and '20, \$1.1 million was allocated. So that just kind of finishes the circle, I guess, if you will.

I'm going to just—our officials are looking for that information for the next question, so I'm going to maybe just go back on mute here 'til I get the answers and then I can refer them to the.

Mr. Chairperson: The honourable Minister of Finance.

Mr. Fielding: Mr. Chair, our officials are reviewing it. They are going to be able to get the answer, but, you know, just in the essence of time, maybe we can move on. If I get the answer before we close here in five minutes I'll provide it. Otherwise I can provide it on Monday morning. *[interjection]* Oh, we do have the answer, I just—it's just going to take a bit of time to pull up.

Mr. Wasyliw: Could the minister provide a detailed organization chart for Vital Statistics?

* (12:20)

Mr. Fielding: We certainly have the 2019—it's in the annual report, so we can provide that one if there's ability. There would be an ability, although this isn't really a enabling appropriations piece; it is more of a line department piece. I guess it's a standoff, I guess, if you will.

But we would be able to provide that. I don't think we have that right now. *[interjection]* It is available online, but we can provide that for the member.

Mr. Wasyliw: How many full-time-equivalent positions are there in Vital Statistics and how many are currently filled?

Mr. Fielding: So, we will have to provide the information. You know, we were prepared obviously and got the information for Enabling Appropriations, so this isn't really in that.

If it's the will of the member from Fort Garry, maybe he wants to re-ask the question when we get into the Finance section. I'd be more than willing to provide that information. We don't have it right in front of us right now, but maybe we could, you know, just the essence of time, we could maybe go on to another question and we could provide that information when we go through the Finance Department.

Mr. Wasyliw: Yes, that's fair enough.

The Pallister budget has budgeted about \$120 million in '20-21 to devolve a number of assets—

Mr. Chairperson: I'd like—*[interjection]*—I'd like to ask the member when referring to—like, you had mentioned the Pallister budget. That's not really the proper—you know, Pallister government budget. So, just to keep things in line.

Mr. Wasyliw: Okay.

So the—it was budgeted last year for northern airports, \$55 million; Manitoba Centennial Centre, 35; Manitoba Habitat Heritage Corporation, 30. Man. northern airports appears again this year; Manitoba Centennial Centre Corp. appears again this year.

Were those funds actually spent and, sort of, what is the status on all that?

Mr. Fielding: No, that—good question. So, the appropriation was included in the 2020-21 to offset the accounting charges related to the devolution of three

government assets. The devolution was only completed for one of the three assets in 2021-22. Kind of a COVID thing; it wasn't—I want to say—was a huge priority but the, you know, there is—it was—there was a lot of things going on 2020-21, resulting in the reduction of, you know, \$30 million.

The remaining of the fund is being carried over to 2021, so that's \$55 million for the Northern Airports and Marine, so that's negotiations, discussions with Indigenous communities and leadership. And the second, \$35 million for the Manitoba Centennial Centre Corporation.

The devolution of Manitoba Habitat Heritage Corporation was completed in 2020-21. Excerpts from the budget, in fiscally responsible outcome and economic outlook, was on page 57. So that's, I think, what the member is referring to.

So some have and some haven't, and mainly the reason why they weren't is, you know, because of everything that's going on with COVID.

Mr. Wasyliw: Does the minister anticipate that the northern airports and the Manitoba Centennial Centre will be devolved this year? And I assume, given his comments, that those two entities, their combined \$90 million wasn't spent last year.

Mr. Fielding: Yes, so, we announced that with Indigenous leadership. So, I understand—and I haven't been directly involved in the negotiations, but those are ongoing. So we do anticipate both of these—devolution of these assets to happen in this fiscal year, yes.

Mr. Wasyliw: In relation to the capital investment, internal service adjustments entry at 26.4, I'm just wondering if the minister can explain what these funds were for and how much actually flowed in the past year.

Mr. Fielding: I think the question was what we spent in 2020-21. So, that's a public accounts thing that will come out, obviously, in September. So, there was things like the resiliency piece. That was a, kind of, agreement so—with municipalities and, kind of, the metro region, I guess, if you will, and Idea Fund. So we'll be able to get some more information on that.

If the member's interested in the future, like, what's in the budget, of the money, that's associated with things like IT-ICT projects, there's \$15.4 million; Waverley West schools, \$21.1 million; unallocated was \$3.6 million; for total assets of

\$40 million. So that breaks down the capital assets of \$40 million.

The Idea Fund, again, \$25 million. That's for a variety of different areas.

And breaking up the restart capital, \$113 million; highway infrastructure is about \$107 million and park infrastructure restart about \$6.2 million and Restart Capital Program is about \$113 million, for a total of 178.

So that kind of identifies what we're looking to spend those monies on this year.

Mr. Wasyliw: And again, I'm just curious why it's in internal service adjustments and that they're not, you know, put in the Infrastructure budget or elsewhere, some of the education capital budget, that kind of thing.

Mr. Fielding: So yes, a lot of these are essentially funded, right. So the Idea Fund, for instance, right, all departments could apply for this. There wasn't—the teachers had some—Idea Fund had some money attached, but beyond, it was kind of a whole government as well. So it was held centrally for that particular 'raison'.

Same thing with the IT types of projects. Those were kind of centrally funded, whether you're in, you know, Infrastructure, whether you're in department of—you know, whatever the department is. They, you know, apply centrally for that.

And the Manitoba restart, that's kind of the—I think it's over \$500 million reallocated for, kind of, road projects and, you know, waterways projects. That was just allocated centrally for that. So most of them, again, were kind of highway related projects, but some were other areas. So we just held it centrally.

Mr. Wasyliw: In the 2020-2021 budget, there was \$100 million for emergency expenditures. You've done that again this year—

Mr. Chairperson: Order.

The hour being 12:30 p.m., committee rise.

ROOM 255

FAMILIES

* (10:00)

Mr. Chairperson (Len Isleifson): Good morning, and will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates of

Families. As previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

Ms. Danielle Adams (Thompson): On Wednesday, the minister kept referring to 5,000 child-care spaces that her government had created, but I just want to point out that the way she is counting these spaces is different than the way the previous government counted newly created spaces.

To the previous government, the newly created spaces meant funded spaces; however, this government is counting all spaces, including unfunded spaces, spaces that have played zero role—they played zero role in creating.

In terms of funded spaces, there were 28,669 fully funded child-care spaces at the end of 2015-2016, and at the end of 2019-2020, there were 30,927. That is only 2,200 spaces newly created, not 5,000.

Can the minister provide the most recent number of funded child-centre-based child-care spaces in Manitoba?

Hon. Rochelle Squires (Minister of Families): Good morning, Mr. Chair, and all members of the committee. It's great to see everyone here this morning on this Friday morning.

So I just want to correct some of the misinformation that the member has put on the record; and, again, I'm not surprised that she's starting off by putting more erroneous information on the record.

Let's keep in mind that this is the same member who, yesterday in the House, when talking about Bill 72—which is creating a separate, dignified program for the most severely disabled citizens—she referred to that as checking a box, which is incredibly insensitive to the many people who require and rely on this program and are—who are going to benefit from a program that we are creating.

She is also someone who said that our government did no consultation on this, which—nothing could be further from the truth. In fact, in our first round of consultations, we had 500 online submissions and 140 people in attendance at five sessions across the province, including like hearing from many people in her own community; and then in our second round of consultation we had 490 online submissions and 66 attendees through five virtual sessions.

So, certainly, that is not what I would consider no consultation, and I would ask the member to check her

speaking notes before putting false information on the record.

* (10:10)

So in relation to the child-care question that she had just asked, I can confirm for this committee that our government counts spaces in the exact same way that the former NDP government counted.

There has been absolutely no change in the way that we count and record child-care spaces in the province of Manitoba. So she was wrong on that front.

She was also wrong on the numbers. So as of March of 2020, we had—our government had 34,700 licensed, funded spaces in the province and we added more spaces throughout the last fiscal year, and I'm just calculating those numbers right now. I'll have those numbers, in terms of how many we added in the last fiscal year, in short order, but I can also share, then, Budget 2021, we have also committed to adding another 591 spaces in this upcoming fiscal year.

So if you take what we've already—what we had, as of March of 2020, the 34,700 spaces, of course, that is more than the number that I had quoted earlier. And, in fact, our government is continuing to move forward on creating more affordable, accessible child-care spaces in the province—more than the NDP ever did. Our five-year average is significantly higher than their five-year average in any period in the 17 years in which they were governing. And we know that we have a long way to go in terms of creating more child-care spaces in the province of Manitoba. We recognize that that work needs to happen. We recognize that we had inherited a deficit in funded spaces in the province and we need to continue to move forward on funding more child-care spaces, but we certainly know that—the importance of this.

And that is why will continue to do that work and we'll continue to count—we're maintaining the consistency that—how child-care spaces have been funded in the province of Manitoba. Whether it was under an NDP government or whether it was under a PC government, it is being counted the same, and I certainly hope the member will take a moment to correct the record and apologize for that misinformation.

Ms. Adams: Can the minister provide me with the number of child-care co-ordinators currently in the province?

* (10:20)

Mr. Chairperson: Minister Squires, I believe you're muted. We cannot hear you.

Ms. Squires: Pardon me. I thought I'd unmuted myself, but here we go.

So just to provide further information to my previous answer, I can add—report to the committee that last year we created 737 newly funded spaces in fiscal '20-21 for a total of approximately 36,400 licensed, funded spaces in the province. And, of course, that doesn't include the 591 that Budget '21 has committed to.

In regards to our child-care quarters—co-ordinators, we have 28 in the province; three of them are specifically dedicated to the inclusion support program, which is a program that is incredibly beneficial for children who access child care with special needs.

This is a program that is so important that our government is enshrining that in legislation. These are also the same—this is the same program that the member opposite voted against in committee. She voted against having inclusion support programs in child-care centres and having that in the legislation.

So I wonder if she is now going to take issue with the fact that we have three child-care co-ordinators that are specifically dedicated to ensuring services for children with special needs through the inclusion support program.

Ms. Adams: I voted against the clause in Bill 47 because it doesn't go far enough. By forcing children to prove they need inclusion supports with a diagnosis, this legislation excluded far too many children who may not have the time or accessibility to access such diagnosis at a young age. The minister and I discussed this at length and she knows how strongly I feel about this issue.

Can the minister please provide a breakdown with how many children the child-care co-ordinators—how many centres they oversee and where they are located?

An Honourable Member: Point of order, Mr. Chair.

Point of Order

Mr. Chairperson: Point of order.

Mr. Wiebe, on a point of order.

Mr. Matt Wiebe (Concordia): I guess it's—maybe it's a two-fold point of order.

First, I guess I would just remind all the members of the committee that time is very limited in terms of our time on Estimates, and while I understand there's certainly an opportunity for the minister to gather the facts, you know, I've been in this room now for quite some time and I think we've gotten through two questions since the time I've been in here. And so there's a concern about the amount of time that's being taken.

The other point that I'd like to make, though, Mr. Chair, is that, you know, the—or the member for Thompson (Ms. Adams) has been very clear about asking questions and obviously is expecting a factual and truthful answer. I'm concerned that when asked about the number of—or how the newly created child-care spaces are being counted, the minister said there's absolutely no change in how they count spaces.

We know, for sure, that if, you know, if the minister was to look in her own reports—her own annual report, she would know that those are unfunded spaces that are now counted alongside funded spaces. Now, this could have been just a misspeak by the minister, and I give her the opportunity to correct the record now. And I understand from the clerks' perspective that this is a dispute over the facts.

So I guess I'm giving the minister an opportunity to just simply correct the record, to acknowledge the fact that in her own annual report there is now an asterisk that explains that unfunded spaces are counted alongside with those funded spaces.

*(10:30)

And, you know, last year we had to go to the Ombudsman to get the department to properly report those funded spaces, so it's now incumbent on the minister to properly communicate that to the committee.

Mr. Chairperson: Would anyone else like to speak to the point of order?

So again, just—it is definitely a dispute over the facts. However, I will say that we—I agree that we are on a time frame; however, there is no designated time limit to come up with questions or answers, but there is in answering them, so—or asking the questions.

So, there is no point of order, and we will continue.

Ms. Squires: Well, thank you very much, Mr. Chair, for that clarification and that guidance. And I can appreciate my colleague from Concordia pointing out that we are on a limited time, and I certainly do believe that it is important that we do spend this time putting information on record.

And that's why I believe that it's very—I concur with the member that words matter and facts matter, and that's why I've tried to impress upon my colleague when she's asking questions or when she's putting erroneous information on the record that I've had to correct her. And I'd rather not be spending time correcting my critic for child care on—or on other areas of programming—on facts.

But as long as misinformation is being put on the record, I will continue to correct that record, just so that the committee is aware of all the facts that are correct, and that is something that I'm committed to, and I will continue to do that.

Just to sum up the debate back and forth and the sharing of information on that inclusion support program, the member perhaps doesn't know what the inclusion support program entails. And so what she had voted against was a program that, in quotes, this program assists eligible child-care facilities by providing grants and supports, including resource materials, training and behavioural intervention services to ensure inclusive services, and to reduce or eliminate barriers so that children with a diverse range of abilities can actively participate in programming with their peers, allowing parents to work or participate in education and training.

That is the definition from our bill. That is what she voted against. And so I'm unclear what she is meaning when she says that there were eligibility requirements or something else that she took offence to in that specific definition in which she voted against.

And so I feel that it's very important for me to read that definition into the record so the member can understand what it is that she specifically voted against, whether it's, you know, ensuring inclusive services to reduce or eliminate barriers so that children with a diverse range of abilities can actively participate in programming with their peers. That is the provisions that we put in legislation that she voted against, so just to clarify for that.

Another point of clarification: she had said yesterday that she is voting—or, one of the main concerns that she has with Bill 72—which, again, is

dealing with providing a special income support program for people with disabilities—that she has concerns with section 5.1.

I would like to just share with her, before she goes ahead and votes against this clause, exactly what this clause entails. This is a section that we are amending to increase the dignity of programming—

An Honourable Member: Point of order, Mr. Chair.

Point of Order

Mr. Chairperson: Ms. Adams, on a point of order.

Ms. Adams: We have a limited time, and I asked the minister regarding how many child-care co-ordinators—where the child-care co-ordinators are in Manitoba and what—how many facilities they oversee.

If the minister would like to discuss further Bill 72, I have no problems having that discussion with her any time. Send me the time and I will be there. But if the minister could please answer my question so we could move on and continue this Estimates, instead of her continuously eating up time in answering these questions. If she could actually answer the questions I'm asking, that would be very appreciated.

Thank you.

Mr. Chairperson: Would anyone else like to speak to the point of order?

So, again, it is not a point of order. It is a reminder that we are having a global discussion around issues with Families, and in a committee setting like this, the Chair cannot rule on content or quality of the answers. So it, again, is not a point of order.

* * *

Mr. Chairperson: Minister Squires to conclude, please.

Ms. Squires: Thank you very much, Mr. Chair, and I appreciate your guidance. And I certainly do encourage the member to put factual information on the record in her questions and then I don't need to spend my time answering correcting the record so that she's aware of the factual content and thereby wasting time, as her and the member for Concordia (Mr. Wiebe) has alleged.

So, just to conclude what I was saying earlier, with the section that she was taking offence to yesterday, which requires—currently, people with disabilities need to justify their disability every 90 days; that is every three months going back to a

doctor to confirm that they still have a disability so that they can receive their benefits.

That is the system that was maintained by the former NDP government. That is a system that we've heard loud and clear from many people with disabilities that is not only a waste of their time, it's potentially a waste of their doctor's time. And it's offensive to have someone with a severe and prolonged disability need to confirm their disability time and time again.

And so 5.1 of the—of Bill 72 will simply eliminate that requirement and that, unless someone with a severe and prolonged disability has a change in circumstance, they won't need to justify their disability to anyone. And we certainly think that that is—that is a dignified provision and something that I'm incredibly committed to. And I hope the member will reflect on that before she goes and puts more erroneous information on the record and potentially votes against something that many people with disabilities in the province is asking for.

So to answer her question that she wanted to know about child-care co-ordinators and—in the province, I mean, as the member knows, we have nearly—as of last fiscal year, we had nearly 1,200 licensed child-care facilities in the province—

Mr. Chairperson: The minister's time has expired.

Ms. Adams: Can the minister provide a breakdown of what was spent on child-care inclusion support program in 2021?

* (10:40)

Ms. Squires: So, as I was saying in my previous answer, we do have 1,172 licensed child-care facilities as of last March 2020. And, of course, as I had previously stated, we have 28 child-care co-ordinators. So we know that each child-care co-ordinator oversees approximately 47 licensed facilities; these are a combination of home-based licensed facilities as well as centres that they oversee, and it is divided by region.

So in regards to the inclusion support program, as I'd also stated in—into Hansard—and if the member wants to review Hansard, I was very detailed in my answer yesterday about the inclusion support program and how our policy is, is that any child who presents at a child-care centre and requires that service, they receive that service.

And so, every year, we have a budgeted number and then we ultimately will spend what is required,

depending on the service. And so, some years, obviously, it goes up and some years there may not be as much of a demand.

Last year, we did go overbudget because we did have more children coming into the program and receiving those—that assistance through the inclusion support program. And so our expenditure for the '19-20 fiscal year was \$15.5 million. And, of course, it is reported in the annual report every year.

The '20-21 tab—or figure hasn't been tabulated yet. We don't have an accrual of all that was expended in the last fiscal year, and, of course, that work is being undertaken right now and will be reported in our annual report that will be released when our annual reports are usually tabled in September.

Ms. Adams: Can the minister provide the—how many applications were received under this program and how many of them were denied? We heard at committee there were a number of families indicating that they did not receive the inclusion support program that they had applied for.

Ms. Squires: The member is absolutely correct that there were many families who were denied access to inclusion support programming last year, and we heard from some of those families at committee. Those are families who chose to find child care in a for-profit centre, and as the member knows, the existing legislation that we currently have prohibits the government from funding any programming, including the inclusion support programming, at for-profit centres.

So all those families that were unable to receive inclusion support programming for their children with special needs were denied. What we do do, when we're working with the for-profit centres who have a need for inclusion support programming, while we are unable to provide that because of the existing legislation framework, we do work on professional development. And we work with their staff so that their staff can provide those services, and we give them professional development to meet the needs and expand the capacity based on their children that they're serving.

We know that, under Bill 47, with the provisions that we brought in, we will be able to fund inclusion support programming in our for-profit centres, and so that all children, regardless of where they go to child care, we're not taking an ideological approach and separating needs based on ideology.

We understand that all children with special needs in the province of Manitoba deserve to have programming to meet their needs, whether they're in a for-profit or non-profit. And so we will be looking forward to bringing more children into the inclusion support program, based on their need, not based on ideology, which is what the NDP maintains. It is what the NDP voted against. They don't want to see the inclusion support program funding offered to children outside of the non-profit child-care centre model. We think that that is the wrong approach. We think that it is important to give all children a chance in society, and so we will be bringing more children into the inclusion support program under Bill 47.

*(10:50)

I would like to point out for the member that absolutely no child under the framework that we currently have—the framework that we had inherited from the NDP government that eliminated many children from receiving these services—but any children in—within the framework of what we're able to provide that have requested inclusion support program, they have received it. We do not deny children inclusion support program in our non-profit centres and we will be looking forward to rolling that out to all centres in the province of Manitoba.

It's very unfortunate that the member opposite spoke against that and has repeatedly doubled down on her assertion that children in for-profit Montessori and for-profit other centres with special needs should be denied inclusion support programming. We think that that is shameful, and I certainly would like to offer the member an opportunity to reflect on her stance and perhaps change her position and come to realize that all children with special needs in the province of Manitoba, whether they are in a for-profit or a non-profit centre, deserve to have special inclusion programming.

Ms. Adams: Last year at the beginning of the pandemic, the Manitoba government suspended funding agreements for inclusion supports for child-care facilities and asked each centre to reapply for funding under a temporary model while spaces in each facility were gradually filled. This caused a lot of stress and chaos for many child-care centres during an already stressful time.

I understand the minister was not in the role at the time, but would she be able to provide a briefing and advisory notes or general insight regarding this decision?

Ms. Squires: I just want to point out for the member's benefit, as well as all members of the committee, that information about our inclusion support program at the onset of the pandemic and the arrangements that needed to be made, as per public health guidelines and the provisions that we had undertaken to ensure that our most vulnerable children were very safe during the pandemic, all that information is in a publicly available circular, which is on the department website. And I'm certain that the member can have her staff do that research and obtain that circular for her benefit, so she can learn more about what we did to ensure that all of our children, and particularly our most vulnerable children, were kept safe at the onset of the pandemic.

So, in regards to what the member had asked, she is incorrect in that we were not—any child that was eligible for funding and any child that was in the inclusion support program prior to the onset of the pandemic was still eligible and maintained their eligibility all throughout the pandemic.

What did change, of course, was the ratio of participants to staff in a program and that was per public health guidelines. We've all gone through that, where we've seen a reduction in cohort sizes. We've seen a reduction in ratio sizes. And that's really about maintaining some social distancing and ensuring that our children could be kept safe in a child-care setting.

We also do know that there were some facilities that may have closed their doors at the onset of the pandemic, for a variety of reasons. And I would like to just point out that the inclusion support program funding is maintained with the child, and so if that child's facility was closed and that child went to a different facility, that funding followed the child to that new facility.

So, undoubtedly, there was some flux where some children were maintaining their spaces and continuing to go to a child-care centre. Some children were not going to a child-care centre and some children were going to different child-care centres. And that is what happened and continues to happen during this pandemic. It is a very unpredictable virus and it has created unpredictable havoc in many, many sectors—the child-care sector certainly among them—in which we have had to adapt and be flexible.

And so I would also like to take this opportunity to thank everyone in my department and everyone who works in the child-care sector, who was really nimble and adaptive and flexible to the diverse and changing needs of our children and of our centres and

the—all the workers within that centre, to be able to accommodate and keep everyone safe.

And so in order to keep our children safe, we needed to show that flexibility and that adaptability. And so I just want to reiterate for the member, once again, that any child that was eligible for inclusion support programming at the onset of the pandemic maintained their eligibility. They were never asked to reapply for the programming and the funding continued to flow. They may have had different circumstances, gone to a different centre and other accommodations might have been made or adjusted or readjusted, based on the pandemic, but she is absolutely incorrect when she says that children were not able to keep their funding for the inclusion support program.

That is absolutely not something our government would do. It is absolutely something we did not do, and I certainly hope that the member will retract that information that she put on the record and not create more misinformation and potentially fear mongering amongst our most vulnerable families.

* (11:00)

Ms. Adams: Last year, the Province sent expired masks to child-care workers.

Can the minister advise if there's been any investigation into how or why this happened?

Ms. Squires: I certainly would invite the member to read Hansard from Wednesday. This is a question that she had asked on Wednesday in which I'd shared with her and with the committee that we have upgraded all of the masks that we are providing to the child-care sector to medical level 3, and we're also increasing the quantity.

So each worker in a child-care sector can be eligible for up to four masks or more as required per day, and we are sending 1.1 million masks a month out to the child-care sector.

And so, what the member is referring to was a mistake that had occurred last year. It's unfortunate that some masks had gone out to the sector. The minute that the mistake was made apparent to us, we replaced those masks and we acted very quickly and efficiently. And we have since upgraded the grade—the quality of the mask, as well as the quantity, to ensure that all our child-care workers are kept safe.

Ms. Adams: I do understand that the minister was not in her role when the expired masks were sent out, and I am happy to hear that the department is sending

upgraded and high-quality masks to child-care providers, because they are essential and they do need to be protected when they are at work.

But it is still really troubling that that happened, and I had many child-care centres contacting me, letting me know that, when they advised the Families Department ELC about the expired masks, they were told they were wrong, and then they were told they had to prove it, and then they had to return the masks to get the new masks that weren't expired.

So I really think that there needs to be an investigation on what happened and—to ensure that something like that never happens again because I'm sure the minister can agree that expired masks should never have been sent out. And I would think she would want to do everything she could to make sure something like that would never happen again. And to do that, you have to find out how it happened.

Ms. Squires: I thank the member for the question, and, as Minister of Families, I can certainly commit to this committee and, more importantly, to the child-care sector, that I will undertake to ensure that high-quality products get to them from our government, and I will be working very closely with procurement to ensure that this mistake never happens again.

Mr. Greg Nesbitt, Acting Chairperson, in the Chair

Undoubtedly, it created unnecessary angst and a lot of confusion in the sector, and we are deeply sorry for the trouble that it had caused the sector and very pleased that today we're now—we've upgraded the medical grade of the mask for the child-care sector and the quantity, as well. And we'll be sending out at least 1.1 million masks a month to the sector so that every child-care worker can have a mask—up to four masks per day—at their disposal to use to keep them safe and to keep the children that they're caring for safe.

And so I absolutely commit to ensuring that we make sure that this never happens again so that we don't create unnecessary angst and problems and challenges within the sector, and really want to work with the sector to ensure that they have the proper equipment they need to do their jobs safely and effectively.

Ms. Adams: How many residents are currently in the Manitoba development centre, and can the minister provide a breakdown of the plan and timeline regarding the closure of this facility?

* (11:10)

Ms. Squires: I can confirm for the committee that currently, as of today, we have 131 residents still living at MDC, and, as the committee is likely aware, we did announce at the end of January a three-year transition plan to help each resident transition into community successfully.

And so we are working on 131 individualized personal-care plans that include input from the individuals themselves, their families, staff, substitute decision makers and others to ensure that they are receiving a plan that meets their needs.

We have also come up with a personalized staff stabilization program to ensure that the staffing remains at adequate levels at the MDC as long as the residents are there. Some residents, we know, will be able to transition into community sooner than others and that others may take upwards up to that full three years. We didn't want to have families feel as though that they were needing to make rush decisions or substitute decision makers or residents feel rushed into the decisions that they were making, and, therefore, that's why we allowed this longer period of time to transition.

This is something that has been long asked for by many advocates in the community and, in fact, advocates nationwide, to see the end of institutional living for individuals with disabilities, and our government agrees that community living offers an enhancement. I've heard from many, many individuals who have transitioned into community and heard from their families that it was challenging at first and offered rewarding experiences thereafter.

And so we are allowing for a length of time to ensure that those personalized plans can be detailed and worked out and then actioned, and we've heard mostly positive comments from families. We know that there are some families that are struggling with this and we're working very intensely with them on a one-on-one individualized basis.

We know that it's very hard for some families, and our government is committed to working with them and their loved ones on having these personalized plans and ensuring that, as long as residents are living in MDC, that it is appropriately staffed and that the care and the quality that each of those residents receives is at the same level that it was prior to the announcement that we were moving forward with community-based services and supports.

Ms. Adams: A recent report from the Manitoba Advocate for Children and Youth said the Manitoba

services with children with disabilities are underfunded, under-resourced and called on the Province to provide more supports for children—for more supports to help children with disabilities receive appropriate care.

Can the minister provide a breakdown of how the department plans to implement the recommendations of the child advocate?

Mr. Chairperson in the Chair

Ms. Squires: As the member had pointed out on March 25th of this past year, the Manitoba Advocate for Children and Youth released a report titled Bridging the Gaps, achieving substantive equality for children with disabilities in the province of Manitoba. And that report included nine recommendations that our government is committed to implementing. And I have instructed my department to expedite the implementation of those nine recommendations.

* (11:20)

I'd also like to just point out for the committee that all of the recommendations that are provided to us from the advocate and the reporting that government does back to the advocate on our progress is reported. So there is full accountability and transparency in terms of where we're at in implementation.

And very pleased to be working with the advocate. I want to thank her for her work that she does on behalf of children and youth in this province. And we are working very expeditiously within our own department and then reporting this to the advocate, and she will be making those reports available to the public. And so I can assure the committee that there is full transparency and framework in terms of how we're moving forward in our progress towards the implementation.

What I can also add to that is that we have already had greater collaboration between our own divisions. One of the failings in—that was pointed out in the advocate's report was that there wasn't collaboration between two departments: the Child and Family Services division and the Children's disABILITY Services division. And there's no excuse for divisions not to be collaborating and to not be working together to provide better services to Manitobans.

And so that collaboration has begun and will continue to proceed so that we can ensure that we've got a strengthened program and to ensure that all of our children in the province of Manitoba—particularly the vulnerable ones that are requiring services under

either of these divisions—are getting the best possible service possible.

And so certainly looking forward to implementing these recommendations, certainly looking forward to creating a better system so that children are well served in the province of Manitoba and well protected and providing the supports that they need. And again, really want to thank the advocate for her work in this regard.

Ms. Adams: The funding for Children's disABILITY Services has been stagnant for the last two years and was frozen again in this year's budget. Meanwhile, the wait-list for this service grows steadily, growing by approximately 150 children a year. There is now almost 5,000 children on the wait-list for services.

Can the minister explain why the operating funding for Children's disABILITY Services was frozen again in this year's budget, and how are they planning to address the growing wait-list for these services?

Ms. Squires: I can inform the committee that, based on the recommendations of the Manitoba advocate's report, we are using that as a framework to provide better services on a go-forward basis and will be increasing services and programs based on one—some of the findings from that report, which include expanded respite as a key element of that. And so I certainly do look forward to future announcements when we will be able to talk about an expanded respite pilot that we're currently working on.

I can also share with the member that we are working on a number of initiatives to support children and support families in the province of Manitoba. That, in fact—that is under the first pillar of our transformation of our child and youth services division in terms of community-based intervention and community-based programming to support families and to ensure that all families have the supports that they need to keep their family together and so that fewer children are coming into the system.

One of the ways in which we're doing that is this year we had a \$5.5-million increase for special funding—special needs funding in our classrooms. And this is supports for children with special needs to get additional services that they need, working with other—taking a whole-of-government approach, really, in this regard, working with other departments, the Department of Health, the Department of Education and the newly recreated—newly created department of wellness, addiction—wellness and recovery, to ensure

that families are getting the services and supports that they need.

But really want to thank the advocate for her report and that pathway or framework for providing a better way for children in the province, particularly those children who are most vulnerable.

Ms. Adams: And yet the budget funding for that is still frozen. How many new entries did the community disability services program accept this year and how many did it accept in 2019 and 2020?

* (11:30)

Ms. Squires: I can confirm for the House that there are 6,323 children in the program or that received services in the fiscal 2021, and then—that is an increase of—a 16 per cent increase in the number of children that were supported under this program since our government took office.

Ms. Adams: Manitobans with disabilities have raised concerns multiple times regarding the lack of triage protocol in Manitoba's ICU right now.

Having a triage protocol in place would work to ensure people with disabilities and other vulnerable groups do not face discrimination if hospitals run short of ventilators, beds or nurses. These folks have been asking for the Province to develop a triage protocol for over a year, and Barrier-Free Manitoba met with the former minister of Families to discuss this issue months ago, but there are still been no movement on this.

Can the minister provide details on any work the department is doing to ensure triage protocols are in place immediately, and is this a priority for the minister?

Ms. Squires: I'd like to just remind the member that this is not the Health Committee of Supply, and if she wants to pose a question about health-related questions, she's certainly welcome to enter her question into that Committee of Supply.

What I also can say is that our government values all Manitobans and we would—any Manitoban with disabilities can be fully assured that they would never be discriminated against or denied care during this time or any other time in our health-care system, and that Manitobans with disabilities will never, ever, under our government, get lesser treatment than anyone else. And a triage protocol that makes choices about who would be denied care is absolutely, absolutely discriminatory and unacceptable and something that our government does not support.

We want to assure all Manitobans with disabilities that they can—that they will receive the same level of care as any other individual in the province of Manitoba. But, again, regarding triage protocols, if the member would like to reconvene another time with Families and submit her question to a Health Committee of Supply, she's certainly welcome to do that.

I do want to take a moment to talk about some of the initiatives that our government has taken to ensure that people with disabilities have received care and, in particular, regarding the vaccination campaign that is under way right now. We have no fewer than seven sites in the province that are fully accessible. And, in fact, we had two pop-up clinics for our—all of our clients through the CLDS program to have a specified, specific vaccine clinic available to them.

And some of the anecdotal comments that I've heard back from our CLDS clients, who have received services at some of these pop-up clinics, that they've had exceptional, fantastic care and that they felt very well-supported by the staff, and that, through me, they have thanked, once again, some of the exceptional care providers and staff that were working in these pop-up clinics for providing that exceptional service, where they felt that all of their concerns and their anxieties that go along with attending a vaccine clinic were alleviated and that they were very pleased at the end as to the level of care that they received.

So I certainly do want to put on the record and extend my heartfelt thanks to everyone who worked at our pop-up clinics for CLDS clients and, in fact, everyone who has been a part of this vaccination campaign.

Ms. Adams: In this year's budget, there's a significant increase to funding under Manitoba Housing and Renewal Corp. under salary and employee benefits and other expenditures.

However, there is a cut to grant assistance of \$27 million. Can the minister explain the \$27-million cut?

* (11:40)

Ms. Squires: I'd like to ask the committee to turn their attention to page 76 of the Manitoba Estimates of expenditures for '21-22, and there we will find the figure that the member for Thompson (Ms. Adams) has referenced. She is looking at, in the last column under 2021, under housing, the subtotal (a) \$128.7 million, and then under the '21-22 column, that figure is \$134.1 million.

What we've done is we've just broken out the expenditures. Last year, everything was totalled and to be provided a whole number. All those other factors were in that number of 128. This year, just to make it—just to be more transparent, we are showing the breakdown in the expenditures, so the \$29.4 million for salary and employee benefits, the 3.1 in other expenditures, and the 101.6 in grant assistance, for a grand total of \$134.1 million in the '21-22 fiscal year.

So that is an increase in the budget from 128.7 to 134.1. We have just provided more information for greater transparency, and I certainly hope that if the member has any misunderstanding of how these numbers are reported, that we could have further conversations about that, and I'd be more than happy to direct her attention to the line items.

But again, previous year, we included everything in the total, and this year, we are breaking that out for more comprehensive, detailed information.

Ms. Adams: How many social housing units does the Province currently own and how many social unit—social housing units have they sold since 2015-2016? And is the minister able to provide a breakdown of this?

* (11:50)

Ms. Squires: I'm very pleased that the member had asked about one of the programs that we think is vitally important, and that is the Rural Homeownership Program. This is where we take low-income families and we transition them from being renters into being homeowners. And we've had incredible success with some families, and we've also been able to take units that were very chronically vacant and, in many cases, under-maintained.

And we know that when we inherited government we had a \$1.1-billion maintenance deficit that had meant that so many of our Manitoba Housing units were dilapidated and underutilized or unoccupied because of the poor conditions. And so we fixed up some homes and we offered them to—through the Rural Homeownership Program.

Since 2019, we have had 30 successful families transition into one of these Rural Homeownership units, and we have seen very successful outcomes where we have taken some people who were either tenants of those places or people who were on Manitoba Housing—were either occupying a different unit or were on a wait-list to get into Manitoba Housing, where we were able to work with those families, provide them some assistance and get them

to—into one of these units where they are now experiencing homeownership and all the benefits that that entails.

And we know that this is a very successful program. We were very pleased to hand over the keys to these 30 families and working with our partners in providing this service and ensuring that this program is successful. It is just one of the many things that we're doing to ensure that we're able to meet the housing needs of a diverse province.

Another initiative that we're very proud of and that we've recently expanded our funding is with Manitoba Habitat for Humanity, working through—with the federal government to ensure that more housing units are built, and it is a real humbling opportunity to be witness to families getting keys to their homes for the first time. And I've heard so many positive comments from parents who are just overwhelmed with joy that they can provide that housing security and all the things that go along with having housing security to their families.

And then, what has been especially joyful, particularly for me, has been to actually meet some of the children who have now a new place to call home and a place that they can really settle into and live and know that they're going to be spending their childhood in that particular home and picking out a bedroom. And for many of these units, they're getting yards, and that meant, in one child's words, I can have a pet now for the first time ever because I'm not rent—we're not in a rental situation. Where we know that there's a lot of freedom that comes with homeownership, and for some of those families, it means getting a pet. And so after moving into their new home, that is the one thing that they're going to be doing, is looking to adopt a fur baby into their family.

And I'm very humbled to be able to be a part of providing families, particularly underprivileged families in the province of Manitoba, with those opportunities. And we're going to continue to work on this program and work with our non-profit partners, work with Habitat for Humanity, so that we can ensure that more Manitobans get to experience the homeownership advantage.

Ms. Adams: So that answer is really telling to me for a couple of reasons, seeing as the minister would—did not provide the number of housing units the Province currently owns, nor did the minister provide the number of how many units—total units have been sold since 2015 and 2016, since they've taken government.

Everybody at this committee knows that they have sold well over 36 units.

So we'll also ask, on top of re-asking those questions, how many units does the Province plan on building this year of socially affordable housing?

* (12:00)

Ms. Squires: I do want to provide some information for the committee. [*inaudible*] has sold 387 units to the private sector, but I would like to add that 374 of these units were to 185 Smith St., which was authorized by the previous government. So we fulfilled the previous government's commitment to sell 374 units in the private sector, and then additionally, apart from the previous government's 374 units, we have authorized the sale of 13 units, so for a total of 387 units sold to the private sector.

And we have 1,082 to non-profit housing providers, which, of course, working with our non-profit housing sector, we are able to ensure that many, many people in Manitoba obtain housing. These are non-profit housing providers that perhaps might be providing housing for families fleeing domestic violence. I know that that's certainly a high priority for our government, to ensure that there are adequate housing options available for families who are experiencing domestic violence and need to provide rapid housing for them. This is also working with housing providers that, of course, do some—a lot of those wraparound supports that are so important and achieving other outcomes for individuals who are obtaining housing in the province of Manitoba.

In terms of our direct-managed units, we have 11,810 units. In terms of our sponsor-managed units, we have 4,715, for a total of 16,525 units.

We know that housing is incredibly important in the province of Manitoba. We are committed to ensuring that we are moving forward with providing for the housing needs of all Manitobans. We've signed on to the national bilateral agreement, which requires and has committed Manitoba to building more units.

We have also committed to refurbishing many suites. When we formed government, we had a \$1.1-billion maintenance backlog in deficit. That is because the former government didn't prioritize the maintenance. And so many units were left chronically vacant. That had direct impacts on people wanting to get into Manitoba Housing because these suites were just simply not available to them. And so we have made more investments, historic investments, year over year on that maintenance to ensure that we have

more of our housing units available for a variety of families and a variety of accommodations.

And, just recently, we were able to take a number of suites—we'd started off with a mission 50; we wanted to quickly repair and renovate 50 suites and then match 50 individuals who were experiencing homelessness or who were precariously housed at the time and get them into one of those suites. And we had tremendous success with that. In the month of March, we committed to doing that.

We have expanded that program. We're getting more and more people into these housing units each and every day, taking people who are chronically underhoused or facing housing insecurity or experiencing homelessness and getting them into their suites.

But we also know just providing the keys isn't the entire answer, and we believe that the wraparound supports is absolutely integral. So I'd—was able to provide another \$2.6 million in wraparound supports, and so that the people that are experiencing homelessness who are now being given keys to a new home are also being provided with supports if they need to get support for mental health or addictions or recovery, if they want to go back to school, if they need to have some basic life skills training—all of that is being made available and offered to them by our many wonderful community partners.

And very pleased that we have—today we have 68—and-counting people that are currently housed that were unhoused two months ago, and that was due to many partnerships between government and community and individuals living in Manitoba with tremendous successful outcomes.

And in working with our non-profit housing providers, they have the same requirements—or, the same commitment to ensuring that there are those wraparound supports or that there are those investments made, and knowing that there are circumstances where just giving someone the keys to a new place is not enough, that we need to go one step further.

I think about the many families that are fleeing domestic violence and they're leaving their—

Mr. Chairperson: The minister's time is expired.

Ms. Adams: Can the minister please provide what is the current wait-list for a Manitoba Housing? What is the current vacancies for Manitoba Housing? And

what is the Province's plan and how much housing units are they planning on building next year?

* (12:10)

Ms. Squires: I can provide for the committee that we have, since 2016, invested over \$108 million in new social and affordable housing rental units—this includes a creation of 713 new units—and we will be investing another \$225 million over the next 10 years by signing onto the National Housing Strategy.

I would also like to share with the House that we recently signed onto that National Housing Strategy and have committed to increasing our housing unit count by 12 and a half per cent over the next seven years. And, of course, our government is committed to ensuring there is housing available for those who need it.

The member had asked me about wait-lists, and I just want to reiterate for the committee what the NDP approach to managing the wait-list was. In fact, they kicked 12 per cent of all their applicants who were on a Manitoba Housing wait-list off of their wait-list for a lack of support of documentation. This could include providing documentation such as last year's tax returns, which we know, in many cases, is completely unrealistic to take someone who has been precariously housed and demand to see their last year's tax returns.

We know that that is not a reasonable expectation in many cases. In fact, we know that the Leader of the Official Opposition (Mr. Kinew) probably can't even produce his last year's tax returns, never mind someone who is on a Manitoba wait-list. And so we're lowering the barriers for people to enter into Manitoba Housing wait-lists.

And we know that the former government, they kicked another 26 per cent of people off of the wait-list for having negative or no rental history in their applicants. And we know that that is another unreasonable approach to managing a wait-list for Manitoba Housing.

What our government does is maintaining our commitment to finding affordable housing for all Manitobans. That is why, since we formed office—last year alone for example, we provided 1,800 vulnerable people with housing last year by prioritizing those who are fleeing domestic violence and who are precariously housed or experiencing homelessness, and were able to find housing for those 1,800 vulnerable Manitobans.

And we are currently—we currently have about 1,500 vacancies in our social housing units, which half of them are under construction. We know, once again, that we've inherited a \$1.1-billion maintenance deficit from the former government. They didn't prioritize maintaining these units and a lot of them fell into disrepair, a lot of them were dilapidated and we needed to refurbish them and renovate them.

So we've got half of the 1,500 current vacant units under construction right now and we'll be continuing to move all of those vacancies into tenancy arrangements as soon as they become renovated and constructed and habitable for Manitobans.

And so we know that there's a lot of work to do when it comes to housing Manitobans, but we are committed to doing that, and we certainly are going to continue to make sure that Manitobans who require housing will get the housing that they need, want and deserve.

I can also share for the committee that there are 4,300 Manitobans on wait-lists for housing, which is down from 9,000 people on the—last year's wait-list. We've cleaned up that wait-list to make sure that there's no duplicates and then we're getting people housed as quickly as possible.

And again, we're not kicking people off of that wait-list because they can't produce last year's tax returns.

Ms. Adams: It's really telling that this minister's response to my simple question of what is the wait-list is to attack the Leader of the Official Opposition (Mr. Kinew). I think that that just is telling about what kind of a government she is a part of; that, instead of answering a simple question, they just go to personal attacks. And it just shows how out of touch and uninformed they really are.

Now, what is the plan this—now, this government has addressed some of my questions regarding the plan of how they're going to be addressing social housing units in Manitoba and they said—she said—indicated 12 per cent over the next seven years. That obviously is not going to be enough.

So what is her plan to address the growing wait-lists for this year and ensuring Manitobans are housed as—where they're needed?

Ms. Squires: Speaking of being out of touch, I would say that allowing \$1.1 billion in maintenance to accrue in a deficit is certainly indicative of a government that is out of touch, and that is certainly the

legacy of the NDP who failed to maintain the housing stocks that they had. They failed to ensure that Manitobans were getting the housing that they needed and they were kicking 26 per cent of the applicants off the wait-list for lack of documentation, such as last year's tax returns. I would say that that is indicative of an out-of-touch government.

Our approach is one in which we're committed to building new housing units such as the new housing complexes being built right now in Gimli for affordable housing for seniors, such as the common spaces that we recently announced in Brandon for youth aging out of care, such as the \$5.6-million rent bank which we know many advocates have said that this is a solution to preventing homelessness. This is going to be an option for people who are experiencing financial hardship and are afraid that they're not going to be able to make next month's payment or the month thereafter.

They can go to this rent bank and obtain assistance for making their rent or their mortgage payment and ensuring that they are not losing their housing arrangements because of short-term situations that they may find themselves in. And so we want to do everything that we can to prevent homelessness.

And we're also making other investments, such as 260 Toronto along with the federal government, or the John Pollard centre that I recently announced that includes investments from both the federal and the provincial governments as well as a private individual who is committed to building more affordable housing units for Manitobans.

* (12:20)

The member asked about the National Housing Strategy and why we are only committing to the 12 and a half per cent. I would just like to point out that, in negotiating bilateral agreements, we have accepted the federal government target of increasing the housing unit count by 12 and a half per cent by signing onto that National Housing Strategy, but that is certainly not a ceiling for us. We are going beyond that and continuing to build housing in the province of Manitoba, as a few examples that I've already outlined, and will continue to do more housing arrangements throughout the province of Manitoba.

Recently, I'd also announced \$12 million for municipalities outside of the city of Winnipeg so that municipalities could have a place to draw money from for investments in creating affordable housing in their communities. This was in response to the

\$12-million investment in rapid housing that was made exclusively in the city of Winnipeg from the federal government.

We appreciated that and acknowledged that and are very grateful for that \$12-million rapid housing investment from the federal government into the city of Winnipeg, but we felt that other municipalities ought to have a similar bank, if you will, for drawing upon monies to create affordable housing for their communities.

And that is why, recently, we announced that \$12 million, and I look forward to going into these various municipalities for—and working with them, and whether it be in the member's community of Thompson or in The Pas or Flin Flon or in Brandon and many other municipalities throughout the province of Manitoba—very excited to be working with them on building affordable housing for all Manitobans.

Ms. Adams: I will have the member for River Heights ask the remainder.

Hon. Jon Gerrard (River Heights): To the minister, there's been a concern raised in relationship to Manitoba Housing and specifically with respect to the situation at One O One Marion. This was originally 55-plus housing, but there are increasingly younger people in the building.

I'm informed that there are instances where younger residents are letting non-residents into the building and they are breaking into apartments, stealing property, making conditions unsafe for elderly residents; indeed, that there may be gangs and drug dealers who've taken up residence in the building, as well as problems with cockroach infections.

Three suggestions have been put forward for the minister: (1) to triage homeless individuals to ensure that they are fit for One O One Marion and to ensure that they have the supports at One O One Marion before considering housing them there, where there are so many who are seniors who are potentially at risk; (2) to have effective security on the premises—currently, it seems that security guards are limited in what they can do to provide security; and (3) have enhanced supports for seniors and a plan to assist with these problems of insect infestations.

Ms. Squires: I can appreciate that my friend from River Heights only has a few minutes, so I'll try to answer his question as quickly as possible.

And I also do want to acknowledge that he's provided some solutions in his question, and I look forward to implementing his solutions and working with him on all these matters that are brought to his attention. And I appreciate whenever anybody presents potential solutions to the challenges that their constituents are facing or that they're hearing throughout the province of Manitoba.

So in regards to the One O One Marion site, I can inform the member that we have increased nightly security from 10 p.m. to 5 a.m. All residents, we have confirmed, are 55-plus, and we've recently installed new four-by-four cameras into the building.

Now, understanding that this—there still may be challenges, I'm certainly willing and my door is always open to the member for River Heights. If he's got further issues that he's hearing about that he wants to bring to my attention, he can certainly do that at any time.

I do just want to take a quick moment to say that we do recognize that there are security challenges in some of our Manitoba Housing units, and that is why this year we made a \$4.4-million investment. It was the largest historical investment in security in one particular year ever, and we will continue to make those investments until we are able to say that all of our residents living in Manitoba housing are living in safe housing units.

And I do want to acknowledge that we did just get the—a particular letter from the member for River Heights and are certainly investigating any instances of unauthorized visitors attending a building, and any breaches in our policy are being investigated right now. And I'll provide all that in writing for the member for River Heights.

Mr. Gerrard: Thank you. I'm going to briefly ask three quick questions for you, because of the limited time.

One is that the—there's a need for more staff in child care and early childhood education, and while there are many who are trained in this area, there's a problem with salaries being lower than they need to be. I know the minister has commented that this is the responsibility of the board of directors, but somewhere, somehow, one clearly needs to increase the salaries you're funding in order to be able to retain early childhood educators.

Second, there's a considerable concern about the length of time for people on EI to get EIA. There's about a two-week wait for people to get even an intake

appointment, and there is a problem. Sometimes this can take much longer because people need to get identification through Vital Statistics and there's quite a long several-months delay there.

And also, that sometimes people, when they get an intake appointment, they give a phone number, but somebody who is, well, homeless or inadequately housed often doesn't have a phone, and so that about a third of the time, when the people call for—back for the intake appointment, I'm—understand that the person doesn't answer the phone and that the minister could, perhaps, look at some other way of approaching this so we don't miss so many people.

Third, I know that there's been money allocated to look after the removal and replacement of lead water pipes to child-care and early childhood centres, and I wonder how many child-care and early childhood education centres have such lead water pipes and how many have had their lead water pipes removed and replaced?

Mr. Chairperson: Order. The time being 12:30, committee rise.

CHAMBER

CROWN SERVICES

Mr. Chairperson (Doyle Pivniuk): Will the Committee of Supply please come to order. In this section of Committee of Supply now resumes consideration for the Estimates for the Department of Crown Services. As agreed—previously agreed, questions for the department will be proceeding on a global manner.

The floor is now open for questions.

Mr. Adrien Sala (St. James): Good to see everyone again. Looking forward to today's session.

Last when we left off, we were just talking about some issues relating to the importance of getting clarity on Hydro's financial position, the importance of moving forward with a general rate application. So, going to head back into those questions, and I'd like to start by asking the minister, again—and we left off on this question, but I'll ask him one more time here.

*(10:10)

Can the minister confirm that his government will be supporting the Public Utilities Board request to have Hydro hand over financial information? Specifically, the PUB has ordered Hydro to hand over their most recent financial forecast. Will the minister

confirm that his government will be supporting that request?

Hon. Jeff Wharton (Minister of Crown Services): You can see my hand okay today, Mr. Chair?

Mr. Chairperson: Yes, we can see it perfectly now.

Mr. Wharton: Great. Okay. Super. Thank you.

And, yes—and good morning, everyone. Again, apologize for the delay—technology. We're all going through this process, and every time we move from one venue to another, it seems to be a bit of a hiccup, but we're through it and it's great to be back. And good morning, everyone, and good morning to the member from St. James as well.

Certainly, to your question, absolutely. Manitoba Hydro is working with the PUB with respect to their request, and, certainly, we would expect that they would continue to move down that process and ensure that the questions that are being asked are being fulfilled.

Mr. Sala: Good, I very much appreciate that.

Could the minister tell the committee what the most recent and currently used financial forecast is? In other words, was it completed in 2020, 2019 fiscal year? Clarity on that would be appreciated.

Mr. Wharton: Again, thank the member from St. James for the question. And Hydro, as they do every year, has submitted their budget, of course, provided their budget for '21-22.

And also, Mr. Chair, the quarterly financials are continuing as well. They're presented publicly. Certainly, the member would have access to those quarterly financial reports as well.

As we go forward through this fiscal, and certainly, as in any business, it's important to ensure you're managing those quarterly financials to—in the overall annual budget to ensure you're meeting targets. And, certainly, nothing has changed with that respect when it comes to reporting.

Mr. Sala: Could the minister provide the committee with some insight into impact on Hydro's financial state with the sale of Teshmont and the winding down of Manitoba Hydro International?

Mr. Wharton: I appreciate the question from the member as well. He asked about Teshmont and MHI and what I'll do is, for the benefit of the committee and Manitobans that are listening online today, we'll work through them separately.

As the member knows, Teshmont has been a privately run company for over 30 years here in Manitoba, and we know that during the development and construction of the projects Keeyask and bipole, Teshmont and Manitoba Hydro worked together in engineering procurement to ensure that—Hydro didn't have the capability or the expertise, so they ventured out to Teshmont, as a privately owned firm, to assist them and partner with them during that process.

And the member knows, of course, that there was a 40 per cent stakeholdership in that Teshmont, which they—once Keeyask and bipole projects were—the engineering procurement part was clear, they moved away from that partnership, which makes sense, you know. They went into it for a specific purpose and they got out of it when that purpose was no longer required.

So that's good business. And certainly, we appreciate that. What wasn't good business, again, was the fact that they actually even had to get involved with the building of Keeyask and Bipole III. We know that that boondoggle will haunt Manitoba ratepayers and generations and generations of Manitobans, when it comes to having to pay for that overbuilt Americanized system that the NDP did.

Move off of Teshmont to Manitoba Hydro International. We know, again, that—as we talked about yesterday at length—that Manitoba Hydro is endeavouring to get back to their core business operation—and again, that their core is very clear to provide a green clean energy at very affordable rates for Manitobans, whether it be residential or industrial.

We know that the recent Keeyask and bipole projects are going to put that at risk for many years to come, but, certainly, Manitoba Hydro is going to continue to work in—again, in full transparent—in lockstep with government to ensure that we can keep Manitoba Hydro, again, rates affordable and work towards trying to ensure that we have some path forward; Manitoba Hydro has a path forward of ensuring that they can start to pay down that massive debt that was accumulated under the former government.

Again, they're looking at—they tripled the debt in their time in government, and we're looking at over 20—upwards of \$24 billion in debt.

* (10:20)

And I can tell the member—and again, folks that are listening online—that, you know, currently, they haven't even started to pay down the principal

mortgage on that—on those two projects. Currently, they're paying the interest only and thankfully—and thankfully—interest rates have not gone up. My gosh, if interest rates move a half a point, the burden on Manitobans on that excess debt will be the tune of millions and millions of dollars more in interest rates, before we even get to tackle the principal investments that Manitobans have been put on the hook on when it comes to bipole and Keeyask.

The member, again, being a former banker, knows—you know, it's great if you're able and qualify for a mortgage and you can borrow at a low interest rate, but eventually, you need to have a plan to ensure that you can pay down that debt, particularly locking in the interest rates and particularly paying down the principal.

We know that if you don't pay down the principal over the course of the time, you know, and interest rates go up, boy, oh, boy, look out; you're in trouble.

So, certainly, Hydro recognizes that, our government recognizes that, and we're looking forward to, again, working with Manitoba Hydro for the betterment of ratepayers in Manitoba to ensure that this never happens again.

And we know that, sticking to that core business, Manitoba Hydro International endeavoured in a number of areas: one was, again, in their international dealings. And we know that, you know, there were some dealings that were very, very risky in international markets that, quite frankly, other publicly owned utilities got out of because they realized the risk of making investments in those countries, Third World countries in some cases that, you know, there's areas of terrorism and other areas—

Mr. Chairperson: The honourable minister's time is up.

Mr. Sala: You know, we didn't get really much of an answer there. Specifically, what I was looking for was clarity on the financial impact of the selling off of a Hydro subsidiary, specifically, Teshmont. How did that impact Hydro's financial position?

And, also, the winding down of Manitoba Hydro International, which has \$80 million in profits for Manitoba Hydro ratepayers since its inception. The minister likes to talk about a debt issue, again, which Manitobans can't get any clarity on because this government won't actually allow a general rate application to go forward to allow Manitobans to have clarity on Hydro's financial state, because they're relying on obfuscation and continued talk about

Hydro's financially—supposedly core financial position without actually allowing Manitobans to see what's actually happening in the books.

So, again, I'll ask the minister: Can he please provide some clarity in terms of the impact on Hydro's financial state resulting from the sale of Teshmont and the winding down of Manitoba Hydro International?

Mr. Wharton: Certainly appreciate the question. Again, I'll see if we can move this one along. You know, the member talks about, again, Teshmont, and we know we had a very large discussion—lengthy discussion, pardon me, yesterday on core business. And we know that particular to Teshmont, you know, certainly Manitoba Hydro needed some further expertise, so they got involved with Teshmont, which was a privately owned and operated—and continues to be today—company here in Manitoba. And certainly, we understand that, as I mentioned in my preamble in my first answer, that once that need is not required, then Manitoba Hydro moves back to their core. And that's exactly what they've done. And certainly, they know best and, you know, unlike the members opposite, we respect the decisions that are made by the board of Manitoba Hydro and their executive team, and we certainly do with respect to what they've done to Teshmont.

Again, Manitoba Hydro International, we know that, again, and I'll refer back to their arm where they were involved in countries that, quite frankly, other public utilities said, no, no, look, we're out of there; we—there's no way we're going to get involved in countries like Nigeria or Honduras or Saudi Arabia or Panama. I mean, there were a number of countries that Manitoba Hydro International had sent employees over. As a matter of fact, they—you know, they were having employees living almost with security 24-7 in order to do their job because of the risk of threat and terrorism. So, good on Manitoba Hydro for recognizing that, and—again, you know, protecting Manitoba Hydro employees, obviously, is No. 1, and they recognize that as well.

So we know that—and the member knows that bringing over Manitoba Hydro International staff, there were no layoffs. They were all offered jobs within the Manitoba Hydro family, which is the right thing to do. And our government is very proud of the fact that over the last 15 months during this global pandemic that we have not had to lay off anybody due to the pandemic. Certainly, there are layoffs that would need to take place in areas of government, like, when you have to close casinos and there's temporary

layoffs or, you know, we understand that. The—I know that the employees and the unions understood that, and they get it. There's no work; the doors are closed. So we need to, obviously, have some temporary situations set up.

So, you know, I hope that helps the member somewhat. We know that moving the staff over, again, they continue to, you know, obviously have a good job and protect their families in a—in co-operation, of course, working with Manitoba Hydro and getting back to their core. And we know that their core, again, is—and I'll reiterate it the entire morning—we've got a couple hours, so I'm more than happy to say it again—getting back to your core business of providing green, clean energy for Manitobans at affordable rates.

Mr. Sala: Again, just for the record, no clear response. It was a very simple question which was to get clarity on the financial impact—meaning what profits were generated through the sale of Teshmont, our 40 per cent stake. That was a investment in our—and part ownership that we benefitted from tremendously. And also the winding down of Hydro International. What's the financial impacts and the expected impacts of losing out on all of the business that this government has decided to shut down?

* (10:30)

MHI was a golden goose, produced, again, \$80 million in profits over the last many years that it's been in operation. Those are profits that helped to keep hydro rates low, that helped to pay down Hydro debt. And so it's just confusing. The minister is trying to, you know, outline a case to Hydro getting back to core business and speaking about this as though it's some clear necessity of some kind when we know that MHI has been wildly profitable—for all of us as Manitobans.

I also want to put on the record—because I think it's important—I've spoken to a lot of MHI staff over the last many months, going back almost eight months now, and I think it's important that the minister know and that this government know that when they referenced this supposed lack of responsibility of working in these foreign countries and doing the work that MHI had done, it's a huge insult. It's a huge insult to the individuals that were responsible for managing MHI. It's an insult to all of the Hydro professionals that built that business and, frankly, are quite proud of that.

And so this language about, you know, protecting Hydro employees, keeping them out of these countries, if the minister had taken the time to meet and learn about MHI, what he would have learned was that the employees of Manitoba Hydro desperately wanted to be assigned to those files. They desperately wanted to work abroad for MHI. It was viewed as an incredible opportunity for development, for growth, and it created a much stronger employee base, many of whom—many of these employees went back to work directly for Hydro after a stint with MHI working abroad. This was a hugely beneficial undertaking.

So I just want to put on the record here that the minister's language—and I know I've heard his government use this as an excuse for why they're shutting down MHI, as though somehow this was some wildly reckless undertaking. That just really reflects on him and it reflects on his government's lack of engagement with MHI in understanding their business and what they brought to us. So I think that's an important thing to put on the record, just that this government clearly has not done their homework in understanding what value MHI brought to Manitobans. And that's saying nothing, again, about the \$80 million in profits that they've generated for us; and that's indisputable.

So, clearly, not going to get an answer from the minister on the financial impact of selling off of Teshmont and the winding down of Manitoba Hydro International, so we'll move on.

I'd like to talk a bit about Bill 35 and just learn a bit about some of the things that were put into BITSA here regarding rate increases. And I'd like to just start by asking the minister: What discussions took place with Hydro in advance of the 2.9 per cent rate increase that happened in December?

Mr. Wharton: Thank you for that, and, you know, again, just, you know, certainly appreciate, you know, the member is frustrated because of his lack of knowledge on these files and obviously very partisan comments. But, you know, the pattern that he—of behaviour that he exhibits again this morning, you know, of insults, is simply just a pattern that he needs to move away from, in my view, and I think Manitobans' view.

I mean, he has a record of, you know, going down that path of personal attacks—he knows that—in the sense that when he personally attacked a civil servant, a hard-working civil servant here within government and continues to project that behaviour. And it's shameful, quite frankly, and I'm certainly glad to be

able to put that on the record, because it—he has a pattern of behaviour like this that he needs to really pay attention to because Manitobans won't tolerate it, you know. It's just simply—it's just—it's shameful behaviour.

So, again, he talks about—and we'll talk a little bit about Bill 35. We've got all morning, so that's great. But I still want to go back to, you know, the false information that the member continues to put on the record about, you know, the profitable Manitoba Hydro International, you know, arms of Manitoba Hydro. Really, you know, again, I want to go back to the risk appetite to support international consulting firm that was just not acceptable to Manitoba Hydro and the Crown utility and Manitobans, who own Manitoba Hydro.

We know that Manitoba Hydro, again, has a duty—and I mentioned this before—to protect Manitobans. So the member can say that, you know, colleagues or people that he spoke to at Manitoba Hydro, staff at Manitoba Hydro International, said they enjoyed going international travel and, you know, living abroad and working abroad. Well, that's great, but, again, when you put Manitobans in harm's way, that's not good. And Manitoba Hydro recognized that, because under the 20 years—or, 17 plus years of Manitoba—the NDP leadership, it—they basically turned a blind eye to this particular wing of the organization of MHI.

The geopolitical risks that were involved, the environmental risks, the political uncertainty was a huge risk. You know, I mentioned those countries earlier; I can mention them again for the record. They are in Hansard, and the member can certainly take the weekend to review it. But, you know, the global trade policies, for instance. I mean, there's a reason why other publicly owned utilities moved away from this business, because it—quite frankly, it put employee health and safety at risk. And those are the facts, Mr. Chair, and Manitobans know that.

So why the member continues to say that that was a good thing is beyond me. But again, it goes back to that behaviour pattern of his. You know, he would rather put falsehoods and misinformation on the record to drive his political agenda, and that's just wrong. And, again, I'll move back to how important it is and how Manitoba Hydro is moving away and back to their core business to ensure that they can continue to provide their core services to Manitobans.

So I wanted to put that on the record, Mr. Chair. I know I'm going to run out of time, but certainly, what

I'll do is I'll just end it there and allow the member to again ask his question regarding Bill 35 and we'll endeavour to give him some answers on that.

Mr. Sala: That is quite a tangled web being woven by the minister. Had a hard time following the logic there. But we're going to forge on.

What discussions took place with Hydro in advance of the 3 per cent rate increase in December?

* (10:40)

Mr. Wharton: The member knows full well that the Minister of Finance (Mr. Fielding) is in Estimates this morning and, certainly, if he has his colleague ask the minister that question on Bill 35, I'm sure he'd be more than happy to, you know, assist with an answer on that question. Being in Estimates, he'll give—provide that opportunity for the member to get an answer.

Mr. Sala: I think it's very reasonable for Manitobans to expect that the Minister responsible for Crowns and for Manitoba Hydro would have some understanding as to what discussions happened with Hydro regarding that rate increase.

So maybe I'll ask a slightly different question and this is one that I think, I hope, he's able to answer, which is: How did his government know that a 2.9 per cent increase was needed in the BITSA, without having any clarity on Hydro's financial status?

Mr. Wharton: You know, again, thank the member from St. James for the question because it gives me an opportunity to remind him that under the NDP, Hydro rates increased an average of over 40 per cent, which obviously puts a real strain and a burden on Manitoba ratepayers and, obviously, there's concern on that.

And moving forward, again, the Minister of Finance is in Estimates—and that's great—but they—it does give me the opportunity to finish what we were putting on the record yesterday; unfortunately, we ran out of time.

So I just, again, wanted to—for Manitobans online this morning—finish the joint letter from Manitoba Hydro and Manitoba Public Insurance in support of Bill 35, The Public Utilities Ratepayer Protection and Regulatory Reform Act. So I will endeavour to do that now, Mr. Chair. Just wanted to finish this and get it on the record so it's on Hansard for Manitobans to see the collaboration between Manitoba Hydro and Manitoba Public Insurance and the government, that has not been seen in two decades under the NDP.

So again, I'll—and I quote: more importantly, the changes will increase the efficiency and regulatory process and lower costs to Manitoba Hydro customers. Past costs of applications through Manitoba Hydro have been twice the average of other Canadian utilities on a per customer basis. Over the last 10 years, the average cost of electric and natural gas regulation by the Public Utilities Board was approximately \$10 million a year.

Approving a series of annual electricity-rates changes at five-year intervals will provide better rate predictability and cost certainty for all our customers, making it easier for households and businesses to budget energy costs. Our government have consistently told us this is important for them. The predictability is further enhanced by Bill 35's proposed cap on general electricity rates. Rate increases of 4 per cent, or twice the rate of inflation, mitigated the risk of rate shock in any particular year.

So again, that rate shock is so, so—it's such a fear, especially for Manitobans—ratepayers, whether you'd be commercial or industry or residential because, look, we know that \$200 in an increase in a Hydro bill would be a real challenge, especially now during the pandemic.

So, I'll continue with this another couple paragraphs for the record, Mr. Chair. The five-year interval for setting rates will also provide revenue certainty for Manitoba Hydro, allowing the utility to more effectively plan for the long-term maintenance and investments in the province's electricity system needed to safely and reliably maintain services to our customers.

Bill 35 provides a plan for Manitoba Hydro to restore its financial health by establishing debt-to-equity targets and the role of these targets in the rate-setting process, the legislation will ensure Manitoba Hydro can generate sufficient revenues needed to make steady progress toward debt reduction, prepare for the evolving energy landscape and continue to be reviewed by credit-rating agencies and being financially self-sustainable.

Mr. Chair, we know that that needs to be in the window for our Crown corporations to be self-sustainable for the long haul to protect Manitoba ratepayers.

Again, for the record—another couple paragraphs, Mr. Chair—the additional requirement for Manitoba Hydro to develop a long-term integrated resource plan—or IRP—recognizes that all Manitobans should

have the opportunity to provide input via consultation into major energy resource development in the province.

This is reinforced in the legislation by expanding the scope of the Public Utilities Board to include the review of any proposed new major generation stations or transmission projects, any new power purchases for Manitoba producers, and any new export contracts.

Bill 35 represents and—a considered review of current regulatory rate-setting model in Manitoba and recommends needed changes that successfully balance the importance of independent regulatory oversight with the best interest of the customers we serve.

Manitobans currently enjoy some of the lowest electricity rates and auto rates in Canada, and Bill 35 will help preserve the cost advantage of years ahead. Yours sincerely, Jay Grewal, president and CEO of Manitoba Hydro; Eric Herbelin, president and CEO of Manitoba Public Insurance.

Very, very pleased to put that on the record, Mr. Chair. I know the member from St. James appreciates—

Mr. Chairperson: The minister's time is up. *[interjection]* Time is up. We're just—I'm just consulting with the clerk here. Just one second, please.

Mr. Sala: I don't think it will surprise Manitobans to know that Hydro would like to maximize revenues to the greatest degree possible, as the minister has outlined in that letter of support for 'thel' Bill 35, which will raise rates significantly at levels that, at this point, are likely—have never before been seen.

What we're more worried about—and clearly, as the minister has demonstrated here, what they're not worried about is the interests of regular Manitobans. We're worried about the interests of everyday Manitobans who are going to see significantly higher energy costs as a result of Bill 35.

The minister should know that industrial power users across the province wrote a letter and came together and stated their own concerns with the direction that this government is going with Bill 35. So not only are regular Manitobans worried about where this bill is taking us, but even our biggest power users, our business sector, is hugely concerned about it.

So, yes, the—Hydro as a corporation does, of course, support this bill. It will help to increase revenues for them and maximize revenues at levels

that we haven't seen, to some degree, in terms of dollars and revenues they'll be generating through rates.

But we're more worried about the interests of Manitobans, which is why I ask the minister how his government went about setting a 2.9 per cent rate increase without any form of process through the Public Utilities Board.

So I'll ask him again one more time; I'll give him a chance to tell Manitobans why that rate increase was fairly determined; why they knew that 2.9 per cent was the amount required to help Hydro service its debt to meet costs that were in place. How did they come to 2.9 per cent, or was it just set at the Cabinet table without any type of analysis at all?

* (10:50)

Mr. Wharton: Again, with respect to the question on rates, Mr. Chair, and I'll again refer to my colleague and the Minister of Finance (Mr. Fielding) who is currently sitting in Estimates. Certainly, he would be best set to discuss that particular issue.

But what I will do is—the member talks about—obviously, about Manitobans and certainly why we, in particular, are concerned about Manitoba Hydro. Well, I can tell you why we're concerned: because of, obviously, the mistakes that were made under the former NDP government. Would the member be willing to share why the former NDP government essentially continued to build a mega boondoggle project like Keeyask when there were clear signals during the process to take an off-ramp simply because we knew that power—costs of power and sale—export power sales were falling drastically? We knew that the American states, particularly the northern states, were fracking more; they were dealing with their own energy—again, supporting their own economies by buying from home—we know that agenda was out there. So maybe the member could take a few minutes just to explain why they continued to spend over \$1.2 billion in sunk costs into those projects without even having approval from the PUB going forward.

So, I mean, just incredible. He talks about decisions being made at the Cabinet table. Well, I can tell you that none of those projects likely even got to the Cabinet table. They never got to the PUB; they never got to Treasury Board. They never got to any of the due processes that are put in place to protect Manitobans, Mr. Chair. So, certainly, we'll take no

lessons from the member when it comes to due process and governance.

But certainly, the member talks about maximizing revenue, and we agree, and I'm glad—probably one of the only points this morning that we do agree. But we know that we need to maximize revenue and Hydro needs to maximize its revenue. But that doesn't necessarily have to be driven by one entity, and the member knows, you know, again—maybe he doesn't. But, you know, when you're in business, you have to diversify. And, you know, you can't rely on simply one revenue stream or one revenue source.

So what do you do? You go out to the market and you procure new customers, whether—you know, whether it be in different fields or different areas, but you—you know, you do your research, you understand what market is out—available out there, what market share you could obtain, what those numbers would look like at the end of the day, to better the—you know, in this case, Manitoba Hydro; but, you know, certainly, revenue generation is done in many, many ways and from many different companies and that's what's called—is diversification.

And Manitoba Hydro, again, is reviewing those options and again getting back to the core and with respect to building revenue, you know what? They can certainly—and they know they're going to go out and they're going to procure more contracts, whether that be domestic sales or potentially, maybe, hopefully, you know, moving power further east and west to procure that way and build up revenue in that sense as well, while protecting rates locally here; because we know that that wasn't a focus of the former NDP government—protecting rates for domestic use here in Winnipeg and in Manitoba.

We know that because, you know, certainly, they were building Bipole and Keeyask to essentially Americanize Manitoba Hydro and that's exactly what's transpired. We know that we need to concentrate more domestically, more at home. We need to focus on the billions and billions of dollars of deferred maintenance on areas, not only in our Crowns but right across core government, whether it be roofs and HVACs on schools, you know, which are important; whether it's upgrading our hospitals. You know, these are things that have been ignored for far too long.

So, we're really going into the global picture here and I hope the member appreciates that because, really, when the NDP is accustomed to working in silos, I know it's difficult to look outside the box but,

hopefully, he'll get there. I think he will, I've got confidence he will; he'll get there.

But he talks about industries like MIPUG and large industrial users. Absolutely. Working in collaboration with them is important, not only with Manitoba Hydro but with government. And—

Mr. Chairperson: The honourable minister's time is up.

Mr. Sala: It's very confusing to listen to the minister. He's talking about the need to diversify and find other revenue streams. Five minutes ago, he was talking about the need to go to core business for hydro and talking about why it was important to shut down a subsidiary of Hydro that had made \$80 million in profits for Manitoban ratepayers. So again, very confusing, but we will forge ahead.

Again, the focus of the question here—and I think it's very reasonable, and I want the minister to take a second to think about this before he launches into his next response: Manitobans deserve to know on what basis your government decided to raise their—their hydro rates by 2.9 per cent. Every 1 per cent increase equals \$15 million of revenue.

So, you raised hydro rates by 2.9 per cent and, as far as we can tell, there was no independent review of that. Now what we're used to as Manitobans is that an independent review would happen at the Public Utilities Board with experts that would help to determine whether or not a rate increase was required.

We, at this point, have no—we know that there was no review of any kind that happened at the PUB. So what I'm asking the minister to provide to Manitobans here is clarity on what basis did his government determine that a 2.9 per cent rate increase was required?

Now, he can try to, you know, send me over to another minister who's currently in another committee right now; we know that's not going to happen. He's the minister responsible for Hydro. He should know on what basis he's asked Manitobans to pay another 2.9 per cent for their hydro rates. It's ludicrous that he can't answer that question.

Just help us understand, Minister: On what basis did your government raise hydro rates by 2.9 per cent on Manitobans at a holiday time, in the middle of a pandemic?

* (11:00)

Mr. Wharton: And again, I will, again, defer to my colleague in Finance to provide details for the member.

But I definitely wanted to talk about—he talks about half a point or 1 per cent in rates. And I wanted to share with the member and all Manitobans exactly what that would look like based on the twenty-over \$23 billion of debt burden that the NDP have left Manitobans when it comes to Manitoba Hydro.

Certainly we know that currently, interest rates are low. All signals are pointing towards interest-rate hikes coming in the near future. And we know also, as I mentioned earlier—and, again, it's in Hansard—that we know that Manitoba Hydro is currently only paying the interest on their debt currently with Keeyask and Bipole III.

So, really, Manitobans should be concerned of the burden that has been left by the NDP on them when it comes to Manitoba Hydro.

So, in particular—and I know the member will appreciate this. Again, being a banker, he's probably done his homework, so I'm probably telling him something he already knows but, you know, I'll share it with him just in case because I know he's probably very curious about this, coming from the banking industry.

So, again, the \$23.3 billion, if interest rates inched up by a half a point, like, just a half a point—which is very conceivable, obviously, because we've been at the lowest interest rates in—as far as we can ever recall actually. So half a point on that \$23 billion would equate to an additional \$11 million in interest: just half a per cent on that \$23 billion.

So, imagine now coupling that with the existing debt that we're having to pay, asking Manitobans to pay another \$11 million on debt that was very avoidable—and the member knows that. So I've got to do—I've got to share this with the member, too: 1 per cent—one point in interest rates, which, again, is very conceivable, could very well happen within the next 12 to 18 months, you know.

Even though we're in a pandemic, some other jurisdictions are coming out faster and we know that, you know, in—but look, one percentage point on that \$23.3-billion burden that the NDP put on Manitoba ratepayers at Manitoba Hydro: \$22 million-plus in additional interest that we will have to pay. Manitoba Hydro—the owners of Manitoba Hydro—customers will have to pay that.

So, again, I think it's, you—the member talks about rates and interest rates and he talks about—I talk about diversification and he talks about not understanding what diversification is in business when he mentions that when I had commented on the fact that we go out and look for different ways to raise revenue within our core business. That's exactly what we do.

So we have a core business and that's providing electricity. And if Manitoba Hydro decides that they want to provide electricity to customers under their core mandate, they go ahead and do that. They sell electricity. An abundance of electricity that we have, they can go ahead and sell it and ensure that we protect Manitoba ratepayers.

So I don't know. I don't think I'm missing anything. Maybe I misunderstood the member's question or comment but, again, if we have a product to sell, we sell it.

And diversification is diversifying and finding different customer base. That's part of diversification. Doesn't mean you necessarily sell to one particular entity. You could sell to a different entity. So you could sell to a commercial purchaser or sell to a residential purchaser or vice versa—whatever. I mean, the member knows that.

So I also wanted to—you know, what, no, you know what, Mr. Chair? I'm going to hold off on this. I've got some more information. I want to go back to Manitoba Hydro International on an area, as well, but I'll save that for a little bit later. I know the member's probably anxious to ask me another question and move on. So I will move it over to the member from St. James.

Mr. Sala: I'm not sure in what universe just finding new export contracts for our energy would be called diversification but I digress.

One thing I just want clarity on: the minister had mentioned that we're only paying down the interest, we're not touching the principal. Can he clarify? Is that the case that on the bipole and Keeyask projects, we are currently only paying interest and not the principal, as he stated? Can he confirm that?

Mr. Wharton: Yes.

Mr. Sala: The minister was speaking about interest rates and the potential for them changing and that is, of course, a concern. He will, of course, know that debt was locked in for long periods of time and that immediate fluctuations in interest rates potentially

could impact us in the longer term but we have locked in a lot of our debt at historically low rates.

* (11:10)

But if there is, you know, such a concern about where things will go, it would be helpful if the minister would encourage his government to release an integrated financial forecast because at this point, everything he's sharing is essentially fiction to Manitobans because we don't have any basis—and, frankly, he and his government don't have any basis to make these comments. This is just the minister's sort of off-the-cuff calculator work that he's doing there at his desk. Manitobans don't have anything to base this information on.

If he really wants to make a coherent argument that there are risks here that we should all know about, he would support putting out an integrated financial forecast so that we could have some transparency around Hydro's actual financial situation and the path ahead. I mean, you're making an argument in favour of doing that.

So I would argue that the minister should—if he is really so confident in what he shared, he should be encouraging his government and Hydro to release that so all of us can have, you know, actual verification of the information that he likes to throw around. Right now, it's nothing more than just hearsay from the minister and we don't really have any ability to have confidence in that.

It's very problematic, just from a fairness perspective of ensuring that Manitobans can have confidence in knowing that their government isn't overcharging them for power. That's the role of the Public Utilities Board. It's there to protect us. It protected us when this government came forward with a 7.9 per cent rate increase request and they walked away with only half of that. The Public Utilities Board protected us.

They protected us from overpaying from a government that was trying to overcharge Manitobans for hydro rates. And again, they're doing it. They raised—he won't—it's clear he's not going to answer the question about the 2.9 per cent increase and how they calculated that. So Manitobans will again continue now to have no idea whether or not that rate increase was ever needed. He hasn't answered that question. And this just seems to be the pattern—is ensuring that Manitobans remain in the dark.

So all these claims about, you know, Hydro's finances, interest rates—none of it is meaningful until

Manitobans actually have something to base that on rather than just conjecture from the minister.

I'd like to ask, given that they put that rate increase in BITSA without any clarity on whether or not that was needed, does the minister anticipate another rate increase will be brought forward this year?

Mr. Wharton: And again, I'll just move on. I don't need to get into a big back-and-forth with the member. I mean, he likes to pick fights, so—I like to provide clear and transparent information, and that's exactly what I'll continue to do.

So, again, back to Bill 35—and I'm sure the member has read Bill 35. Bill 35, again, sets targets for Manitoba Hydro to reach its financial target of a debt to equity of 70-30 by 2039-40. So when we talk about debt to equity—again, the member knows how important it is to maintain a strong debt to equity. Certainly the debt to equity ratio currently at Manitoba Hydro is not sustainable and they need to tackle that.

And, you know, certainly Manitobans understand that; business owners understand that, especially if you're trying to build your business and you go to a lending institution—and again, and this is right up the member's alley, so I'm sure he gets it—you know, you go there with a debt to equity of 86-14, you know, debt to equity, you're probably not going to be looked at very well at trying to procure some operating capital or maybe do some lending for—to construct some additional projects or, you know, whether it be buying a new truck or expanding your warehouse or whatever the case may be, unless you need to come up with some principle background or backing on that investment.

So debt to equity is important; it's important to Manitoba Hydro and it's important to Manitoba Hydro ratepayers.

Again, Manitoba Hydro projects that it requires upwards of \$300 million in annual net income to reduce its debt to equity only by 1 per cent annually. So, you know, to reduce it down to the 70-30—and, by the way, the member knows, too, that other jurisdictions—BC, Quebec—their debt to equity in comparison to ours—they're—they've already reached their goal. Quebec, I believe, has surpassed it in their debt-to-equity margins, where we are definitely an outlier when it comes to that.

So, you know, the member can certainly continue to put out his partisan rhetoric, but we know that—and

he knows and—he knows darn well that this is the reality. That debt to equity needs to be tackled. And that's exactly what Manitoba Hydro is endeavouring to do, and that's what Bill 35 will help set—chart the course for that to happen.

I—you know, under the 35 regulatory framework, rates will be subject to rate caps and provide certainty for customers. Well, the member talks about, you know, rates fluctuating and uncertainty. Well, under the NDP, that's exactly what they got was rate uncertainty—40 per cent increase. I mean, we know that that affects industry, like MIPUG and folks—regular Manitobans that are, you know, challenged right now to pay their bills.

We understand that. Average rate hikes under the NDP were 3 and a half to 4 per cent. So I don't know where the member gets off arguing that a interim rate of 2.9 is an issue. But, again, I'll leave that to my colleague as well; certainly, he's probably had that question already.

But, you know, the—this—the rates certainly will help customers plan for future, again, to minimize those rate shocks that could happen. So, you know, I don't see where there's a downside here. You know, the member seems to find a downside because of his partisan view but, you know, a general rate application review process under Bill 35 reinforces the PUB's role.

* (11:20)

So, if we reinforce the role of the PUB and make it stronger, is that not a good thing for Manitobans, to protect Manitobans on a go-forward, where—especially when they have a large project like a Keeyask or bipole capital investment come to the table? Well, the PUB will actually have, and Manitobans will have, more say in whether that project should move forward and whether it should take an off-ramp, you know, because, quite frankly, the market has changed; the environment has changed; interest rates are going up. You know, we need to adjust. We need to be nimble. We need to be able to have that ability to do that.

And that's exactly what Bill 35 will do. It'll help protect Manitobans from rate shock and, again, helps with the efficient, cost-effective regulatory framework following—

Mr. Chairperson: The honourable minister's time is up.

Mr. Sala: The minister doesn't seem to realize that the rate shock is built into Bill 35. Bill 35 is what is going to create rate shock for Manitobans. It all but guarantees significant Hydro rate increases year after year after year.

The minister can talk about having certainty that skyrocketing Hydro rates will help Manitobans somehow to know that they're going to have much higher bills for the upcoming years. I don't think Manitobans would agree with him that that's a positive. I really don't see that happening.

Also, you know, he asked why would I consider their recent Hydro rate increase such a bad thing, considering Hydro rates did go up under the last NDP government. Here's the core distinction, and this is what we're seeking to get answers on here today—and this isn't partisan, this is what Manitobans want to know: On what basis did you raise the rates? On what basis did you decide that a 2.9 per cent Hydro rate increase was needed in December, given there was no independent review?

And you keep pointing back to, you know, previous rate increases under the last NDP government. I'll remind the minister all of those increases happened through the Public Utilities Board. So Manitobans had the benefit of knowing that a third party was reviewing these rate increase requests and ensuring that we were not overpaying. I don't know why the minister finds that hard to understand.

A 2.9 per cent rate increase, which is a significant increase that this government put in, in December, was done without any clarity on whether or not it was actually needed. That should scare Manitobans. It does scare a lot of Manitobans. I don't know why that's not bothersome to the minister.

Manitobans deserve to know that what they're paying for Hydro is fair. To that point, the minister talks about debt-to-equity ratio. Again, if he had engaged with MIPUG, if they engaged with stakeholders around the province, they would know that the debt-to-equity ratio being applied to a Crown corporation is a completely different question than applying that to a private business. It's not the same thing.

When Manitoba Hydro increases its—or, improves its debt-to-equity ratio and it increases that equity number, they're putting money in reserves. They're taking money out of Manitobans' pockets; they're putting it in reserves and those reserves don't, in any

way, respond to a real financial risk that Hydro is facing. That's all that's happening.

So this whole question about this bill that somehow this is going to help us get us to this better position, it's built on a dubious foundation about getting us to a debt-to-equity target that is founded on a ratio here that doesn't really necessarily apply to a government organization.

I only say this not to get too into the weeds, but to be clear about the fact that that is not something that should be pointed to in the—when we're thinking about a Crown corporation.

And, in fact, all the minister's talking about here is helping us to improve a ratio that, ultimately, is about taking money out of Manitobans' pockets and putting it into Hydro reserve bank accounts.

I don't see why that's a good plan that's in the best interest of Manitobans. Manitobans deserve clarity on what basis their Hydro rates are being increased, which is why they deserved an independent review prior to this government's last rate increase.

And so, my last question was asking the minister whether or not he knew if another rate increase was coming this year. He didn't answer that.

I would like to know what the minister feels qualifies him and his Cabinet to determine rate increases.

Mr. Chairperson: The honourable minister. Can you hear me? The honourable minister. The honourable minister, can you hear me? We've got technical difficulties here. *[interjection]* Oh, can you hear me?

Mr. Wharton: I can hear you.

Mr. Chairperson: Okay. We called you a few times already.

Mr. Wharton: Okay. You got me?

Mr. Chairperson: Yes. Proceed.

Mr. Wharton: Okay. I'll assume you do, because I didn't hear that.

Mr. Chairperson: I say you can proceed. We haven't heard you for—about three times, so we were calling you about three times. So, I'm not quite sure if there's a technical difficulty but go ahead. Proceed.

Mr. Wharton: Certainly. Again, I won't take the bait on the member from St. James cast on that one, but you know, we know that debt to equity matters to

money lenders. We know that. The member knows that.

* (11:30)

We know that three downgrades under the former NDP government have put us in a dark spot. And certainly, when it comes to our debt because of the burden that was put on Manitoba—Manitobans, in particular, Manitoba ratepayers. So I guess we'll agree to disagree on that.

But, you know, certainly \$10 million a year spent on general rate applications is \$10 million that can be put back on kitchen tables of Manitobans. So Bill 35, again, you know, calls for multi year—upwards of five years, of course, which would—which again would provide almost \$40 million in savings to Manitoba ratepayers based on the current cost burden on annual GRAs. Other jurisdictions are doing it; why isn't Manitoba?

Certainly, I would expect the member would agree that if we can find \$40 million somewhere, that's a good thing. That's a good-news story for Manitoba ratepayers. So—and to avoid further downgrades, obviously. You know, we know that downgrades cause interests rates to go up, and an hour and a half ago we were talking about interest rates and we know that—what the effect of a half a point is on \$23 billion worth of debt; it's 11 million bucks. We know that 1 per cent is in excess of \$22 million more in interest payments without even paying down the principal.

So, you know, certainly, Bill 35 is going to protect Manitoba ratepayers for the long haul, and again, it will help ensure that Manitobans have a clear sight into the—Manitoba Hydro, to ensure that, you know, big projects like Keeyask and Bipole III don't happen again with—without proper oversight by—and inclusion by Manitobans.

Mr. Andrew Micklefield, Acting Chairperson, in the Chair

So, yes. No, I mean, I'm—I really—I'm really excited about moving Bill 35 through the legislative process and getting royal assent with my colleague from—the Minister of Finance (Mr. Fielding), of course, leading the charge. Certainly, we know that in the end, this will be, for sure, a benefit not only to Manitoba Hydro but to ultimately, again, the owners of Manitoba Hydro, Manitobans.

Mr. Sala: I regret to inform the minister that Manitobans are not as excited as he is and as the Minister of Finance is about paying significantly

higher hydro rates for many years ahead. That is not something that I think anyone outside the PC caucus is looking forward to.

I'd like to move on here since it doesn't seem as though we're able to get any answers of any kind from the minister in terms of this government's logic behind their 2.9 per cent rate increase in December. There is an aspect of Bill 35 that I would like to ask the minister about: section 15.2(2)(c) seems to open the door to the resale of electricity to private resellers without limit.

Does the minister agree that there are risks here?

The Acting Chairperson (Andrew Micklefield): The honourable minister. Honourable minister, go right ahead.

Mr. Wharton: Yes, thanks, Mr. Chair, and again, I was guilty of scratching my nose. I'll get back to you shortly.

The Acting Chairperson (Andrew Micklefield): I apologize for the misunderstanding.

Mr. Wharton: I'd ask the member from St. James to provide a little bit more clarity.

Again, we want to provide the member with a response, and I certainly want to ensure that we're responding to the right aspect—15.2(2)(c). Can he elaborate on that?

An Honourable Member: Well, I mean, section 15.2(2)(c)—

The Acting Chairperson (Andrew Micklefield): Member for St. James (Mr. Sala), I'm sorry, I do need to recognize you first for the sake of Hansard, so. The member for St. James, please go ahead.

Mr. Sala: I apologize, Mr. Chair. Thank you for that.

Section 15.2(2)(c) is quite self-explanatory in terms of the section of the legislation that we're referencing here. That section seems to open the door to the reselling of electricity. Now, arguably, it seems that the legislation has positioned this to allow for the resale of electricity for the purpose of electric vehicle charging; however, there is—there seems to be some open-endedness to this.

And what I'd like to know from the minister is whether or not he perceives any risks in allowing that door to remain as open as it is, where we could have a situation where other Manitoban businesses or entities could begin reselling hydro, which, as the minister

would know, is not permitted under the current Manitoba Hydro Act.

* (11:40)

Mr. Wharton: Just to be clear, the member from St. James had, in his first part of that question, referred to Bill 35, and then referred to section 15.2(2)(c); 15.2(2)(c) is actually in The Manitoba Hydro Act.

So just to be clear—and we can check Hansard on that—but that's why we're having a little difficulty looking at Bill 35 for 15.2(2)(c) when it's actually in The Manitoba Hydro Act which, again, is very clear that it does not allow for the purpose of selling electricity. Manitoba Hydro—it's currently in the act, and that's currently the way it will remain.

Mr. Sala: Just to be clear, Bill 35 does seem to open the door to the resale of electricity to private resellers. It seems as though it's been done for the purpose of allowing for the resale of electricity for charging electric vehicles.

Can the minister confirm in this bill—that is hopefully, you know, something that he's deeply familiar with here as the minister advancing this bill—can he confirm that the bill does, in fact, seek to open the door to allow for the private resale of electricity?

The Acting Chairperson (Andrew Micklefield): Minister, it seems your camera has turned off, so that means I cannot see you raise your hand or recognize you to speak. If you could turn your camera back on, that would be great.

Mr. Matt Wiebe (Concordia): I understand we're having some technical difficulties. Obviously, we'd like to get things back online as quickly as possible, but in the meantime, can I ask for a short recess of the committee until the minister can get their technology figured out?

The Acting Chairperson (Andrew Micklefield): It does appear we are having technical challenges. Is it agreed to recess briefly so that we can get the minister back up and running and resume the meeting, hopefully, in a very few minutes? *[Agreed]*

Committee is recessed. Please watch your cameras. As soon as the minister's back on, we will resume.

The committee recessed at 11:45 a.m.

The committee resumed at 11:48 a.m.

The Acting Chairperson (Andrew Micklefield):

We have the minister back, so the committee is back on, and soon as I have a signal, I'll acknowledge the honourable minister to respond to a question from the member for St. James (Mr. Sala).

We—hi, everybody. Apologies again, we seem to be having an issue in the Chamber. Could someone give me a nod if you can hear each other? You can hear each other. We can't hear a thing here in the Chamber.

So, my apologies again. We're going to recess until we've got this sorted out, and just as soon as that happens, we will resume.

The committee recessed at 11:49 a.m.

The committee resumed at 11:50 a.m.

The Acting Chairperson (Andrew Micklefield):

Committee is back in session, and we have sound and visual working. Soon as we have a signal from the minister, we'll hear from the minister on the question form—from the member for St. James.

Mr. Chairperson in the Chair

Mr. Wharton: Oh, a new Chair—or the old Chair. Welcome back.

And I see we have—I just wanted to—appreciate Mr. Lamont is on the line and cleanly shaven; so, good morning.

Thank you to the member for that question. And, again, this Bill 35 is—I know the member had said that I was the minister advancing Bill 35, when I'm not. Bill 35 is being advanced by the Minister of Finance (Mr. Fielding). Certainly, I know there's lots more to talk about this morning.

But certainly, the provision in Bill 35 was created to enable the ever-changing energy environment. Again, that we know that much—things are changing; even the way we do business, as we know, is changing. So this will enable the ever-changing energy environment on a go-forward basis.

Mr. Sala: Does the minister perceive risks in including that in the legislation—of any kind?

Mr. Wharton: Certainly, that would be the main reason why this is going to be regulated: to ensure that risks—look, there's risks in everything, but to mitigate them, that's exactly why we're putting it into that process.

Mr. Sala: The minister will agree that including provisions in Bill 35 that could allow for the private resale of electricity—perhaps from apartment owners or condo owners—outside of Hydro being in control of that direct relationship, could create scenarios where Manitobans are forced to overpay for power, which, of course, we're currently protected from, thanks to The Manitoba Hydro Act and the way it's currently written.

The minister just stated on the record that the reason they've included it is to protect Manitobans in some way. Can he just clarify: does he perceive this open-ended opportunity that this bill will create, to resell electricity outside of Hydro needing to be direct reseller? Does he perceive risks at all that might come as a result of that inclusion of that provision in Bill 35?

Mr. Wharton: We're talking about a bill that's being led by another minister, so I certainly—I don't—I know he's in—currently, the minister's in Estimates, so. But I would say, again, as I said earlier, this is going to be subject to regulation and, again, that's something that we'll protect on a go-forward.

And to the other question is, no, I don't anticipate any concerns.

Mr. Sala: We propose to the minister that there are serious concerns with this provision being included in the bill because it would fundamentally alter the potential relationship between Manitobans and how they get their power.

If this bill is used by condo owners to start reselling electricity to their tenants at hugely 'infrated'—inflated prices, that's a concern. That is a huge concern. That should be a really big concern for the minister.

I'm going to move on because now we spent 20 minutes on this question and, unfortunately, I haven't been able to get much clarity, but I think it's important to put on the record that the minister doesn't seem concerned about that fundamental change to the Hydro act, which will potentially create real risk for Manitobans.

Earlier, he'd stated—he said on the record that there were \$10-million-a-year costs for the—when the PUB does their GRAs. This is something he stated on the record.

Can the minister provide with clarity the estimated costs for the PUB last fiscal year and the year prior?

* (12:00)

Mr. Chairperson: I just—I'm just going—actually going to say this as the Chair: when we're doing specified bills that are going to be in—you know, looking at some more detailed of the bill, does that—is in the House right now, look—going to committees, we should be looking at more general, broader questions about the Estimates of the department, not so much going into details of the actual bill. That's still going to be—still be in—going into committee or second reading.

And so the understanding here should be that—we should be looking at more of a general prospect of the department, not the actual 'pecifics' of the bill. And that could be actually—these questions could be asked more—in more detail in the committees when that—when it goes—when the bill goes to committee.

So I'll just—

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: The honourable member for Concordia, on a point of order.

Mr. Wiebe: I appreciate the guidance from the Chair on the—a point of order.

As whip, I've been trying to spread my time between committee rooms this morning and I had some opportunity to be in room 255 with the Families Minister where the minister spent considerable time talking about Bill 72 and at that time when we raised a point of order, it was ruled on by the clerk and the Chair in that room that because this was a global discussion, that under the rules as set out for Estimates, it was certainly possible for any member to talk about anything they would like with relation to the—with regards to the department.

So not to—certainly want to question the guidance of the minister. I think it's good—or, of the Chair. It's good guidance, but I just wanted to share with committee that that was the ruling that was shared with us in 255, under the guidance of the clerk there.

Mr. Chairperson: I want to thank the member from Concordia on the point of order, but the thing is, when it comes to the actual bill, the specifics of the bill, it should be, again, going back to committees of 'estage'.

Here, the thing is, when it comes to the all—general aspects of the department, in general, it is global manner that we're going through here, but at the

same time, we're—it's going really major—into the detail of the bill.

So what we're going to have the clerks have discussion about what—before the next Estimates process, okay?

* * *

Mr. Chairperson: So, would the honourable minister—you—are you able to—are you ready? Or do you want some more time?

Mr. Wharton: More time, thank you.

Mr. Chairperson: Okay, thanks.

Mr. Wharton: Again, it's our understanding from Manitoba Hydro that the average general rate application is approximately \$10 million a year and, certainly, that's money that could be saved for the ratepayers of Manitoba Hydro.

Mr. Sala: The minister endeavours to provide the exact amounts?

Mr. Wharton: Appreciate the question from the member. And, again, I would like to ask the member—we'd take this question under advisement and certainly have the opportunity to get back to him at a later date.

Mr. Sala: Appreciate that the minister has committed to getting that information back to us. I think there's strong reason to suspect that \$10 million a year does not even remotely come close to the actual costs that are spent on a yearly basis on GRAs, and I think it's important Manitobans have clarity on that information.

Going back to a question that's sort of disconnected from the current flow of our conversation, I'd like to ask the minister: Has his department or any officials from Manitoba Hydro been in conversation with Xcel Energy Minnesota regarding new contracts or expanding or increasing current contracts?

* (12:10)

Mr. Wharton: Certainly appreciate the question from the member. And the member would know this, I'm sure, that discussions between Manitoba Hydro and Xcel Energy are commercially sensitive of course, naturally, and again—and confidential and are subject to non-disclosure agreements.

So the NDAs are—play an important role; you know, I certainly don't—we wouldn't be interfering in that process and certainly would respect it, and I'm

sure the member from St. James would respect an NDA, as well.

But also, too, as well, going back to his last comments about putting fear in Manitobans about \$10 million—approximately \$10 million a year in annual GRAs without him having any facts in front of him, when we've endeavoured to provide information on that question is shameful and again, an example of this member's behaviour.

You know, we've said that we would do what we can to get the information and that's exactly what we'll do and—but to set—put that fear out there amongst Manitobans is, again, shameful but again, a picture of this particular member's behaviour. So, certainly—I hope that he reflects on that.

While I have the opportunity, as well, I just wanted to share with the member from St. James regarding a Manitoba Hydro subsidiary called Meridium Power. I'm sure the member would be aware of it; if not, certainly he can look it up or we'll help provide him with information as we have throughout this Committee of Supply process.

But essentially, in Manitoba Hydro's annual report in 2007 under the former NDP government, again, states in the process of being—Meridium Power is in the process of being wound down by Manitoba Hydro. Meridium Power was formed in 1998 to distribute large horsepower single-phase motors and battery-free power protection systems for industrial and commercial applications.

And Mr. Chair, the member may know or may not, but I'll share this with him: in 2006-07 fiscal, Meridium Power's assets were written down in the total amount of approximately \$1 million. Manitoba Hydro will continue to support Meridium's technology and products with corporate expertise and resources.

Sounds like a familiar process that was done under the former NDP government in 2007 when it came to looking back at perhaps going back to core operations of Manitoba Hydro, similar to what Manitoba Hydro's trying to do now with respect to Manitoba Hydro International. So, certainly, this is an example of Manitoba Hydro looking at this under the previous NDP government. I would assume that the member would be aware of it. But wanted to make sure that this wind down of Meridian Power under the guidance and under the NDP government—former NDP government in 2007-'06-07 fiscal was wound down.

So, certainly, we appreciate Manitoba Hydro continuing to ensure that they manage their core business for the betterment of all Manitoba ratepayers, certainly, and the fact that we're having to deal with billions and billions of dollars of debt put on Manitoba ratepayers by the former NDP government.

Mr. Sala: I am going to be ceding the remainder of my time to my colleague from St. Boniface but, before doing that, I just wanted to put on the record because I think it's important for future readers of Hansard or anyone else who looks back at today and even Wednesday, our prior engagement in Estimates, that the Minister responsible for Crowns here has taken the maximum amount of time between each question—often five minutes—to respond, to provide non-answers that, frankly, are an embarrassment.

And the minister should be ashamed of his performance today and on Wednesday. Instead of answering questions, he's resorting to baseless attacks on me, as his colleagues do on other—my own NDP colleagues throughout our caucus; that's their strategy instead of focusing on the questions at hand.

Manitobans don't have many opportunities to get accountability from this government. This is one of the few venues for us to be able to do that, and he's completely wasted that opportunity to help Manitobans understand what is happening on this file. So that's very regrettable. I wanted to have that on the record.

And I'll now cede my time to the member for St. Boniface. Thank you.

Mr. Dougald Lamont (St. Boniface): Thank you to the minister and he noticed that I had shaved. Normally, when I see somebody dress up like this, I ask them if they're going for a job interview; I'm not, just so we'll get that out of the way.

First, we know time is short, so if the minister can't answer right away, if he could just commit to getting the answer to me later, that would be great.

Now, the first question is on MPI. And I'll refer to something that came up with MPI more than a year ago, which I think that may have been misinterpreted, and I think the minister may be surprised to hear that I think the government may actually have been painted unfairly in a bad light.

Because MPI, at one point, sought a legal ruling on political input into its operations. And I think this was being perceived as being a red flag because people thought, well, this is—you know, MPI is so

worried about political interference when, in fact, what may have been happening—and the minister doesn't have to confirm this, I'm just—I'm putting this out there—but MPI, a publicly owned Crown corporation, was actually looking to make decisions, even if it had meant completely defying or ignoring government.

Now, I've often spoken of the importance of an arm's-length relationship between Crowns and government, but it appears to me that MPI wasn't interested in an arm's-length relationship; they were looking to completely sever the relationship and to go rogue. And so that's one of my concerns. But I—and—but I recognize the difficult balance, that government, Crown and PUB each has a role to play and no player can go rogue.

So, you know, in the last couple of months, we've raised concerns about the treatment of collision shops. But it is, more broadly, about MPI because, as a government-granted monopoly, it has the power to put people in and/or out of business and that's a power that needs to be very tightly controlled.

But I've—and I've heard from brokers as well as collision shops say that they're concerned because if you compared MPI to Saskatchewan, MPI has somehow managed to have higher rates but pays brokers and collision shops less, as well as having lower payouts as compared to Saskatchewan. And my concern is that MPI's current tactics can mean that dozens of collision shops and possibly brokers could be out of business, especially in rural Manitoba.

So I'll ask the minister: Would the government consider asking MPI or directing MPI to consider setting a service standard, a certain level of service standard that they're expected to provide Manitobans? Because while MPI exists for MPI, we're here to represent all Manitobans. We don't want to see MPI just benefitting at the cost of collision shops, brokers or Manitobans—will have to pay more to get services.

So is telling MPI or having the government publicly direct MPI to set a service standard something the minister or the government would consider? And I'll say right away, I hope the answer is yes.

* (12:20)

Mr. Wharton: I thank the member from St. Boniface for joining the discussion now this afternoon. I know he's been online for a while and been waiting patiently, and certainly appreciate that. And also wanted to point out too, as well, I appreciate the member's tone and respect for this process as well.

And, certainly, I know that we can continue to have a discussion in the time we have left in a respectful manner, unlike the member from St. James, where we know that he always reverts back to bullying his way through the process. So, thank you to the member from St. Boniface for that—for those opening comments as well, and the question.

So certainly, we know that, as you mentioned—the member mentioned, that there—over the last two decades under the NDP, there was a lot of government interference when it came to our Crown corporations, and MPI was not devoid of that interference. We know that as well.

We know that the NDP had a history of what we call raid, raid, raid, parade when it comes to election times. Cycles are four years, as we know—as a matter of fact, I go back even when they were three years, when I was first elected in 1998 when we had three-year mandates under the former legislation. We changed that in 2000 to four years, so—but I can tell, you know, the member that the NDP would—every election year in that cycle, would dig into the MPI piggy bank and provide Manitobans, on the eve of an election, a healthy cheque out of that.

So, certainly, we're pleased, again, to have formed government with the largest majority ever in 2016 and another full and large majority in 2019 and continue, in my respect as Crown Services Minister, to ensure that we have an open and transparent, accountable and aligned relationship with our Crown corporations.

And to that point and to your point, the member from St. Boniface, moving into legislation is a way to tackle some of these concerns, and we have. And we thank the government—or, we thank MPI for working with us on Bill 15. And they understand that an independent dispute tribunal is—gives Manitobans an option outside of the MPI monopoly on making decisions.

So, exactly to the member's point, that's what we're doing in collaboration with MPI by introducing and passing Bill 15. It's unfortunate that we didn't get all-party support on that bill but, fortunately, again, Manitobans put us in a position to ensure that we can help protect and—protect Manitobans, Manitoba ratepayers and MPI—in particular, their ratepayers, in this case. And that's exactly what we're able to do with Bill 15.

And again, as we go forward, we continue to have discussions with our Crown corporations and, again, with MPI to ensure that Manitobans have more say,

much like Bill 35, through Manitoba Hydro and the Public Utilities Board. We want to strengthen it, give Manitobans more say during the process.

And the member knows that building Bipole III and Keeyask was the wrong thing to do. They didn't engage Manitobans. They didn't engage the PUB. They didn't engage Treasury Board. They didn't engage Cabinet. It was done in silos. It was done by one minister in a silo in government that was tired and out of ideas and forced this project on Manitobans and generations and generations to come.

So I know I'm on a bit of a rampage here and I apologize to the member from St. Boniface. I know he has another question, but I wanted to make sure I set the context of our discussion, because I know we're having a good, respectful discussion, and I thank the member for that.

Mr. Chairperson: The member for St. Boniface (Mr. Lamont), if you take your mic—mute off your mic.

Mr. Lamont: I thank the minister. I know I've been very outspoken, because it is a balance that has to be struck. But, you know, there's a difference between what I see as being political interference via the minister, purely speak—you know, this is purely—this is not specific to anything, this is purely generic—saying if you've got somebody who's calling someone in management, as opposed to contacting the board, or if it's being done and it's not being open, right?

So it's a completely different scenario if you or the Premier (Mr. Pallister) were to write an open letter and say this is what we're asking MPI to do—which is, I hope, something you will consider, saying we want to set public—we want to set—we were just asking MPI to set service standards to make sure that people are able to get—within a certain drive of their home, that they can get access to an MPI office or a collision place. That's the sort of thing that I would—and then figure it out from there. That's—I hope something—that's something you would consider because I think it would be—you are the minister for MPI, but we're all members for all Manitobans, right, because we can't just say well, we only care about MPI, because I think it—if they—MPI can and has acted, sometimes, on its own in a way that's not favourable to some of its most important stakeholders. So I thank the minister for that.

When it comes to—I did have a couple of questions that I—I'll try to keep these—try to pack them all in again. One is that we do have concerns. I know that

there, you know, people are talking about Hydro being profitable, but we all know that Hydro has an enormous debt. I think over 50 per cent of Hydro's revenues are currently being consumed on the combination of interest and various charges that the government itself is taking up right now. So capital taxes of the debt guarantee fee, the water rentals and those tend to go up—as we build, those have all gone up.

So one of the things that I was wondering that in 2018 the PUB suggested that to help Hydro with its—well, there's two things—to help Hydro with its financial situation, but also basically to compensate Hydro for being forced to relocate bipole that the PUB recommended that the government relax water rentals over a period of years in order to ease Hydro's financial situation, but also basically to compensate Hydro for the political difference that took place.

So I was hoping if the Premier—sorry—the minister—sorry about the accidental promotion—the Premier—geez—the minister—I'm not just saying this to butter you up, I swear—that the minister could say whether the government—this is something the government is exploring, and the other is—this is a bit more exotic. We've heard there's a possibility Manitoba Hydro might be looking to buy a small-scale nuclear reactor for Pinawa. I have no idea; I just wanted to say it without getting into the debate over whether that's the environmental impact. Is that something that Hydro is looking at? I understand that there's a law in Manitoba—can't have nuclear power right now, so how would that fit in and just, we already seem to have a surplus of hydroelectricity. If there—if—and we have—and Hydro has substantial debt, so how would—if they're pursuing nuclear power, how would that fit in with Hydro's current plans?

You have two minutes for rebuttal.

Mr. Wharton: And, again, I thank the member from St. Boniface for his question. And certainly, again, it's refreshing to hear from the member from St. Boniface, and he's done his homework on a number of areas and that's refreshing. You know, we're working in the betterment of all Manitoba ratepayers, and I can see that the member from St. Boniface has come to this Committee of Supply today with that exactly in mind, and certainly I do appreciate that. And his tone is very refreshing as well.

You know, I mentioned earlier on this morning about, you know, Manitoba Hydro moving forward with their strategy as they go forward, recognizing,

you know, other forms of energy coming to not only Manitoba, but to the world.

Even the member from St. James and I have had a discussion on new energy coming and how that can be looked at and how that can be incorporated. I know the member from St. James is talking about hydrogen. Certainly, that is one that we need to keep our eyes on, I think. You know, solar power has been here for a bit. Wind power, of course, is an option—clean and green, as well.

And, you know, in reference to groups or small nuclear reactors, I mean, those are other areas that we need to keep an eye on. I know Manitoba Hydro would like to keep an eye on too, as well, to ensure that, you know, they can continue to provide hydro-electricity to Manitobans with respect to our capability to produce good green clean energy here in Manitoba locally.

So, certainly, we know that even the challenges in, say, northern Manitoba when it comes to providing electricity to, say, First Nations, for instance, and I know the member from St. Boniface is very passionate, as we are, about providing services to and helping with our federal partners to provide services to our First Nations communities.

And we know, and the member knows that—

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

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker: The hour being 12:30 p.m., the House is adjourned and stands adjourned until Monday, 1:30 p.m. in the afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 28, 2021

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