

Third Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Human Resources

Chairperson
Mr. James Teitsma
Constituency of Radisson

Vol. LXXI No. 1 - 6 p.m., Tuesday, May 8, 2018

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

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ALLUM, James	Fort Garry-Riverview	NDP
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**LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON HUMAN RESOURCES**

Tuesday, May 8, 2018

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. James Teitsma (Radisson)

**VICE-CHAIRPERSON – Mr. Jon Reyes
(St. Norbert)**

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

*Hon. Messrs. Cullen, Friesen, Gerrard,
Pedersen*

*Messrs. Lagimodiere, Lindsey, Reyes,
Mrs. Smith, Messrs. Teitsma, Wiebe, Wowchuk*

PUBLIC PRESENTERS:

*Bill 20–The Employment Standards Code
Amendment Act (2)*

Ms. Sarah Hawkins, Canadian Cancer Society

*Mr. Kevin Rebeck, Manitoba Federation of
Labour*

*Mr. Jonathan Alward, Canadian Federation of
Independent Business*

*Ms. Michelle Gawronsky, Manitoba Government
and General Employees' Union*

Mr. Geoff Bergen, private citizen

*Mr. Paul Moist, Canadian Centre for Policy
Alternatives, Manitoba*

*Bill 5–The Public Interest Disclosure
(Whistleblower Protection) Amendment Act*

*Mr. Ken Cameron, Manitoba School Boards
Association*

*Bill 23–The Commodity Futures Amendment and
Securities Amendment Act*

*Ms. Elsa Renzella, Investment Industry
Regulatory Organization of Canada*

Ms. Lucy Becker, private citizen

WRITTEN SUBMISSIONS:

*Bill 5–The Public Interest Disclosure
(Whistleblower Protection) Amendment Act*

*Joe Masi, Association of Manitoba
Municipalities*

*Bill 6–The Public Sector Compensation
Disclosure Amendment Act*

*Joe Masi, Association of Manitoba
Municipalities*

*Bill 23–The Commodity Futures Amendment and
Securities Amendment Act*

*John Silver, Community Financial Counselling
Services; and Carinna Rosales, and Louise
Simbandumwe, SEED Winnipeg Inc.*

MATTERS UNDER CONSIDERATION:

*Bill 5–The Public Interest Disclosure
(Whistleblower Protection) Amendment Act*

*Bill 6–The Public Sector Compensation
Disclosure Amendment Act*

*Bill 20–The Employment Standards Code
Amendment Act (2)*

*Bill 23–The Commodity Futures Amendment and
Securities Amendment Act*

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Mr. Chairperson: Good evening. Will the Standing Committee on Human Resources please come to order.

Our first item of business is the election of a Vice-Chairperson.

Are there any nominations?

Mr. Alan Lagimodiere (Selkirk): I nominate Jon Reyes.

Mr. Chairperson: Mr. Reyes has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Reyes is elected Vice-Chairperson.

This meeting has been called to consider the following bills: Bill 5, The Public Interest Disclosure (Whistleblower Protection) Amendment Act; Bill 6,

The Public Sector Compensation Disclosure Amendment Act; Bill 20, The Employee Standards Code Amendment Act (2); and Bill 23, The Commodity Futures Amendment and Securities Amendment Act.

I would like to inform all in attendance of the provisions and our rules regarding the hour of adjournment. A standing committee meeting to consider a bill must not sit past midnight to hear public presentations or to consider clause by clause of a bill, except by unanimous consent of the committee.

We have a number of presenters registered to speak tonight, as noted on the lists of presenters before you. On the topic of determining the order of public presentations, I will note that we have a couple of out-of-town presenters in attendance, marked with an asterisk on the list.

We also have a special request to consider the out-of-town presenters for Bill 20 first to allow them to go to the other committee room. *[interjection]* Just one. One member, Sarah Hawkins, from Bill 20, first, and then to proceed with the rest in order.

With these considerations in mind then, does the committee wish to hear those presentations in that order? *[Agreed]*

Written submissions from the following persons have been received and distributed to committee members: Joe Masi, Association of Manitoba Municipalities, on Bill 5; Joe Masi, Association of Manitoba Municipalities, on Bill 6; and John Silver, community counselling services, and Carinna Rosales and Louise Simbandumwe, SEED Winnipeg, on Bill 23.

Does the committee agree to have these documents appear in the Hansard transcript of this meeting? *[Agreed]*

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

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

As well, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another five minutes allowed for questions from committee members.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript, and every time someone wishes to speak, whether it be an MLA or a presenter, I first have to say that person's name. This is the signal for the Hansard recorder to turn the mics on and off.

So thank you all for your patience. We will now proceed with the public presentations.

Bill 20—The Employment Standards Code Amendment Act (2)

Mr. Chairperson: I will call upon Sarah Hawkins to come forward on Bill 20.

Ms. Hawkins, do you have any written materials for distribution to the committee?

Ms. Sarah Hawkins (Canadian Cancer Society): I do.

Mr. Chairperson: Please proceed with your presentation whenever you're ready.

Ms. Hawkins: All right. Thank you very much.

Good evening, members of the standing committee on human services. My name is Sarah Hawkins. I'm a health policy analyst with the Canadian Cancer Society here in Manitoba, and I thank you for the opportunity to speak today to Bill 20.

The Canadian Cancer Society is a national community-based organization of volunteers with the mission to eradicate cancer and enhance the quality of life of people living with cancer. We believe that family caregivers must have easy and timely access to supports, programs and services they need when providing care for an ill or dying loved one. For this reason, I'm here today to demonstrate our support for the specific sections in Bill 20 which provide job-protected leave for family caregivers.

As Canada's baby boomer generation ages, there will be a surge in cancer cases, as with other chronic disease. This surge has already begun. Right now, roughly 18 people are given a new cancer diagnosis every day in Manitoba. By 2030, closer to 23 Manitobans will be newly diagnosed every single day. The increase in cancer and other chronic diseases will continue to put an enormous burden on families caring for ill and dying loved ones at home. Canada's formal health-care system is failing to provide adequate caregiving support to a growing demographic of people in need of care, and unpaid family caregivers are filling this void, but too often at the cost of personal, emotional and financial well-being.

Nearly three in 10 Canadians are family caregivers. The overall financial costs incurred by these caregivers, in addition to the mental and emotional stress of caring for a loved one, are substantial. According to a 2017 CIBC economic report, close to 30 per cent of workers with parents over the age of 65 take time off from work to care and provide for that loved one, sacrificing roughly 450 working hours a year. That translates into roughly \$27 billion of lost income or foregone vacation time every year. According to Stats Canada, parents caring for critically sick children are even more likely to face financial hardship than those caring for parents.

For many years, the Manitoba government has been a nationwide leader in support for family caregivers. Manitoba was one of the first provinces to introduce job-protected compassionate-care leave for family caregivers back in 2004. In 2011, our government introduced a one-of-a-kind Caregiver Recognition Act, which ensures ongoing attention to the needs of caregivers in this province. We are also one of the only provinces that offers a tax credit for primary caregivers. So it's encouraging, but not altogether surprising, that we would be one of the first provinces in Canada to align with the new additional federal caregiver benefit by offering an additional 17 weeks of job-protected leave for caregivers in Manitoba.

*(18:10)

The original compassionate-care benefit and accompanying job-protected leave established almost 15 years ago provided support specifically for caregivers of people who were near death. Patients needed to be considered likely to die within 26 weeks of—for caregivers to be eligible. While

this is an important support system for family caregivers, the eligibility criteria excluded a lot of individuals providing care.

In 2013, the federal government recognized the unique needs of parents caring for critically sick kids and developed a longer benefit program for them. Manitoba was quick to respond with accompanying job-protected leave.

In 2015, the federal government extended the period of basic compassionate care leave, benefit coverage—sorry, for six weeks—from six weeks to six months, and Manitoba again quickly followed suit with job protection.

Finally, late in 2017, the federal government added a smaller additional benefit for caregivers with broader eligibility criteria for those caring for adult loved ones who are critically ill but not necessarily at risk of dying. Bill 20, which is being addressed today, would ensure that Manitoba caregivers are able to access that new 15-week benefit without risking losing their jobs.

Job protection is critically important to reduce barriers for family caregivers and to diminish the stigma associated with absences from work to provide family care. Thanks in part to provincial job protection, roughly 3,000 Manitoba families have been able to collectively access over \$5 million in compassionate care benefits since 2004. Job protection for caregivers may seem like a small policy measure, but don't undervalue the impact it could have for many Manitoba families.

As I commend the government and support Bill 20, I would encourage this committee to consider one additional amendment. Given all the leadership that Manitoba takes in supporting caregivers, there is one piece of policy within the Employment Standards Code that seems out of place. Section 59.2, clause 6, regarding compassionate care leave indicates that Manitobans accessing up to 28 weeks of job-protected leave may only break that leave up once into two distinct leaves within a one-year period. The federal compassionate care benefit can be taken with no maximum number of instalments, as long as each instalment is at least one week long, and every other province and territory in Canada allows citizens to break up compassionate care leave into an unlimited number of leaves provided each is at least one week long.

Now caregivers are often needed most when their loved ones are undergoing treatment with

severe side effects such as extreme nausea and pain. Individual treatment schedules can vary considerably based on the needs of the patient. So requiring caregivers to schedule their leaves in no more than two instalments would make it very difficult for some family caregivers to be there for their loved ones when needed most. Manitobans living with life-limiting or serious illnesses deserve to be with, and receive support from, their family members when they need it most. Flexibility to take off time when needed most also ensures that caregivers are optimizing their time caregiving, and they are productive at work when they are not needed at home.

For all these reasons, the Canadian Cancer Society is asking this committee to live up to the government's long-standing reputation of leadership in support of caregivers by removing section 59.2, clause 6, from the Employment Standards Code.

When government policies to support caregivers are functioning optimally, caregivers experience less stress, their work disruption is minimized, their financial burden is minimized, people at the final stages of life have more options to spend the last days at home with loved ones and acute-care resources are freed up for those who need them the most. Everyone in Manitoba benefits.

Thank you again for this opportunity to speak and for your ongoing support for family caregivers in this province.

Mr. Chairperson: Thank you very much for your presentation.

Do members of the committee have questions for the presenter?

Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade): Thank you, Ms. Hawkins, for coming in today and presenting on this, especially thank you for your work with the Canadian Cancer Society. We—everyone's been touched by cancer in some way or other, and so your good work is certainly appreciated. And we'll—we will look at your recommendation here too.

Mr. Chairperson: Would you like to respond to—*[interjection]* Okay.

Mr. Gerrard.

Hon. Jon Gerrard (River Heights): Thank you for your presentation. I wonder if you can expand a little bit more on why it's so critically important to be able to have the leave for a caregiver spread out and not

just defined into two packages. I mean, is it many caregivers who would, you know, take a week here and there for—in order to be able to support and provide the caregiver?

Ms. Hawkins: It would only be for one person. The way that compassionate care works is you do have 28 weeks, and I believe they have to be taken within a one-year time frame. But, if they're only allowed to separate that up into two distinct leaves, especially for cancer patients, they're usually still undergoing radiation treatment even if they have a palliative diagnosis, and they don't control when radiation occurs. And those are really optimal times for caregivers to be heavily involved, and that just may not be feasible with breaking the leave up only into two sections.

Mr. Tom Lindsey (Flin Flon): Thank you very much for your presentation, and certainly your suggestion of a possible amendment seems pretty reasonable, and it's something that for sure I would encourage the government to look at, and it's something that I'm pretty sure we can all get behind. So I'd be interested in hearing more about some of the other jurisdictions that have already got that in place. And has there been any issues that you're aware of?

Ms. Hawkins: There haven't been any issues that I've been aware of, and, again, it is every single other province and territory in the country.

Mr. Chairperson: Any further questions?

Seeing none, I thank you very much for your presentation, Ms. Hawkins, and I wish you well on your way to the other committee room.

Bill 5—The Public Interest Disclosure (Whistleblower Protection) Amendment Act

Mr. Chairperson: I will now call on Ken Cameron from the Manitoba School Boards Association, on Bill 5.

And if you'll just give us a moment to switch ministers here. Do you have any written materials for distribution to the committee? No.

All right, Mr. Cameron, you can proceed when you're ready.

Mr. Ken Cameron (Manitoba School Boards Association): Well, good evening. On behalf of the Manitoba School Boards Association, or MSBA, I would like to thank the committee for permitting us the opportunity to appear to address Bill 5.

I'm Ken Cameron, and I am MSBA's president. We represent the 38 public school boards of Manitoba and are tasked with providing quality education for close to 185,000 students across this province. As holders of the public trust in matters of school budgeting and educational investments in the future of our students and communities, there can be no greater cause than the enforcement of greater accountability and transparency. For this reason, MSBA is supportive of Bill 5 and the application of The Public Interest Disclosure Act to school boards, school divisions and school districts.

The legislation that is proposed under Bill 5 will help school boards to further establish independent oversights and clearly defined processes for such disclosures. While use of this—of these legislative provisions will, we hope and trust, remain minimal, at the same time, we believe that the local democracy that we have in this province can only be further strengthened through the adoption of these additional measures.

For several years now, MSBA has sought to bring school boards under the full accountability and oversight of the Manitoba Ombudsman, given that we are already subject to the Ombudsman oversight in matters of freedom of information and protection of privacy. Today's legislation will help bring us that much closer to achieving our request. For this reason, ladies and gentlemen of the committee, we wish to appear before you to signal our support for the extension of these protections and oversights to all school boards. We are grateful to the government for working alongside of us to ensure our comfort with this bill and for consulting with us in advance of its introduction.

Thank you for your time.

Mr. Chairperson: Thank you very much, Mr. Cameron.

We'll now proceed to questions from the members of the committee

Hon. Cameron Friesen (Minister of Finance): Thank you, Mr. Cameron, for being here this evening and for signalling your support for the bill. We thought it was important to bring measures to strengthen the provisions of this legislation and thank you for your endorsement of it. I think we both understand it is just one more tool and one more way that we're able to express to workforces that there are avenues available to them.

I wonder if you might just comment briefly on a few things in the bill. We've sought to both bring good changes while still protecting whistle-blowers. For instance, one of the measures of this bill seeks to strengthen protections by prohibiting the disclosure of the whistle-blower's identity in civil court proceedings or in a proceeding of an administrative tribunal. Do you think that provision in this bill will be important for your members?

Mr. Cameron: Yes, I believe it would be. What we found in school boards and any issues we've had is that that is key, that the people that come forward can remain anonymous.

* (18:20)

Mr. Matt Wiebe (Concordia): Well, I wanted to thank you as well, Mr. Cameron, for coming in. I appreciate you lending your voice to the committee this evening. You're certainly no stranger to these committee hearings, and we've had a chance to see you on a number of them. You do an amazing job at representing your constituents and I appreciate that you've identified the importance of local democracy, which I think your organization represents. So it's important to have your voice here tonight, and I appreciate that.

I just wanted to explore a little bit further, when you mentioned the Ombudsman—the role of the Ombudsman with your organization and how this bill is potentially one step further to being at the level of accountability that your organization is seeking.

Can you maybe just expand a little bit on how the Ombudsman—the powers could be enhanced in terms of the relationship of overseeing your organization and ways that legislation like this could help further enhance that role of the Ombudsman?

Mr. Cameron: Yes, I—for us, falling under the Ombudsman and that request stems from the fact that if there are issues, sometimes they tend to build until they go directly to the government. And that's never a good thing that they build that long. So we're hopeful that under this legislation that—with falling under the Ombudsman and with the work they do, that it will—can be solved before it becomes a bigger problem, I guess, is the key there.

And I guess the scope of that is because it's new to us, I guess we'll—hopefully it will all work out and we'll see where it goes.

Hon. Jon Gerrard (River Heights): Just a question of clarification in terms of who is covered. Let me give you two examples.

One is that the schools are—increasingly have child care—early childhood and learning activities going on within the schools. Would they be covered?

And the second example would be we have a diverse array of schools in the province. Are there any schools which would not be covered by this legislation?

Mr. Cameron: As far as the diverse schools, I guess what we're really asking for is the boards, the divisions and the districts themselves. As far as individual schools, I guess that would fall under the division.

And when it comes to the child-care spaces that you refer to, some of those that are built in schools are not really directly controlled by the school divisions. They're using space in our buildings, but we don't really control them, so I'm not sure I can comment on to whether they should be in that as well.

But as far as individual schools, I think that we're looking for school boards, school divisions—the governing bodies of those schools.

Mr. Chairperson: Thank you very much. Seeing no further questions, I want to thank you so much for your presentation tonight.

**Bill 20—The Employment Standards Code
Amendment Act (2)**
(Continued)

Mr. Chairperson: We'll now move on to the next out-of-town presenter going in the order of the bills. So that takes us back to Bill 20, and we're going to hear from Kevin Rebeck, the Manitoba Federation of Labour on Bill 20.

Mr. Rebeck, do you have any written materials for distribution to the committee?

Mr. Kevin Rebeck (Manitoba Federation of Labour): Yes.

Mr. Chairperson: Very good. You may proceed with your presentation whenever you are ready.

Mr. Rebeck: The Manitoba Federation of Labour is Manitoba's central labour body, representing the interests of more than 100,000 unionized workers.

We have serious concerns about a number of elements of this bill and the impact they'll have

on working families and vulnerable workers. This bill includes a number of proposed changes to The Employment Standards Code, some of which our movement agrees with but many which we oppose. I wish to provide some context on the bill and why we're very concerned about the precedent it sets in terms of rejecting a number of joint recommendations from labour and business.

We also have deep concerns about the way this bill was pushed forward without first hearing the recommendations of the Labour Management Review Committee on a number of items. When a provincial government of any stripe refuses to listen to the advice of the business and labour community together—advice that the government itself has asked for—it should concern all Manitobans. After all, it's the employers and workers who have to live and work with the rules set out in employment standards. Unfortunately, refusing to listen is exactly what the Pallister government has done in introducing Bill 20, The Employment Standards Code Amendment Act.

The Labour Management Review Committee, or the LMRC, has existed for several decades, serving as a forum for labour and employer representatives to work through complicated and sometimes divisive issues with the goal of coming to an agreement on the best path forward for all Manitobans.

The LMRC has provided good advice to successive governments of different political backgrounds who've seen the value of building consensus on issues that affect workers and employers. When government sends issues to the LMRC to be reviewed, the employer and the labour representatives of the committee do their best to find a constructive path forward that both labour and employers can agree on. When consensus is reached on an issue, the provincial government has almost always accepted our advice.

I say almost because for the first time that anyone can remember, the government of Manitoba has rejected the consensus recommendations of the LMRC on not only one but three separate important issues; instead, pushing ahead with its own agenda.

The first shoe to drop involved the legislative minimum wage for security guards. Last fall, security guards were caught off-guard when the Pallister government decided to freeze their pay just days before a legislative pay increase was to take effect. The government claimed it wanted to hear from the LMRC first, but, when the LMRC reported back with consensus advice to proceed with the

legislated wage increase, the Pallister government inexplicitly said no.

The fact that employers and workers in this sector supported the legislated wage scale did not carry any weight with this government. It was clear they had made up their minds from the start. Unfortunately, Bill 20 includes two more changes that fly in the face of advice from the Labour Management Review Committee.

Government also asked for our advice on the critically important question of when young people should be able to begin their work lives and ignored our advice. Business and labour had recommended setting the safe minimum working age for children at 14 years old, as it is both in Ontario and Saskatchewan. This advice was given after careful consideration of the hazards that face young workers on the job and the prevention strategies for keeping them safe. Instead, this bill would set the age at a weaker minimum age of 13.

We should be doing all we can to ensure young workers are properly prepared to be at work and be safe on the job. Proposing a lower standard than our neighbouring provinces is not a way to ensure that. Instead of listening to the joint advice of the LMRC, the Pallister government's legislating a complex and potentially dangerous scheme designed to allow children as young as 13 years old to obtain employment permits. No government should roll the dice with the safety of our children.

We were also asked to consider a proposal put forward by the department to give extraordinary new powers to the director of Employment Standards to refuse to allow a worker to make an Employment Standards claim, violating their basic right to due process. This proposal was flatly rejected by the LMRC, but, inexplicitly, the Pallister government is moving ahead with the removal of this due process just the same.

If this government isn't listening to either labour or business when it comes to employment issues, then who are they listening to? In addition to rejecting the consensus advice of the LMRC, this bill also includes a number of changes that government had asked the committee for advice on but did not wait for before introducing the bill.

One of these changes is that Bill 20 would allow employers and employees to enter into an agreement specifying different standard hours of work than the default standard hours provided for in the act. We are

concerned that the effects of these proposed changes would mean that some workers essentially work a large number of hours without adequate breaks in between. We think that a two-year maximum time limit on these types of agreements should be put in place to account for the number of industries with high levels of staff turnover, and we also think that a four-week cycle is more appropriate.

With respect to the provisions in this bill that would exclude unionized workers from accessing Employment Standards dispute resolution process, we continue to be concerned with this government's inability to provide us with basic information about why this is needed, how many workers this would impact, and why they think certain workers should be excluded from this process.

To date, our answers remain unanswered, and it's indefensible that government would move forward with this type of exclusion without being able to explain its rationale or the impacts of this decision and without hearing from representatives of the workers or the employers that are going to have to live with this decision.

* (18:30)

While we are pleased that after months of delay, the Pallister government finally wants to enable Manitoba to mirror the federal government's extensions to parental leave and critical illness leave, which the LMRC has unanimously endorsed, it's deeply troubling that government would lump these positive changes for working families in with the number of changes that go completely against what business and labour community think is in the best interest of Manitobans.

The government had an opportunity to pass a stand-alone bill introduced by the NDP which would have aligned these extensions with the federal changes in the fall, but refused to do so. Working families deserve a government that listens and follows good advice to make changes that are in their best interests. Unfortunately, the Pallister government continues to go it alone without listening to anyone.

Thank you.

Mr. Chairperson: Thank you for your presentation.

We'll now move on to questions by members of the committee.

Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade): Thank you, Mr. Rebeck, for your presentation.

Mr. Tom Lindsey (Flin Flon): Thank you, Mr. Rebeck, for your presentation.

You've talked a little bit about the extended work hours that workers may be subjected to with this legislation.

Could you just expand a little bit on what some of the ramifications from a health and safety point of view or a community point of view might be and your thoughts on workers having a voice in actually saying yes or no to that extended work schedule?

Mr. Rebeck: Sure. The change that looks at averaging hours over a broader period of time and for a fast-track system that lets employers deviate from the normal hours of work that are eight–four 8-hour shifts. So what this does is it lets you average hours over a period of time, I think—I forget what the bill is tackling. Is it 12 weeks? We were suggesting it be four and it could let people work 12- or 16-hour shifts back to back, which could people—put people in risk of working long hours without adequate breaks, without rest periods for them to have some time away from a job to get proper rest and be sharp and on–focused on the job and be able to function in a safe way.

If you average it over longer period of weeks, it means you could bundle up all of their shifts in the first week to work seven or eight back-to-back 12-, 14-hour shifts, and that can be exhausting for anyone, and people, then, could end up making mistakes and their health is at risk, as is the work of their coworkers.

Hon. Jon Gerrard (River Heights): Yes, two points. One is, do you think this attempt to bundle things up is as a result of them wanting to have more mandatory overtime in places like St. Boniface Hospital and they want to make sure that's possible?

And the second point deals with the fact that employees who are covered by a collective agreement can't make a complaint directly to the director, and I ask you the other question, you know, why should employees who are covered by a collective agreement be able to make a—raise a concern directly with the director? Why is that so important?

Mr. Rebeck: So two things. There is concern that they've bundled all these issues together, and I thank you for raising that.

These are a lot of distinct, separate issues that impact workers in different ways, and packaging these all together, particularly when the business and labour community have said this isn't the change that they want, this isn't the change that is best for Manitobans, is disturbing, especially when they lump in two extensions to leaves that are. It puts us in a bit of a quandary, saying, well, those leaves need to be passed and workers need to avail themselves to them, but there are a number of challenges and concerns in the other area. So that's a big concern.

Your question about union members no longer being able to access employment standards is one we've asked. We're trying to identify what exactly is the problem that's being solved, and can we have some examples of how workers might be impacted so that we could weigh does that make sense. And it may make sense, but we are worried that if we're not understanding what that impact will be and no examples are being given to us, what is that, and we think government should explain and justify that sort of change before moving ahead with it.

Mr. Chairperson: Mr. Lindsey, there's one minute total remaining.

Mr. Lindsey: So quick question. The director having the ability to decide what's frivolous and what isn't without ever doing an investigation into a complaint, your thoughts on that.

Mr. Rebeck: When the idea came forward, and presented to both business and labour caucus, that a director could just dismiss claims—it's no reflection on any individual that serves in that office—but eliminating the due process of letting people have their concerns heard is troublesome to both sides. Business and labour both thought immediately that that doesn't seem fair, that isn't natural justice, there is no appeal mechanism. And we were told the number of complaints this would have eliminated in the past may have been one or two in the last 15 years.

If that's the kind of change we're making, then the negative impacts far outweigh any potential benefit that could be given by giving the director those sorts of powers.

Mr. Chairperson: All right. Thank you, Mr. Rebeck, for your presentation.

Bill 23—The Commodity Futures Amendment and Securities Amendment Act

Mr. Chairperson: We will now move on to the next presenter. Looking at the list of out-of-town presenters, we are now in Bill 23.

And I'd like to call Elsa Renzella, senior vice-president of the Investment Industry Regulatory Organization of Canada.

Ms. Renzella, am I saying your name correctly?

Ms. Elsa Renzella (Investment Industry Regulatory Organization of Canada): Perfectly.

Mr. Chairperson: Oh. Okay. And do you have a written presentation for the committee?

Ms. Renzella: I do, and I just handed—

Mr. Chairperson: All right. We'll allow that to be distributed, and you can proceed with your presentation whenever you're ready.

Ms. Renzella: Good evening, and thank you to the Chair and the members of the standing committee for the opportunity to speak today regarding Bill 23.

My name is Elsa Renzella, senior vice-president of registration and enforcement of the Investment Industry Regulatory Organization of Canada, otherwise known simply as IIROC.

I would like to take this time to explain why we believe this bill deserves the committee's support and should be passed by the Manitoba legislator this spring.

Let me also say at this time that the Manitoba Securities Commission was consulted during the drafting of this legislation and also supports its passage.

Briefly put, this bill will permit IIROC to better protect Manitoba investors at no cost to the government or taxpayers. It will do so in three ways. First, it will grant us greater ability to collect fines; second, it will provide IIROC with the necessary statutory protection when carrying out its regulatory responsibilities; and third, it will clarify IIROC's ability to appeal our disciplinary-hearing-panel decisions to the Manitoba Securities Commission to ensure that the right result is achieved.

Now, in the materials that were just handed out, you'll find some—not only copies of my speaking notes this evening, but some background information about IIROC. So I do not intend to go into much

detail, but I do want to spend some time explaining what IIROC is and what we do.

Simply put, IIROC is the public-interest self-regulatory organization that oversees Canadian investment firms, their investment advisers, along with all the trading activity on Canada's debt and equity marketplaces. We are pan-Canadian, officially recognized by all securities commissions, including Manitoba, as a self-regulatory organization of the investment industry.

There are almost 600 individual investment advisers approved by IIROC who serve Manitoba clients, working in over 160 offices in the province of Manitoba. So you can see that the investment industry plays an important role in the Manitoba economy, helping Manitobans achieve their financial goals and save for their retirement.

Now, IIROC sets and enforces rules regarding the proficiency, business and financial conduct of our firms and their employees. In addition, we set rules and enforce rules to ensure that our capital markets operate with integrity in a fair and orderly manner.

Now, we oversee investment dealers and approved individuals in various ways, including compliance audits of these firms and surveillance and review of trading activity, both in real time and post-trade.

IIROC enforcement plays a key role in protecting investors and supporting healthy capital markets. We ensure timely identification, investigation and prosecution of misconduct, as well as taking proactive steps to detect and pre-empt potentially harmful misconduct.

Now, we have provided, in the materials, the most recent—it's hot off the presses—2017 Enforcement Report, which expands upon what we do, how we do it, and also includes some key statistics. So, by way of example, this past year, you will see that we received over 1,100 complaints across the country. We completed 127 investigations nationally, two of which were based in Manitoba.

* (18:40)

We completed 44 prosecutions, two of which were based in Manitoba, and, in total, we imposed fines and costs of approximately \$4.4 million against individuals and firms, 3.4 of which were levied against individuals who engaged in regulatory

misconduct, which leads me to the issue of fine collection.

Unfortunately, not all of these fines are collected. This fact alone highlights the importance of Bill 23, and how it will enhance Manitoba's confidence in the regulatory system and in the elected officials who support it.

Now, to put a human face on the issue, let me highlight a 2015 case which hits close to home. A Winnipeg investment adviser was disciplined by IROC for making unsuitable investment recommendations for 11 of his clients. These clients included Manitoba railway workers, some retired, some nearing retirement, who trusted the adviser completely and, in some cases, did—invested portions of their pensions.

Eight out of 11 clients suffered losses as a result of this misconduct, ranging from losses from \$13,000 to \$45,000. Now, some people may think this is insignificant, but I'm sure you'll agree that losses of this nature would have a significant impact for those living on a fixed income and who rely upon it during their retirement years.

The adviser was fined in order to pay costs in the amount of \$110,000. However, the adviser no longer works for an IROC-regulated firm, and has not paid the fine. Bill 23, currently being considered, will provide us with the ability to pursue collections of fines against individuals such as this adviser, who harm investors, especially seniors who are vulnerable and need our protection.

While IROC usually collects all fines against firms, this is not the case with individuals who we discipline. As with the case just discussed, individuals can evade payment simply by leaving the industry and no longer being registered with IROC.

As of March 31st of this year, our national collection rate against individuals we've disciplined was only 20 per cent. In Manitoba, there are currently \$911,000 in unpaid fines owned by disciplined—owed by disciplined individuals since 2008. This translates to almost two thirds of the fines we've levied in this province that have remained unpaid.

This is clearly wrong and needs to be addressed. Investors must be confident that firms and individuals are complying with the rules, and, if they are broken, they will have real consequences attached to them. Knowing that we can collect fines through the courts, which Bill 23 provides, will act

as deterrent to individuals who might otherwise consider engaging in this type of misconduct.

It should be noted that the fines are put to good use for the benefit of investors as a whole. Under our recognition orders from the securities commissions across the country, all fines collected can only be used for certain identified purposes, including investor protection and education, and programs to address emerging regulatory issues.

Now, in Alberta and Quebec, the governments have given us this power to collect fines through the courts. Not surprisingly, our collection rate in those two provinces have historically been higher than our national rate.

Last May, Ontario gave a similar power, and we have observed a change in behaviour, in Ontario, by those facing disciplinary action. They now know the penalties we are seeking are real, and they cannot simply escape the consequences by leaving the registered sphere.

And now we are pleased to see that the Province of Manitoba, through this piece of legislation, is providing us with this necessary enforcement tool to more effectively collect fines by giving us the ability to enforce our sanctions through the court system.

I'd like now to turn to another aspect of the bill, statutory immunity. IROC carries out its mandate under the terms of its recognition order issued by the securities regulators, including Manitoba, and pursuant to the provisions of provincial securities legislation as well.

Now, if the Manitoba Securities Commission and its staff were to carry out these same regulatory duties, they would have the benefit of the protections contained in The Securities Act. It provides immunity for acts done in good faith in the performance of any duty or exercise of power under their securities law.

Unfortunately, these protections currently do not apply to IROC. IROC, its staff, and even our disciplinary hearing panel members, which, in Manitoba, are those who work in the industry or are ex-legal representatives or former judges, are potentially exposed to the threat of legal action for actions taken by IROC while carrying out its public-interest mandate, even when those actions are conducted in good faith.

Bill 23 addresses this inequity and will minimize the risk of liability which may hinder IROC's ability

to take appropriate action for the protection of Manitoba investors.

Now I'd like to just briefly touch upon another aspect of the bill, dealing with the right of appeal. I don't intend to spend much time on this amendment being proposed. I will say it's a technical point of clarification, albeit an important one. The proposed legislation makes it clear that IIROC staff have the right to appeal for a review of one of our disciplinary decisions to the Manitoba Securities Commission. This amendment provides parity and fairness for both parties to an IIROC hearing, allowing staff, like the respondent, to appeal. This amendment brings Manitoba in line with other jurisdictions across Canada.

Before I conclude, I want to take some time to speak about one other area not included in Bill 23. That is the ability to compel co-operation by non-IIROC registrants with our investigation and disciplinary process. In Manitoba, we have only—

Mr. Chairperson: The time for presentation has expired.

Mr. Matt Wiebe (Concordia): Can we just ask for leave of the committee to allow the presenter to finish speaking?

Mr. Chairperson: Is there leave of the committee?
[Agreed]

You may proceed.

Ms. Renzella: In Manitoba, we only have the ability to obtain evidence from firms and individuals registered with us. We have no ability to obtain evidence from third parties not under our jurisdiction. This poses a significant challenge to our ability to effectively investigate and prosecute wrongdoing. In our view, it is a fundamental investigative tool that should be available to us. Let me provide you with one example. Let's imagine an investment adviser is accused of misappropriating funds from a client's account and using them for personal benefit. We have access to the client's account. We can see the funds being withdrawn, however, we have no right of access to the bank—the adviser's bank information to see if those funds might have been deposited there, elsewhere, or used for his own personal benefit.

Now the Alberta government recently recognized the importance of this tool and last year granted IIROC the authority to collect evidence from third parties. Quebec has also tabled similar

legislation currently being considered in its National Assembly. So we don't know whether it's possible for you to include such a provision in Bill 23 that you're considering, but I wanted to signal that we believe it is worthy of consideration, either now, or at some later point, should you revisit amending The Securities Act.

Our goal is simply to be consistent in providing investor protection from coast to coast. And we believe there's good reason that investors in Manitoba should have the same protection as those in Alberta and Quebec. So subject to any questions, those are my remarks.

Mr. Chairperson: Thank you for your presentation. We'll now move on to questions from the committee.

Hon. Cameron Friesen (Minister of Finance): I thank you, Ms. Renzella for being here and giving your comments on behalf of your organization, respect of these amendments. I had a chance to meet with your president as well. We've appreciated the interactions with IIROC and the regular stakeholder meetings that we have with your group. And we actually, of course, appreciate the protectors that you bring, more importantly, for investors. I know that your president had said about amendments that they will be important in as much as they spell out that we want accountability. And that for bad actors, they are put on notice that they can expect to have more stringent measures for prosecution.

Thanks for sharing with us. That—this hits home. Even in Manitoba, two thirds of fines unpaid in this jurisdiction—it is not enough to say to groups, as long as you're a part of this organization, you're subject to those fines, but if I cease to have that professional designation that somehow, I'm free and clear. Even though others may be hurting and more than smarting through the loss of savings and invested amounts. So we like the amendments. We tried to listen hard to get this right.

* (18:50)

I don't dismiss what you're saying about this one other area. I am going to ask you a question about that. It was our opinion in the final analysis when it came to being able to compel third-party witnesses to provide evidence that it seemed to be an extraordinary power, that would more regularly be given to a—you know, generally, to other kinds of government-related entities. It seemed extraordinary

in nature. Nevertheless, we will continue to follow the experience of other jurisdictions.

I would ask first if there are any provinces, then, besides Alberta, that have put that in place. And the second question I would ask is just the clarification you might provide in terms of when it came to immunity. I know that you had suggested a friendly amendment. Your organization had said, we could help you with language here. Did you want to explain a bit about how IIROC had suggested language changes that would technically help us to tidy up what we were intending to put in place for immunity?

Ms. Renzella: With respect to your first question, Alberta is the only province that has given us the authority to compel evidence from third parties. It's—no other—Quebec is considering it right now, so it is—it's tabled in their legislation. PEI has given us partial powers to compel evidence at the disciplinary stage. So that's the current status of those. And I do recognize the points you made about the extraordinary power. If I may, I would just say it is a power that is not unchecked. The way it's structured in Alberta provides, in my view, sufficient protections and checks and balances to ensure that it is not abused. Equal when the securities commissions do it, we have to act reasonably. If there are issues in terms of overreach, the party subject to that order has a process to challenge it like they would in the court system or with the relevant securities commission.

With respect to the immunity, I believe—the way the initial—I think the drafting has been corrected, but if I can just sum up what the modification was, the initial drafting only gave IIROC immunity with respect to the specific delegated powers under one provision in The Securities Act, section 31.5, which dealt with registration powers. Those—in reality, we—the Manitoba Securities Commission have not delegated any registration powers under that provision. So the way it was drafted essentially provided us, practically speaking, with no immunity. The slight modification now is broader in that it provides immunity to any acts of good faith of a power or duty assigned to it under the broader Securities Act and its regulations.

Mr. Chairperson: Thank you.

Mr. Wiebe: Well, thank you very much, Ms. Renzella. This has been a very informative presentation as was the presentation that we received from IIROC previously in our caucus delegation.

And we certainly appreciate learning more about the hard work that your organization does and the good work that you do in ensuring that there is an adequate level of oversight and regulation in the investment industry. Obviously, it's something that as a political party we've been very keen on in terms of consumer protection and making sure that we protect the average investor, and I believe some of the information that you've brought here forward will, hopefully, help in protecting those investors and ultimately recovering some of the funds that are lost in some of those terrible cases where they've been taken advantage of and there's been an impropriety.

I do appreciate giving some clarification on your last point, the additional amendment that you've proposed or a way for this bill to go further. And I am glad to hear that the minister maybe is potentially open to some amendments. So that's a good starting point.

What I wanted to ask, similar to what the minister asked with regards to those extraordinary powers, in those other jurisdictions—in this case, Alberta—have there been any abuses of that power? Have there been any examples where there's been an issue with an investigation that IIROC is undertaking?

Mr. Chairperson: We are out of time, but I will give you an opportunity to respond, if that's the will of the committee. *[Agreed]*

Thank you. You may respond.

Ms. Renzella: So the short answer is, no, there has not been any abuses. We have started to use the power in Alberta. For confidentiality reasons, I can't get into too much of the specifics, but what I can say that, at least in one of the cases, it is a scenario where institutions would like to give us the information but they are precluded from doing so without an order or production order. So it's not always the case that we're using this against a resistant third party; sometimes they just require it to follow their own privacy and confidentiality protocols. Examples are with the banks. So right now we haven't had any problems in Alberta.

Mr. Chairperson: Thank you very much for your presentation.

We are well over time, unfortunately, Mr. Gerrard.

An Honourable Member: I ask for leave of the committee to ask one short question.

Mr. Chairperson: We—I can ask for the leave of the committee to ask a brief question.

Is there leave of the committee to have Mr. Gerrard to ask this presenter a question?
[Agreed]

All right, keep it brief, please. Thank you.

Hon. Jon Gerrard (River Heights): Very briefly, you mentioned that there's \$900,000 in outstanding fines. Would the passage of this legislation allow you to go back and try to use the courts to collect those fines?

Ms. Renzella: There is the potential to have this power go retroactive. So that is still a legal question that has to be determined. We're testing it out in Ontario right now and in Quebec. So that is still to be seen.

Mr. Chairperson: Thank you very much, Ms. Renzella, for your presentation.

We'll now move to the next out-of-town presenter, which is Lucy Becker, who's listed as a private citizen, but am I correct in noting that your written presentation was already distributed as the second entry on the left-hand side of the folder in the IIROC folders that you have? So members of the committee should already have that written presentation, that's correct?

Ms. Lucy Becker (Private Citizen): That's correct.

Mr. Chairperson: Very good. Then you can proceed with your presentation whenever you're ready.

Ms. Becker: Terrific. Thank you very much and good evening to everybody. Thank you to the Chair and to all members of the Manitoba standing committee for this opportunity to speak with you about our support for Bill 23 and its speedy passage.

I also want to thank the government for introducing this very important bill. I also want to thank the official opposition, the third party and one of the independent members of the Manitoba Legislative Assembly for meeting with me and IIROC's president and CO, Andrew Kriegler, last month to learn more about why this bill is important to the enhanced protection of the average retail investor in this province.

My name is Lucy Becker, as you know, and although I am vice-president of public affairs and member education services for IIROC, I am here

today in a more personal capacity, and I'm going to be speaking from various perspectives.

You've already heard from our head of registration and enforcement, Elsa Renzella, so I don't intend to cover the same ground that she did about IIROC's role. Instead, I want to talk about how we work with a diverse group of stakeholders here in Manitoba as well as across the country to ensure that IIROC has the full enforcement tool kit it requires to be the most effective regulator possible. Last year we—or last week we published our annual Enforcement Report, and you'll see from that report that too many retail investors, particularly seniors, are put into unsuitable investments and end up suffering losses that they cannot recoup as retirees.

The loss of hard-earned retirement savings resulting from wrongdoing or negligence can be devastating. This is especially true for seniors who are often the victims in such misconduct and who cannot simply jump back into the workplace to replace their lost savings. As such, not only have we continued to make the protection of seniors a priority of our enforcement efforts, but we've also been working closely with stakeholders, stakeholders such as CARP, formerly the Canadian association of retired persons, to inform and educate their members about the importance of regulation and knowing where to turn if something goes wrong.

As a national non-profit, non-partisan association with 300,000 members across Canada, most of whom are retired, CARP has been steadfast in its support of enhanced enforcement measures to protect senior investors from coast to coast, as has its members. For example, when CARP surveyed its members in 2017, it found that 87 per cent of respondents supported granting IIROC the authority to legally pursue investment advisers who not—who do not pay their fines. CARP's VP of advocacy, Wanda Morris, could not be here tonight—she's travelling overseas—but she did give me permission to read from a letter that she sent to Minister Friesen.

She states, quote: Fines are a critical tool to deter unethical behaviour, including embezzlement, buying or selling securities for clients without their permission and recommending high-risk investments to clients who are unable to tolerate losses, but a fine that cannot be collected is meaningless.

* (19:00)

Upon learning about the introduction of Bill 23, CARP joined IIROC in acknowledging that the

legislation—this legislation takes important steps forward to enhancing investor protection and investor confidence.

Ms. Morris said that with fewer workplace pensions, lower interest rates and increased longevity, our members' nest eggs are more important than ever. Today's changes will give IIROC more authority to demand accountability and to seek justice, an important step towards greater investor protection for all Canadians, end quote.

Prosper Canada, another long-standing IIROC partner, is a national charity dedicated to expanding economic opportunity for Canadians living in poverty through program and policy innovation. Prosper Canada CEO Liz Mulholland had registered to appear before this committee, as had one of Prosper's program delivery partners here in Manitoba, and that's SEED Winnipeg. Unfortunately, because of the timing, both Ms. Mulholland and Louise—and I'm—I don't—Simbandumwe—I'm not sure if I pronounced that correctly—co-director of SEED Winnipeg, could not be here. Both of them are actually participating in Vancouver in a financial empowerment conference.

These organizations work closely with governments, with regulators, with business, with community partners to develop and promote financial policies, programs and resources that transform lives and foster prosperity for all Canadians. Most of their constituents have low incomes and are working to achieve financial stability to start saving and to begin to invest in financial products. Some, however, access significant lump sums through inheritances or filing of back taxes and need to consider investing for the first time. When they do start to invest, they are frequently apprehensive and may feel intimidated by, or distrustful of, mainstream financial institutions and sources of advice.

They need to know that laws and regulations designed to protect them have teeth and are actively enforced. Vulnerable consumers do not have the means or confidence to tackle wrongdoers. They rely more than anyone on our regulatory surveillance and enforcement systems to protect their financial security. They need to have confidence in the integrity of service providers and the mechanisms designed to oversee them and to safeguard investors.

Like CARP, Prosper has publicly called for provincial governments across the country to strengthen IIROC's enforcement ability. Prosper

understands the importance of real consequences for rule breakers to deter wrongdoing. Prosper understands just how much the average retail investor relies on fair regulation and effective enforcement of regulations to protect them from negligent and/or predatory practices that can harm or even ruin them financially. Prosper is on record supporting the need to provide IIROC with stronger fine-collection powers, protection from malicious lawsuits when acting in the public interest, and the need for greater co-operation with investigations and disciplinary hearings to bring forward the best possible evidence.

Ms. Mulholland asked me to read this statement on her behalf, quote: The first duty of any government is to protect citizens from harm. Financial predation is one of the most devastating forms of victimization. It strips people of savings that they have often accumulated through years of hard work and sacrifice. It plunges many into financial hardship or poverty. It disproportionately affects the most vulnerable in society who are often targeted, such as the elderly, people with disabilities, Aboriginal persons, newcomer communities and those with little education or knowledge. It is imperative that all parties within the Manitoba Legislature support this important bill. The speedy passage and support of Bill 23 means greater protection for all citizens in this province. End quote.

My colleague Elsa already highlighted that there are two investment firms with head offices here in Manitoba that we regulate. As the head of member education services for IIROC, part of my mandate is to develop educational tools that reinforce the importance of complying with our rules of good conduct and ethics. In that capacity, I must point out that there is overwhelming interest in our education programs for the industry, and there is remarkable unanimity in support of this legislation. The firms and individuals that IIROC regulates, including those here in Manitoba, want to see the bad apples in the industry pay the price for their misconduct. Most firms and investment firms—most firms and investment advisers comply with our rules and want to see their clients succeed in achieving their financial goals and economic stability.

In conclusion, I urge the Manitoba government and all its elected officials to send a strong message to the citizens of this province that consumer protection is indeed a priority and that those who harm investors will be fully prosecuted and held accountable. You will also be helping boost

confidence that Canada's capital markets operate with integrity, which ultimately contributes to the overall health of the economy.

I thank you for this opportunity and urge all of you to demonstrate your support for the people of Manitoba. Your constituents deserve nothing less. Thank you.

Mr. Chairperson: Thank you very much, Ms. Becker, for your presentation.

We'll now move on to questions from the committee.

Mr. Friesen: Thank you, Ms. Becker. It's good to see you again. Welcome here this evening. Thanks for speaking to us as well, both as a private individual and also as someone, of course, with IIROC as well.

I had noted here tonight we had talked earlier about the amount of fines and the—that have gone uncollected. I had seen a recent headline in The Globe and Mail that talked about what that number was across Canada. In BC, they say it's epidemic, but certainly it's not good here in Manitoba. And I did note from officials in this province that even just in 2015 there was a—there—or, I should say, in 2016 there was a 50 per cent drop in the amount of collected fines here in Manitoba from the previous year. And while I know that that number isn't smooth, it does indicate there's a problem here.

I note that in your presentation you make it clear that the vast majority of groups and individuals seek to offer to their clients quality products and they respond wholeheartedly to the oversight and regulation of the capital markets here in Manitoba that your industry and member-based organization provides. And yet there are always bad apples.

I want to just ask you one question, and that is, when it comes to the complaints that are registered with IIROC—I know there will be all kinds of complaints that fall into all kinds of categories—is there one specific or major category into what you can say would be the majority of complaints? What do most people cite as a complaint when they're bringing it to the attention of your organization? *[interjection]*

Mr. Chairperson: Ms. Becker.

Ms. Becker: Sorry. Thank you, Minister, and thank you for your support.

You're absolutely right in terms of the numbers and the ebbs and flows. I just wanted to comment on that. And if I'm correct, we were just actually earlier today looking at some of the statistics, but I believe, having just published our enforcement report last year, we did not collect any of the fines that we levied here in Manitoba. And, in fact, Manitoba, if I recall correctly right now, has the second lowest collection rate across the country. So it certainly is a problem here in Manitoba, as it is in other jurisdictions.

But, in terms of the complaints that we receive, the No. 1 complaint, over and over and over, is unsuitable investments. And the majority of those that are impacted by unsuitable investments are seniors. So as I said in my remarks, you've got individuals who have saved their entire lives, they've worked hard, they put money aside, and they're getting into their golden years, they want to prepare for retirement, they want to retire with some economic stability. And what they're—what we find is that often it is those seniors that are put into products that are higher risk categories. And so, again, they're unsuitable for where they are in their stages of their lives. So hence the support that we've gotten from groups like CARP, because unsuitable investments, No. 1, year after year after year. And the majority of people that are impacted are seniors. And we really, you know, have made them a priority of enforcement efforts, but also very much also our education efforts as well and our partnerships.

Mr. Chairperson: Mr. Lindsey, there is two minutes remaining.

Mr. Tom Lindsey (Flin Flon): Thank you very much. Two questions, quickly. One is just to clarify that while you're seeking the power to levy fines and try and bring the investment people under control, there's nothing that gives the money back to the investor that's been bilked out of their funds. And you're—you can only go after those that are registered. So what is the incentive for an investment person to register? If they're unregistered, you can't get them. *[interjection]*

Mr. Chairperson: Sorry. Ms. Becker.

Ms. Becker: Sorry. I was just going to say, and you're correct in the sense that we are not allowed to be able to compensate or what we call do restitution. I think it was covered off in Elsa's presentation and it's covered off in the materials, but we actually get our powers from each of the 13 securities commissions across the country. And the recognition

orders that they give us to be able to do our jobs make it clear that we do not—that any of the monies that we collect, the fines that we collect, must go into a restricted fund, and those fines can only be used for several purposes: investor protection, investor education, financial literacy and the administration of the hearing panels.

And so, you know, it's—we know that, you know, investors want to be able to recoup. We know that they want to get compensation. One of the tools that we do have available, we require all the firms that we regulate to participate in OBSI, which is the ombudsman for banking and investment services. So we require all the firms we regulate to participate in that. It is a free service that is available to all investors, and investors do actually work through the OBSI system as well.

* (19:10)

In terms of also when there are financial insolvency issues, we also 'requite' all IROC-regulated firms to be members of the Canadian Investor Protection Fund. So there are two different mechanisms there, but, at the end of the day, no, we cannot provide compensation as set out in the recognition orders.

Now, in terms of being able to collect from people, you know, as much as we'd like to be able to collect the money to be able to use it for good things, like investor protection, investor education, financial literacy, it is really, really important that we send a message of deterrence.

At the end of the day, if this bill will result in even one individual not being harmed because somebody who may be thinking about breaching the rules or doing some harm, if it prevents them because they know that there are real consequences, then we will have been successful, and you will have been successful in protecting your constituents.

Mr. Chairperson: Thank you very much for your presentation.

The time for questions has now expired.

* * *

Mr. Chairperson: We'll proceed—I believe this is the end of the list of out-of-town presenters. So we'll now go through all the remaining presenters from the beginning.

Mr. Jonathan Alward was listed as a presenter on Bill 5, but he has informed the committee that he will

no longer be presenting on Bill 5. And the same goes with Bill 6 also; Mr. Jonathan Alward was registered to speak on Bill 6, and he's informed the committee that he will not be doing that.

Bill 20—The Employment Standards Code Amendment Act (2)

(Continued)

Mr. Chairperson: That takes us back to Bill 20, and the first presenter there is Mr. Jonathan Alward.

Mr. Alward, please come forward.

Do you have any written materials for distribution to the committee?

All right, thank you. While those materials are being distributed, you can begin your presentation whenever you're ready.

Mr. Jonathan Alward (Canadian Federation of Independent Business): Good evening, everyone. On behalf of the Canadian Federation of Independent Business, thank you for the opportunity to present the small-business perspective of Bill 20, the employment standards code amendment act.

My name is Jonathan Alward, for those of you who may not know already, and I'm the Manitoba director of provincial affairs for CFIB, and at CFIB we're passionate about small business because of their massive contributions to our economy, employment and our communities. We believe that small businesses deserve a strong voice in government decisions.

We provide a reasonable, credible and effective way for small businesses to participate in our political process just like big businesses and unions do. CFIB represents roughly 110 independently owned and operated businesses across Canada, including 4,800 right here in Manitoba.

We're strictly non-partisan, non-for-profit organization, and we have members located in every region of the province, and in sectors that very closely mirror the province's economy. Every one of our positions is set by direct feedback from our members through accurate regular surveys, which operate under a one-member, one-vote system, and our views are strictly based on the results of these surveys.

So it's with great confidence I can present here on behalf of 4,800 members and express their support for several pieces of Bill 20, while

highlighting outstanding concerns with other changes proposed by the legislation.

CFIB is pleased that the Manitoba government has brought forward the legislative changes that will further the government's exceptional efforts to reduce red tape, so the province's job creators can spend more of their valuable time building their business and growing the economy. However, I must first begin by outlining small businesses' concerns with proposed changes to employment leave.

The proposed changes to employment leave and certainly those in the case of parental leave extension of 63 weeks leave small-business owners with concerns. We recognize that these changes will harmonize Manitoba's regulations with recent federal changes, and while we're not questioning the positive intentions of these proposed changes, we must raise concerns with the potential negative impacts to small-business owners, most of which would be in rural Manitoba.

After conducting surveys and speaking with members, it's clear that extending parental leave for employees of small-business owners is a real problem, and this problem is reasonably expected to worsen in Manitoba in the near future. These changes will increase the costs for hiring, training, retraining and can leave difficult gaps and staff vacancies that place a strain on business and their employees.

For example, just last month, I spoke with a business owner from rural Manitoba who's already experiencing trouble filling a position for an employee on a 37-week parental leave. While the owner is supportive of the leave, they're having trouble filling the position. Specifically, they're having a great difficulty finding a qualified worker who's willing to work on a short-term contract.

As a result, the cost of the job search is high and continuing to increase and they're already having trouble managing their workload. In the meantime, this adds stress to work—excuse me, this adds stress and work to everyone in the business.

To make matters worse, there's significant training costs and time associated with bringing on new staff. The business would need to retrain either the new employee and/or the staff member who has been on the parental leave, when they return.

CFIB raised many of these concerns with the federal government before and after the changes were brought forward in the 2017 federal budget. To

help mitigate these significant concerns and others, CFIB recommended that the federal government take steps to ease the cost burden for small businesses in these circumstances. It was recommended that the federal government extend the small-business job credit, which lowered the employment insurance rate for small employers in 2015 and '16. And we also recommended the federal government introduce an EI rate, a lower one specifically, for hiring people between the ages of 18 and 20.

So, as I mentioned previously, these concerns are reasonably expected to increase in the near future for Manitoba's small-business employers. According to our latest Help Wanted report which analyzes private sector job vacancies in the fourth quarter of 2017, the job vacancy rate in Manitoba increased to 2.3 per cent, representing about 9,900 unfilled positions across the province. If you see figures 1 and 2, it'll outline this.

While the 'refects'—often reflects a growing economy, it's still a problem nonetheless and as a result, it's becoming increasingly difficult for small businesses to fill these vacant jobs. Furthermore, according to our members' opinion survey from 2017, shortage of qualified labour is an increasingly serious concern for Manitoba's small-business owners. When asked which of the following are a serious concern to your business, 48 per cent of small-business owners identified a shortage of labour in the second half of 2017, compared to just 40 per cent in the first half of the year. And I'll note as well, that was the most significant increase of any of those priorities or serious issues for the year.

Therefore, CFIB urges the Manitoba government to bring forward measures to ease the added stress and cost associated with the changes to extended employee leaves. I'd be pleased to be a part of the discussions to help determine the best measures to accomplish this goal. And we've had positive reception from the minister's office on this already.

Regarding other changes brought forward in Bill 20, CFIB is pleased the government is building upon its many recent efforts to reduce red tape within government and for small businesses. As mentioned earlier, reducing red tape affords owners and staff more time to grow their business and the economy. Changes proposed to determine better hours of work agreements will provide needed flexibility employers and their employees, especially should mirror the realities of operating in very seasonal industries. Just yesterday, actually, I spoke with an employer whose

staff were experiencing troubles under the existing rules and for this business owner the changes will provide the employer's staff with needed dependability in an industry dependent on weather. And furthermore, it will also provide much-needed cost certainty for this employer. These changes may also provide an 'administrative' relief for government and taxpayers. Similarly, the proposed changes to employees covered by collective agreements should ensure that while the employees still have adequate avenues to raise concerns, it could reduce the regulatory burden for the government.

Last but not least, we commend the proposed changes to hiring young people under the age of 16. This change will also reduce red tape for small-business owners. I've spoken with employers and parents alike who welcome these changes. And it's also my understanding that they've been very successful in Saskatchewan so far. The legislation ensures that important safeguards remain for young employees while removing one of the significant barriers that would prevent employers from hiring young workers under the age of 16.

As the big voice for small business in Manitoba, we welcome the opportunity—where—we will be continue to be a strong advocate for employment standards that fairly weigh the needs of employees with the realities of owning and operating a small business in Manitoba. While Bill 20 takes steps to improve this balance, we reiterate the need for small businesses' concerns about extended employee leave to be recognized and efforts made to mitigate the associated negative impacts. Under those circumstances, we look forward to seeing Bill 20 receive royal assent. Thank you again for the opportunity to present this evening.

Mr. Chairperson: Thank you, Mr. Alward, for your presentation. We will now proceed to questions from members of the committee.

* (19:20)

Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade): Thank you, Mr. Alward, for your presentation. Just a question. You're talking about paternity leave or leave for critically ill family. You talked about a lower EI rate for young people, which is a federal jurisdiction, and I think you spoke about some tax credits in there too.

Have you costed out what that would cost, whether it's federal government or whether it's provincial government? Have you costed out what

that would cost per employee? No, I should say, the savings per employee ultimately becomes a cost to government.

Mr. Alward: Certainly, those were recommendations used to illustrate the concerns that we had brought forward and possible measures. They weren't just responding to the changes to parental leave, for example. They were looking at some other issues, including an increasing employment insurance rate.

But, certainly, the thing I would remind the committee is these aren't expected to be used by many employees. We expect that this will not be a widespread uptake because the amount that will be received is still going to be the same, just over a longer period. What's important to remember, though, is that it's going to have a significant impact in those cases where it does.

So to answer the question, I don't think it will have a very significant impact, and there are a lot of ways the government can work with those impacted employers to help mitigate the negative impacts of the changes.

Hon. Jon Gerrard (River Heights): You mention the importance of having this work readiness certificate. Are such courses currently available and, if not, could you tell us what would need to be in such a course?

Mr. Alward: My understanding is that it's worked quite well in Saskatchewan, and there would need to be a program put in place. My understanding of the way it operates in Manitoba right now is the onus to train or to have trained employees is on the employer.

So—and I'll just speak from my own personal experience growing up—and I grew up in another province, but I worked when I was 15 years old and it was great. I was able to help save money at an early age for university, learned a great work ethic and certainly improved my grades in high school and university as a result of that. But the way it's set up now is an employer would have to take responsibility for training those employees, or the inverse if it was true, as it is in Saskatchewan, an employee could go, fill out the program online with, I believe, the supervision of their parents, and then go with the signed documentation to prospective employers and really mitigate a lot of the red tape associated with hiring a young employee and certainly make it a much more attractive interview process.

Mr. Chairperson: Mr. Lindsey, two minutes.

Mr. Tom Lindsey (Flin Flon): You're not suggesting, Mr. Alward, that some kind of online generic training would take the place of actually training young workers about specifics of a job that they get such as how to do it properly or the safety aspects or—you're not suggesting that some test they did online would take the place of that, are you?

Mr. Alward: My understanding in talking to my colleagues in Saskatchewan and hearing first- and second-hand experience from Saskatchewan is that it's been very successful. Please don't forget that there are still very strong safeguards in place for employees under the age of 16. Under the act, they're very restricted to what industries they can work in and what hours they can work. Certainly, those safeguards are remaining, and I think that's a very important tool.

Mr. Matt Wiebe (Concordia): Thank you very much, Mr. Alward, for the presentation.

One of the previous presenters talked about recommendations that came from the LMRC that were, for the first time in anybody's memory, were not followed by this minister and by this government. Just wanted to get your perspective on that.

Mr. Chairperson: Mr. Alward, 40 seconds.

Mr. Alward: Just to clarify, which ones you were specifically referring to—and just before that, just to reiterate, our opinions in this presentation and like everything we do are coming from direct feedback, direct surveys from our members. So, unlike the LMRC—and we certainly respect what they do—we've asked our members first-hand and that's certainly reflected in what we have to say here today.

Mr. Chairperson: Mr. Wiebe—[interjection] 10 seconds.

Mr. Wiebe: Well, it was around the age issue that you were just talking about, the age of employment.

So—but my main question is just with regards to these—the LMRC, which is, you know, made up of employers as well as labour and has a strong role in this province of reaching consensus. I'm sure most of the time, your organization, your members would agree with the work that LMRC does. In this case, it's not being followed. So I just wanted to get your perspective on that.

Mr. Chairperson: Mr. Alward, we are out of time, but I will give you a brief opportunity to respond.

Mr. Alward: Thank you. I certainly appreciate the concerns. We haven't asked our members specifically on what the bottom threshold should be for the age of young workers. When we studied the bill, we looked at the information we did have and the conversations we've had with CFIB in other jurisdictions, and that's why we supported the changes for those under the age of 16 in general.

Mr. Chairperson: Thank you very much for your presentation.

And we will now proceed to the next presenter.

Going down the list, the next presenter is Michelle Gawronsky, the president of the Manitoba Government and General Employees' Union.

Ms. Gawronsky, do you have any written materials that you would like to share?

Ms. Michelle Gawronsky (Manitoba Government and General Employees' Union): Yes.

Mr. Chairperson: Very good.

As they're being distributed, you may begin your presentation whenever you're ready.

Ms. Gawronsky: Thank you very much.

Good evening, everyone. Good evening to the Chairperson and honourable members and the ministers.

As you've said, my name is Michelle Gawronsky, and I am president of the Manitoba Government and General Employees' Union. The MGEU represents over 40,000 Manitobans who live and work throughout Manitoba in a wide variety of workplaces—roughly 14,000 are employed directly by the Province of Manitoba; and others work in Crown corporations, universities and colleges, health-care facilities, social-service agencies as well as arts and cultural organizations, to list a few.

I thank you for the opportunity to present on this bill tonight, and I will be very short and sweet.

I would first like to acknowledge that there are some positive changes in this bill; however, there are some issues of concerns that will impact workers negatively.

First, the positive. We are pleased to see that the government accepted the recommendations of labour and extended parental leave from 37 weeks to

63 weeks in Manitoba. While this is a positive step, we still need to make significant changes to ensure that parents are better supported when babies are born and families are expanding. I think back to some of the stressful times my family had and wish that there would have been more supports for my kids and I. So often, women are left to raise their children, run the household and work at the same time. Giving more choices and expanding benefits to these families would ensure that families are healthier and families are happier. This provides the basis for stronger communities.

Bill 20 also contains some concerning changes that seem to have come out of nowhere. We know that the Labour Management Review Committee continues to bring representatives from labour and the employer groups together to reach consensus on employment standards. This is valuable work that follows in the Manitoba tradition of bringing together diverse groups, groups who may have diverse interests, doing the hard work, coming together with recommendations in a—on a way to move forward on issues that are important to Manitobans.

This bill not only includes changes that were rejected by the Labour Management Review Committee, it actually goes against the consensus decision that was reached. The committee agreed that the minimum wage for employment should be 14 years of age with the signed agreement of their parents and school. The committee felt that this was a safe age to formally begin working while ensuring the safety and well-being of workers. This also aligns with the minimum wage for employment in Saskatchewan to the west and Ontario to the east. This seems to make sense. Why did the government not accept this recommendation?

Another proposal that was dismissed by the Labour Management Review Committee was the exceptional new powers granted to the director of Employment Standards. These changes would eliminate a worker's right to a fair process by allowing the director to single-handedly dismiss complaints. This is concerning to hear and concerning for workers who choose to exercise their rights.

Bill 20 advances workers' rights on one hand, while clawing back gains on another. Given the unconventional way that this government is proceeding in regards to the advice provided jointly by labour and business, the reasonable way forward

would be to amend this bill. We would like the government to move forward on the benefits for young families, full stop. However, we advise the government move forward with another piece of legislation that continues—includes the consensus decisions on minimum working age and the powers of the director of Employment Standards reached by the Labour Management Review Committee.

* (19:30)

We recommend that Bill 20 be reconsidered to ensure that Manitobans, working families, get the benefits and the rights they deserve. Thank you.

Mr. Chairperson: Thank you, Ms. Gawronsky, for your presentation.

We'll now move to questions from members of the committee.

Mr. Pedersen: Thank you. Good evening, Ms. Gawronsky, and thank you for your presentation this evening.

Mr. Gerrard: Thank you. I listened to your presentation with interest. The presenter before talked about the work readiness certificate could be obtained very easily by filling out a survey online or something like that. Can you tell us whether you think that's adequate, or if there were to be some course to take what would be critical that it would be in?

Ms. Gawronsky: Thank you. An excellent question. I would suggest, and I guess be concerned as a mother of four children that went out into the workforce, if they were to do something online, how do we know for sure that, No. 1, the parents know about it. How do we know that the answers they give are theirs and not someone else's, and how do we ensure that they understand the safety that is needed in workplaces?

We know from our Day of Mourning here in Manitoba, the young folks that are killed on the job, the families that are left behind, and the concerns that are there. So I would be very, very careful in what was put online and there has to be a way to be able to screen an online application to ensure that the people that are actually—would be going out into the workforce understand what they have filled out and that it was truly theirs that they filled out.

I would really like to see some very strong, strong language in understanding that their—what rights that would be there for those children that would be filing online, and making sure that they

understand what their rights would be once they enter the workforce. Most teenagers today at 16 years of age don't understand what their rights are, and if they do, they're too scared to implement them.

Mr. Lindsey: Thank you, Ms. Gawronsky, for your presentation. It's always good to hear from you.

You've talked about the LMRC and some of the consensus recommendations they've made, and yet this government chose to ignore those recommendations and then they group it in with something that maybe a good thing extending parental-care leave.

Have any thoughts on why you think a government would structure this bill the way it is, include things that are there?

Ms. Gawronsky: Thank you, Mr. Lindsey, for the question. I have my own personal thoughts as to why. It is disappointing to see when there's actually some benefit and some good in a bill that's coming forward that that good gets tarnished and gets overruled by some of the concerns that are there, and the recommendations that are being ignored by the labour management committee.

It's disappointing to see that we're not all working together to ensure that all of our children are safe, and that we all have the rights to be able to know what our rights are within the labour force.

Mr. Lindsey: Can you give us your thoughts, Ms. Gawronsky, on why you think this government chose to leave union people without access to the labour board when non-union people have that access?

Ms. Gawronsky: Again, good question, thank you for that. Again, I have my own personal views on it. It definitely is disappointing and I feel extremely disrespected, as do my 40,000 union members that are out there, that are wondering why they don't have the same rights as non-union folks out there to be able to bring forward their concerns.

And I would hope that the government will take a look at that, make some reconsiderations on where things are at, and actually respect us as much as they respect everyone else across the line. And again, that question might be better posed to the government of itself today.

Mr. Lindsey: Just want to thank you for coming and presenting. One last real quick question: your thoughts on the powers of the director to decide by

him or herself whether a complaint is frivolous without doing an investigation.

Ms. Gawronsky: We have some very major concerns about that. Dictatorship never works well in Manitoba. Manitobans all work together under a consensus. So when you have one person that is making all of the decisions on how all of us are going to live or could live, it definitely does not bode well with Manitobans. And I don't believe that they're—the responsibility should be left up to one person singularly.

I definitely would not want to have that responsibility, and I would hope that a consensus of Manitobans, which is what Manitobans live by, I would hope that that would be how this moves forward. I'm really asking for a reconciliation on Bill 20.

Mr. Chairperson: Thank you very much for your presentation.

We'll now move on to the next presenter.

On the list of presenters the next presenter is Mr. Geoff Bergen.

Mr. Bergen, do you have written materials for distribution to the committee?

Mr. Geoff Bergen (Private Citizen): I do not.

Mr. Chairperson: All right. You may proceed with your presentation whenever you're ready.

Mr. Bergen: All right. Thank you very much. Hello and good evening, and thank you for letting me have the opportunity to address you. I'm here—some of you might see me come up, I'm always here speaking about labour issues. I'm here as a private citizen, but I am a labour activist and a union rep with United Food and Commercial Workers, Local 832.

So I'm pleased and concerned with this amendment to the Employment Standards Code, and therein lies the problem with omnibus bills. You have very good changes like extensions to parental and critical illness leave, which I support. As a union rep, we always try to improve on employment standards, so we extend those in our contracts through negotiations. To see the Province recognizing that, it's fantastic.

We have some really bad changes, something I really strongly disagree with, like changing the age of when can—someone can start work to 13 years old. So the NDP tabled a bill in the fall—last fall that would have passed the changes to leave—to increase

leaves, but, at the time, the PC government refused. Now the changes that the labour community wants are tied to changes the labour community does not want, right. Again, therein lies the problem with an omnibus bill and, actually, the business community doesn't want these changes either, as they recommended by the Labour Management Review Committee, the LMRC, which is made up of representatives from business and labour.

So I can't understand why the government would want to give the ability of the director of Employment Standards to—the director of Employment Standards the ability to refuse to allow workers to make a claim. You know, from a union perspective, that's great, because if workers don't feel protected by the employments standards act, they're more likely to sign a card and seek us out to protect their jobs in the workplace. But I'm a union activist, and I understand the reality, and 70 per cent of the workforce does not have a union to turn to. So, therefore, I am for stronger employment standards not weaker employment standards, as much as weaker employment standards do benefit union driven—union—membership-driven unions.

So the thing that really gets to me is that the change of the working age. So, before I became a staff rep with United Food and Commercial Workers, I worked for a wonderful non-profit called the SAFE Workers of Tomorrow, where I was an occupational health and safety presenter, and what we did, we travelled the province, talking to young workers, going to classrooms 9 to 12, and we—you know, between me and my six other coworkers, we probably talked to thousands of students each year.

And what never failed and what always disappointed me was whenever I'd ask the question how many of you have been hurt at work, there was always numerous hands that went up. And those who were willing to talk about it I always asked: What happened? How'd you get hurt? Well, you know, I wasn't trained to use this; I took a chance on that; I was scared to ask the boss, because he already told me a few things and I didn't want to go to him a few times, you know. I can relate to that. When I was 16 working in a movie theatre, I was told to clean a popcorn machine—I was told to clean it hot—and my training was don't get burnt, and I got burnt, and I had a scar on my forearm for a number of years when I was a younger man.

So—well, I asked students, well, what's going on? Why aren't you getting the training you need to do

your job? A number of them said their employer didn't offer them health and safety training, and a number even said the employer tried to shift the blame onto them: It's your fault you got hurt. I can't—I can't—abide by that. I just—that's why I joined the workplace—joined SAFE Workers of Tomorrow. It's why I became a union rep, something I really strongly believe in.

So youth make up some of the highest demographics of injured workers in this province and, unfortunately, that's largely due to employers who view them as a disposable workforce: here today for a few bucks; gone tomorrow. I'm not going to invest time and training. I'm not going to invest time and equipment. Their jobs aren't even that dangerous. As the gentleman from the Canadian Federation of Independent Business pointed out, yes, they are limited from mining and construction, but they can still get the jobs in the kitchens, in the movie theatres, where they burn themselves, where they get severely hurt.

* (19:40)

And I know some of you, especially your base, your voters, you come from the rural where younger kids start working earlier; I get that, and I learned that travelling this province, talking to young workers. But on the family farm, young workers can already go work for the parent, you know, but when you start going to work on other workplaces, whether that's a farm or a movie theatre, I just—I worry about training, I worry about levels of responsibility. And, you know, I just think 13 is too young to enter the workforce, especially from what I saw in my job as an occupational safety presenter and what I continue to see in my job as a staff rep.

So I would support some of these changes, like lowering the age that workers can enter the workforce, but I would like to see increases to funding, increase of funding to groups like the SAFE Workers of Tomorrow, expand their reach, expand their message, expand their capabilities, or I would like to see what the labour movement has been asking for, for a long time, and that is if you kill a worker, you go to jail. If I can get that law, if I can be assured that there's going to be safety in the workplace, that there are severe consequences for getting someone hurt or killed in the workplace, I would change my opinion on lowering the workforce—the—sorry—the age into workforce. I apologize.

So, in conclusion, I think there's some really good stuff in here. I thank the Province for putting these things forward and making some improvements, but ultimately I'm going to have to see this as a bad thing because of the other attachments to this bill.

So thank you for that time, and I conclude.

Mr. Chairperson: Thank you, Mr. Bergen, for your presentation. We'll now move on to questions from the committee.

Mr. Pedersen: Thank you, Mr. Bergen, for coming. I believe that you've been to other presentations before and you're always—it's good that you come; that's what this whole public process is for. So I appreciate you coming out.

I have a—one question for you. Are collective agreements required to contain processes for final settlement? *[interjection]*

Mr. Chairperson: Sorry, Mr. Bergen.

Mr. Bergen: I should know that. I apologize.

Are collective agreements required to have a settlement? Like, are you ask—like, are—do we have to have language in there that the employer has to settle with us? Is that—

An Honourable Member: Yes.

Mr. Chairperson: Mr. Pedersen

Mr. Pedersen: Yes.

Mr. Bergen: I just wanted to clarify. No, there's nowhere in a collective agreement that an employer has to settle with us. That's why we save a lot of money for arbitration because that's where we get—that's where we can't come to an agreement, that's where we get our settlements, is in arbitration, and they can be quite costly.

Mr. Chairperson: Follow-up, Mr. Pedersen?

Mr. Pedersen: I just have one—sorry, Mr. Chair.

Just follow-up, then, is there—when you're doing a collective agreement, and I have not done collective agreements, so I'm asking, is there an arbitration process built into a collective agreement?

Mr. Bergen: Yes, we bargain that language where there's an arbitration process, where if we can't come to an agreement through the stages of the grievance, then the parties apply for arbitration.

Mr. Lindsey: Thank you, Mr. Bergen, for your presentation. Interesting to hear you talk about the participation you had in workers of tomorrow. I, myself, participated in that very useful program for a number of years before I became an elected official.

So we've heard the minister or the law, the proposed act, talk about some online training program for kids going to work. Do you think, based on your experience, will that be sufficient to protect workers in these supposedly safer workplaces?

Mr. Bergen: So I am for all training, I want to be clear. But I do not think online training suffices. I'm not against it, and I would—I think it should be there as a resource, but the best training comes from the employer when it's hands-on.

I use the example, what I would—and I don't mean to give a long-winded answer—when I would do WHMIS training, I could only do very basic WHMIS awareness. It becomes the employer's job to teach how to use the chemicals specific in that workplace. I can't—I couldn't teach my—the people in my classes how to use all the chemicals for use in a workplace. That rely—that is the job of the employer who uses those every day, right? So.

Mr. Gerrard: Yes, just—it would seem to me that worker safety and workers' rights would be critical components of a course. And—comment about whether that can be done adequately online or whether it needs to be some independent teacher or group which provides that kind of component.

Mr. Bergen: So absolutely. Some sort of general education could be done through online, you know, bringing people up to speed on the employment standards act, workplace health and safety act, some basics on recognizing hazards. But I still think there is a large benefit to a question and answer, asking someone who's worked in the workforce, whether it's a trainer hired by the employer or the SAFE Workers of Tomorrow or SAFE Work Manitoba, who has very good educators as well in the organization.

Mr. Chairperson: Ms. Smith, one minute.

Mrs. Bernadette Smith (Point Douglas): I just want to thank you for your presentation, and, as a mother of a 15-year-old—well, 15 and a half—that's just going into the workforce, I want to say, like, 13 years old, my daughter was not ready for—to be in the workforce. And what you're talking about, getting hurt on work—at work—I think we're opening ourselves up to those possibilities to happen.

I want to know what your thoughts are on, you know, a 13-year-old being in a job where somebody's, you know, in a higher authority than them. If you think that, you know, the reporting is going to happen, and what's the likelihood of them, you know, being hurt at work.

Mr. Chairperson: We are out of time for the—for questions, but I will allow you to respond to that one.

Mr. Bergen: Thank you very much. That is one we got quite a bit. Unfortunately, when you are young, and even when you get older, the hierarchy of work is that that the boss controls your paycheque, the boss controls work. It becomes very intimidating to go to them, especially when you've been hurt and you're going to them: I need you to get me to a hospital; I need you to help me fill out WCB form. The reality is a lot of employers balk at filing WCB claims. It's the reality. And, yes, I—the hierarchy of work is that most people keep their mouth shut and keep it to themselves.

Mr. Chairperson: Thank you, Mr. Bergen, for your presentation.

We'll now move on to the next presenter that I have on my list. Still with Bill 20, Paul Moist from the Canadian Centre for Policy Alternatives, Manitoba.

Good evening, Mr. Moist.

Do you have any materials to share with the committee?

Mr. Paul Moist (Canadian Centre for Policy Alternatives, Manitoba): I do.

Mr. Chairperson: All right. As those are distributed, you may begin with your presentation whenever you're ready.

Mr. Moist: Thank you, Mr. Chairman, members of the committee.

CCPA Manitoba is a non-profit, independent research organization which advocates on behalf of progressive organizations and the poor and marginalized in society. We're affiliated to the CCPA national office. We support the broad positions outlined by the Manitoba Federation of Labour to you earlier tonight in their submission on this bill.

Specifically, we oppose your failure to accept the advice of the Labour Management Review Committee on the safe minimum working age and the expanded powers for the director of Employment

Standards to refuse a worker the right to process an Employment Standards claim.

Secondly, we oppose your having asked the LMRC to review and for its input on agreements between employers and employees on new hours of work and the exclusion of unionized workers from the employment standards dispute resolution process and then your acting on these matters prior to even hearing back from the LMRC.

Thirdly, we support Bill 20's alignment with the new federal parental and critical illness provisions but question why this is tucked into what amounts to an omnibus bill with the concerns that we've just outlined.

The bottom line appears to be an approach to legislating in which advice is sought and then not listened to or not even received, which amounts to not listening as well. This, in our view, is a prescription for bad legislation. It reflects a disrespect for workers and the trade union movement as a whole that unfortunately has been the hallmark of this government's approach to governing.

*(19:50)

And I'll leave you with your own words. The Premier (Mr. Pallister), as reported on Global News, in April 2016: I do not believe in a province that's run by the Canadian Union of Public Employees. The Premier, again, in December of 2016, as reported on cbc.ca: The union movement is not its leaders. And last but not least, our minister, Blaine Pedersen, in the Free Press, as recorded in Hansard: there's no loyalty in the workforce anymore. It used to be a person would get a career and they'd stay there for 30 years.

Bill 20 should be withdrawn, and you should consider the advice you have received from the LMRC and the advice that you asked of them that they haven't provided yet. In summary, you should abandon this style of lashing out at workers and their elected trade union representatives, and you should respect the long-standing tradition of the LMRC, a body I served on for 15 years in the 1980s, that has worked so well for Manitoba.

Those are my comments, Mr. Chairman, and I'm happy to answer any questions.

Mr. Chairperson: Thank you, Mr. Moist, for your presentation. We'll now move on to questions from members of the committee.

Mr. Lindsey: Thank you, Mr. Moist, for your presentation. Do you have any thoughts on why this government would choose to introduce a bill like this that really restricts a certain class of workers from having the same rights as other workers, specifically excluding union workers from the same right that a non-union worker would have?

Mr. Moist: Well, through the Chair, I think trade unions—there is no problem in terms of a plethora of trade union complaints at the employment standards branch, but there are collective agreement provisions which align with some employment standards provisions.

And unions have always had the right to seek a remedy for violations of those at the employment standards branch, where you can get a quick turnaround, you're not making lawyers rich and you're not taking two years in an arbitration process.

Mr. Lindsey: Thank you for that answer. Your thoughts on the director being allowed to decide whether frivolous—or whether complaints that are brought forward are frivolous, without ever conducting an investigation.

Mr. Moist: I think a hallmark of the modern employment standards legislation, which is only about 45 or 50 years old in its present iteration in Manitoba, has been that a person can get their day in court, if you will.

And this is a non-unionized worker who may have been denied wages or may haven't been paid for reporting for shifts and then sent home. Most of them are unsophisticated, do not have representation, but a hallmark of this place has been that that worker gets his or her day in court in front of a decision-making body.

To cloak the director with the authority to simply dismiss those complaints takes the democracy away from a pretty lousy situation to begin with: a worker with no union and usually not great advocacy skills, either.

And the officers, by the way, just to—on defense of civil servants, the officers in this branch have been encouraged to assist people coming forward with a recommendation. If they make a mistake on—their letters often contain mistakes. Well, somebody dates something the wrong way, that's not a reason to deny their complaint.

So I don't think the director needs this authority because it's solving a problem that doesn't exist.

Mr. Lindsey: So, just to summarize your presentation in a couple of quick sentences, you're not opposed to the part of the legislation that extends family care leave, parental leave; it's just everything after that that should be withdrawn. Is that correct?

Mr. Moist: Through the Chair, we do support those provisions and they needn't be housed in an omnibus bill, and we should wait for the advice from the practitioners on the management and the labour side and consider very carefully their advice before proceeding with the other stuff.

Mr. Gerrard: Just, there is a question here related to workers writing a certificate. If there were to be a training course online, or in person, what would be the critical components to be included in that worker readiness training?

Mr. Moist: Yes, I don't pretend to be an expert on all aspects of this bill and I'm—I haven't practised with the employment standards branch for a lot of years, so I—respectfully, I don't have any first-hand knowledge on that.

Mr. Chairperson: Seeing no further questions, from the committee, I want to thank you for presenting this evening.

This concludes the list of presenters that I have before me.

Are there any other presenters—or persons in attendance, rather, who wish to make a presentation?

Seeing none, this concludes public presentations.

* * *

Mr. Chairperson: We will now proceed with clause-by-clause consideration of the bills.

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

Mr. Wiebe: I think maybe just for ease of keeping track of the bills before us, numerically, would probably be the easiest path forward for us, as a committee.

Mr. Chairperson: The suggestion has been made to proceed numerically with the bill.

Is that the will of the committee? Agreed?
[Agreed] We shall do that.

During the consideration of a bill, the preamble, the enacting clause and the title are postponed until all other clauses have been considered in their proper

order. Also, if there is agreement from the committee, I will be calling clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose. Is that agreed? *[Agreed]*

**Bill 5—The Public Interest Disclosure
(Whistleblower Protection) Amendment Act**
(Continued)

Mr. Chairperson: We will now proceed with Bill 5.

Does the minister responsible for Bill 5 have an opening statement?

An Honourable Member: I do.

Mr. Chairperson: The Honourable Mr. Friesen.

Hon. Cameron Friesen (Minister of Finance): Thank you, Mr. Chair. I just want to say that I'm pleased that the amendments that we have brought in the Public Interest Disclosure Act, PIDA. We know that this is a bill that facilitates the disclosure and investigation of significant and serious wrongdoing in, or relating to, most public bodies. It protects people from reprisal to make disclosures.

We were the first province to introduce stand-alone legislation in this regard. We continue to be a model for other jurisdictions in Canada and beyond. The amendments that we have proposed and that are at the committee tonight are based on the recommendations of the Auditor General, the Ombudsman and an independent review.

And we know that the—that we would strengthen the provisions of PIDA through these amendments by including school divisions, school districts and their employees. We would be able to, by regulation, identify municipalities, including the City of Winnipeg, and local government districts to be covered by the act, if they so chose to do so.

We know that this gives additional avenues for individuals who want to address issues in the workplace. It still allows the direct access to the labour board, but it gives the Ombudsman, as well, as an additional channel through which complaints can be made.

We know that currently the only avenue for reprisals is for whistle-blowers to make a written complaint with Manitoba Labour Board, and we know that these amendments would authorize the Ombudsman, as well, to receive and investigate reprisal complaints. Of course, we want to keep

people safe, and so these amendments prohibit the disclosure of a whistle-blower's identity in a court proceeding or administrative tribunal. And we also want to make clear that the labour board still has a role to play, and that anyone can file a further complaint with the labour board, if they're not satisfied with the process as undertaken by the Ombudsman's office.

We thank those individuals who have spoken at committee. We thank the individuals and the groups with which—with whom we dialogued and conferred in advance of bringing these recommendations, and we look for the agreement of all parties to see this bill return to the House at third reading and for royal assent.

Mr. Chairperson: We thank the minister.

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

An Honourable Member: I do.

Mr. Chairperson: Mr. Wiebe.

Mr. Matt Wiebe (Concordia): I appreciate the opportunity this evening to consider Bill 5.

Our NDP team certainly understands and appreciates that changes need to be made to protect whistle-blowers and victims of improper workplace behaviour. In fact, as the minister was kind enough to point out, it was Manitoba, under an NDP government, that was the first province in the country to have stand-alone whistle-blower protection. And so this is certainly an area that we have been most concerned with and willing to act and lead the country in the past.

* (20:00)

Too often, we believe that whistle-blowers fear doing the right thing and fear that, when they do do the right thing, that it might lead to a hostile workplace—or, worse, it might impact their career opportunities. We need to have legislation that supports and protects victims. In the wake, of course, of the #MeToo movement where issues, you know, throughout all workplaces are under the microscope—and rightly so—it's an important time to make sure that they—there are opportunities to create healthier and more accountable work environments. We believe that employees need to be able to raise legitimate concerns without fear of reproach or negative repercussions, and tackling these issues head on is—in an open and transparent way, is the right way to deal with these issues.

Improper workplace conduct is unacceptable, and we recognize that every employee needs a safe designated person to talk to without the fear of repercussions. We're committed to doing our part to make every work environment a place that is accountable, inclusive and accepting. Our team is in full support of anything that increases the opportunities for employees to be protected in their work environments. We support the expansion of the protections in The Public Interest Disclosure Amendment Act to school divisions and school districts. We need all employees in our education sectors to be able to raise legitimate concerns without fear of repercussions against them.

We are concerned about the municipal protections, and I know this is something that municipalities—in particular—some particular municipalities have been very adamantly working hard to implement and to push forward. And we hope that this legislation will go far enough to address their concerns.

You know, the Premier (Mr. Pallister) had the opportunity to expand this act to cover all municipalities, including the City of Winnipeg local government districts. We believe the government should use the power to include municipalities and local government districts at every opportunity.

So we appreciate the opportunity to put some words on the record and look forward to this bill coming back to the House.

Mr. Chairperson: We thank the member.

We will now proceed to—through the clauses. Clause 1 and 2—pass; clauses 3 through 5—pass; clauses 6 through 10—pass; clauses 11 through 15—pass; clause 16—pass; clause 17—pass; clauses 18 and 19—pass; clause 20—pass; clause 21—pass; clauses 22 and 23—pass; clauses 24 through 26—pass; clauses 27 through 29—pass; clauses 30 and 31—pass; clauses 32 through 34—pass; enacting clause—pass; title—pass. Bill be reported.

That concludes consideration of Bill 5.

Bill 6—The Public Sector Compensation Disclosure Amendment Act

Mr. Chairperson: We will now proceed to Bill 6. Does the minister responsible for Bill 6 have an opening statement?

Hon. Cameron Friesen (Minister of Finance): I do, Mr. Chair.

It has been the pleasure of our government to bring Bill 6, The Public Sector Compensation Disclosure Amendment Act, changes for the consideration of the Legislature. Our aim in this is to improve the quality and relevance of public sector compensation disclosure and also to make these reports more accessible to the general public. In so doing, the amendments also reduce the amount of red tape for private and not-for-profit organizations that are subject to the act.

Let us remember that when the legislation was first passed in 1996, there was a threshold at \$50,000 set as the threshold for the disclosure of salary. It was intended to capture the top 10 per cent of wage earners within government. Of course, there was no indexation calculation attached in the legislation originally, and that meant that over time, that number began to increasingly not reflect the original intent of the bill. As a matter of fact, we now know that currently, the Province's report includes over 10,000 employees. It discloses the salary of more than 50 per cent of the total workforce. That's an awful lot of paper but not necessarily an awful lot of value.

So we sought to look at other jurisdictions and see what they were doing. We sought to see what would a cost-of-living factor have now brought that threshold for disclosure to, had it been included originally in 1996. It's why the amendments in this bill increase the threshold from \$50,000 to \$75,000. That would then disclose 20 per cent of the province's public service. Still, very good from an accountability and transparency point of view, double what was originally disclosed by the government in its intent but also then it brings Manitoba in line with other jurisdictions, and at the same time, it makes sure that it's approximate to other jurisdictions like Saskatchewan and other provinces.

Additionally, though, in this bill, we have included amendments that provide additional disclosure for technical officers. We all know what the context of this was. Under the former NDP government, there were technical officers who were essentially paid to leave. And those payments that were made to them were not regular payments. They were not the regular payments that a civil servant, for instance, would have got when they would have left employment. They were not the normal amount—amounts owing to them because of vacation time or severance owed to them. Rather, these were additional amounts. They were also done in a manner

that was not transparent. The NDP government used deadlines to their advantage to fail to disclose these very, very considerable payments for more than a year and a quarter. Manitobans had a right to know, but they had no ability to know, that the NDP government had given over \$600,000 of special payments to key technical officers, staffers like Anna Rothney, Paul McKie, Heather Grant-Jury and Liam Martin. Our Premier (Mr. Pallister) called those departure taxes for Manitobans.

We sought to close that door with legislation we introduced last year. The NDP did not support those measures that would have brought more accountability to Manitobans. We include them here because we know that Manitobans have a right to know. And that is why in this bill and in these amendments, there would be a mandatory mechanism by which 60 days after the hiring of a technical officer, the payment and salary must be disclosed to Manitobans. And in the same way, 60 days after dismissal, the—any severance and amounts must be disclosed to Manitobans for a technical officer. We believe it is appropriate that technical officers have this higher degree of transparency for all Manitobans. We believe that Manitobans—there is a public interest in these—accommodating these things.

So we know that we have brought amendments here that will benefit non-profit organizations and individuals. We know that we have created what we believe is a workable and appropriate framework whereby we get very good disclosure, we hold true to the things we've expressed as government as being important, including transparency and, at the same time, we will be annually reporting these compensation reports. Not only that, but we'll make sure that when it comes to an online form, we will make it more easy for Manitobans to search these reports, and that will additionally add value.

These recommendations were the result of a lot of thinking, interactions with other groups and, of course, they are part of recommendations from an—the Auditor General's report on 2009, and therefore, I'm inviting all members to support these very reasonable amendments that will strengthen protections for Manitobans.

Mr. Chairperson: We thank the minister.

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

Mr. Matt Wiebe (Concordia): Well, thank you very much, Mr. Chair, and once again, the minister wants to talk the talk but, you know, his party refuses to walk the walk. And what I'm referring to here is his, you know, talk about technical officers. And, once again, he's talking about needing a bill to disclose the information on technical officers.

* (20:10)

Well, I can point to one technical officer, David McLaughlin, who's hired in 2016. He's a political adviser on—so-called political adviser on climate change. His salary is currently \$133,375. And this is something that's certainly within the power of the Premier to disclose, to give us the details on his contract, to talk about how he spent nearly \$25,000 in travel costs over a six-month period in commutes back to his home in Ottawa. So this has included more than \$1,700 in food, \$7,000 in hotels, \$13,000 in flights, \$3,000 in other travel costs and \$250 in incidentals.

So, while the minister talks about being transparent and disclosing this information, this is not required in a bill. This isn't required in legislation. This doesn't have to—we don't have to spend the time around this committee table and once again bringing it through the legislative process when, in fact, in 2016, it was this minister who, at the time, let that bill die on the Order Paper and, in fact, didn't bring it forward; wouldn't push this forward. He wouldn't move it forward. And yet he's got his own technical officer. He could bring this information; he could table it for the committee tonight; he could table it for the people of Manitoba, but, of course, he's not going to do that.

So, once again, it's a government that's brought in three separate pieces of legislation to protect their 20 per cent increase in their pay in perpetuity—in perpetuity, mind you, Mr. Chair, because even if they—or, when they aren't re-elected in 2020, that doesn't matter because the minister will come back to the taxpayers of Manitoba and say, well, I'll take some of that money. I'll take an extra boost in money because I've passed a bill way back in 2018, and that's going to make sure that I get protected and I get the money that I want.

So this is the government who—that we're looking at. It's a government that's not—it's all smoke and mirrors. There's nothing substantial here. What is important is that we need to make sure that we do disclose and that we do have a true and honest, transparent disclosure in government. And it's not

something that can just be talked about. It cannot be just applicable to one political party and, all of a sudden, the Premier (Mr. Pallister) and his staff and David McLaughlin is somehow not included in this kind of disclosure. The Premier doesn't get to pick and choose who he's accountable for. And, you know, this is taxpayers' money that they want to know where it's going for.

And, you know, we just had, tonight, Michelle Gawronsky from the Manitoba government employees' union and an incredible advocate on behalf of those workers in government, and it's really those civil servants that we should be looking at protecting, and lifting up and recognizing the good work that they do, because while they do more with less these days, all the while with the sword of Damocles hanging over their heads, worrying whether they'll have their job, you know, in the coming days, they continue to do the good work that Manitobans expect of them, and we certainly, as a caucus, appreciate that work. We certainly know that the work they do is honest and straightforward. And we're still waiting for the release of the information on Dave McLaughlin. Maybe it's the minister's intent to table that here tonight as part of the documents, and we can discuss that as part of the issues that we vote on tonight.

But, with that, Mr. Chair, I thank the committee for concern as well.

Mr. Chairperson: And we thank the member.

We'll now proceed to the clauses.

Clauses 1 and 2—pass; clauses 3 and 4—pass; clause 5—pass; clauses 6 through 8—pass; clauses 9 through 11—pass; clauses 12 and 13—pass; enacting clause—pass; title—pass. Bill be reported.

That concludes consideration of Bill 6.

**Bill 20—The Employment Standards Code
Amendment Act (2)**
(Continued)

Mr. Chairperson: We will now move to the next bill, which is Bill 20.

Does the minister responsible for Bill 20 have an opening statement?

Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade): Yes, I do.

First of all, I would like to thank everyone that came out to present on this bill tonight. This is an important bill that will provide additional flexibility

for parents to care for their children and for family members to care for their loved ones who are critically ill. *[interjection]*

Mr. Chairperson: Excuse me. Order.

Sorry, Mr.—Honourable Mr. Pedersen.

Mr. Pedersen: Thank you, Mr. Chair.

The bill will also help protect our young people, in line with the minimum working age set out by the United Nations International Labour Organization and ensure when our children do enter the workforce, they are educated on their safety and health rights. Additional proposed changes under the bill will modernize provisions under the Employment Standards Code to be more responsive to the needs of Manitobans.

Contrary to what was presented by some tonight, in the same language used as official opposition, we continue to have a working relationship with the Labour Management Review Committee. We understand it has been a difficult transition for some to move from inside government to the official opposition but, then again, this committee tonight is a reflection of the ability of freedom of speech in this country that we enjoy in this country and I, again, once again, thank everyone for coming out tonight to present.

Thank you, Mr. Chair.

Mr. Chairperson: We thank the minister.

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

Mr. Tom Lindsey (Flin Flon): I thank all the presenters who came out and presented on this piece of legislation that we have before us. And it's such a shame, really, that the government has decided to take one decent piece of legislation and wrap it up in a bunch of legislation that is just plain wrong. Certainly, we've heard from a number of presenters tonight that pointed out the flaws with what the government has proposed, with pretty much everything in this bill, with the exception of the parental and care leave provisions of the bill, although the gentleman that represents CFIB had some concerns with that part of the bill as well, and didn't really support, I think, much that the bill had, although he said he did.

This government, in fact, this province, has a long history with the Labour Management Review Committee and going to that joint committee of

labour, working people and management to seek consensus on the way forward on things like legislation. And it's a strange twist that this government brings to things when earlier we introduced the changes to the parental and care leave, and they—government at the time said, well, no, no, wait a minute, we need to consult with the Labour Management Review Committee. Other provisions that they consulted with the Labour Management Review Committee and then said, we don't need to listen to them. Seems a strange conundrum, if you will, Mr. Chair, that they apparently consult but only listen when they want to. I guess if it was Boston Consulting or KPMG, somebody that they paid gobs of government money, gobs of tax money to, to enrich some of their friends that then they would listen to them lock, stock and barrel, whereas working people and business people in this province, they're not prepared to really listen to what they have to say through the avenues that are available, the best avenues that are available for that consultation and to really hear what is suggested to be the best way forward, consensus between labour and management and generally the government, not so much anymore, I guess, that the government gives the illusion of listening to LMRC, but then chooses not to. They use it as an excuse when they want to. That's kind of a goofy way of running things, if you ask me.

* (20:20)

Certainly, if we could split out the parts of the bill that we find acceptable and suggest to the government that they should withdraw the rest of the bill, that would be the most preferred option and, certainly, I would implore the minister to listen to those that came and presented tonight, to listen to his own Labour Management Review Committee, and do just that, to follow the recommendations of that Labour Management Review Committee, and they had some recommendations on the care-leave portion of the bill that were arrived at in consensus along with everything else that the minister has put forward that he didn't listen to them on.

Suggesting that they're—just because someone is unionized, they shouldn't have access to the labour board, is wrong. Suggesting that a director has the power and authority to decide what's frivolous and what he'll investigate and what he won't investigate, is wrong. Surely, the minister recognizes that an individual shouldn't have that sole power and discretion. I guess the minister doesn't recognize that and won't listen to people that have put their concerns forward with this and, certainly, when we

had the bill briefing we talked about this, and it's not like there's 500 cases a year that the director thinks are frivolous. So again, it's really a pointless piece of legislation that, as one of the presenters put forward here tonight, was a solution looking for a problem.

So again, I would encourage the minister to listen, to act according to what he's heard tonight and probably heard other places as well. Certainly, from labour management review commission, he's heard loud and clear that—scrap the majority of this bill, withdraw it tonight, make that amendment here and now and then we can get down to business and actually make Manitoba an improved province, not the other way.

Thank you.

Mr. Chairperson: We thank the member.

We'll now proceed to clause-by-clause consideration.

Shall clauses 1 and 2 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: Clause 2 in particular should not pass. The—

Mr. Chairperson: Okay, well, just—if we may then, let's pass No. 1 and then proceed to your concerns.

Clause 1—pass.

Shall clause 2 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: And I hear a no.

Mr. Lindsey: Again, clause 2 should not pass. Averaging, the way this government has proposed it, that will allow workers to work more hours and have less say in what those hours are, particularly going forward as the workforce changes, puts greater risk and greater potential harm on working people, particularly with low-wage jobs, low-unionization jobs. Recent immigrants having the chance to actually voice their concerns about extended work shifts will not happen. So I would strongly urge the government to withdraw that.

Mr. Chairperson: Thank you.

All those in favour of—oh, I have to put the question. Oh, shall clause 2 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of clause 2, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

An Honourable Member: Recorded vote.

Mr. Chairperson: Mr. Lindsey.

Mr. Lindsey: A recorded vote, please.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 2 is accordingly passed.

* * *

Mr. Chairperson: Shall clauses 3 and 4 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Shall clause 3 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: Clause 3 should not pass because the whole concept of what this government has proposed with averaging is wrong and should be withdrawn.

Mr. Chairperson: So once again, shall clause 3 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour of clause 3, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: Recorded vote, please.

Mr. Chairperson: A recorded vote having—has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 3 is accordingly passed.

* * *

Mr. Chairperson: Shall clause 4 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Lindsey: Clause 4 should not pass because, once again, the whole point that this government has put forward with the averaging is wrong and should be withdrawn.

Mr. Chairperson: Once again, shall clause 4 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Voice Vote

Mr. Chairperson: All those in favour of clause 4, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: Recorded vote, please.

Mr. Chairperson: A recorded vote having been—has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 4 is accordingly passed.

* * *

Mr. Chairperson: Clause 5—pass; clause 6—pass; clause 7—pass.

Shall clause 8 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: Let me just check my notes here for one second.

Clause 8 shall not pass because, once again, this government has refused to listen to the recommendation—the consensus recommendation of employers and workers in this province by their labour management review commission. And they have very clearly talked about this, the employment of children, and what age would be appropriate, and this government has refused to listen. Therefore, this clause should be withdrawn.

Voice Vote

Mr. Chairperson: All those in favour of clause 8, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: Recorded vote, please.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 8 is accordingly passed.

Mr. Chairperson: Shall clauses 9 through 11 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no. Shall clause 9 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Lindsey: Once again, the whole concept that this government has put forward with the

employment of persons under the age of 18 should be withdrawn—[interjection] No. I'm very concerned that this government will change the definition of what's a prescribed industry, and therefore no complaint by an employee covered under a collective agreement, all of that should be withdrawn.

Voice Vote

Mr. Chairperson: All those in favour of clause 9, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Mr. Chairperson: Clause 9—pass.

Shall clause 10 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: The clause 10 should not pass because why would they exclude complaints by workers covered under a collective agreement? And why, in heaven's name, would they give this power to the director to decide what's frivolous and what isn't without conducting a proper investigation?

Voice Vote

Mr. Chairperson: All those in favour of clause 10, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: A recorded vote.

Mr. Chairperson: A recorded vote having been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 10 is accordingly passed.

Mr. Chairperson: Shall clause 11 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no.

* (20:30)

Mr. Lindsey: Again, this particular section that allows employers to merely accept a online course and certificate when they have no real assurance that it was actually that person who conducted, or who did the online course and scored the marks that they get is wrong.

This online training isn't a bad thing in and of itself, and like one of the presenters said here tonight, we're certainly not opposed to any and all training that young workers—in fact, any workers—can access that will allow them to work safer, but this—this cannot possibly take the place of an employer providing training, particularly to new workers, to ensure that they're aware of the hazards in their workplace, to ensure that they're aware of what duties are required of them in their workplace. So that's why this clause should be withdrawn.

Voice Vote

Mr. Chairperson: All those in favour of clause 11, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: Recorded vote, please.

Mr. Chairperson: A recorded vote having been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 11 is accordingly passed.

* * *

Mr. Chairperson: Shall clause 12 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: Same thing, it's just a continuation of the problems that we've identified already. So, without carrying on too long, I will just say that clause 12 should not pass.

Voice Vote

Mr. Chairperson: All those in favour of clause 12, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: A recorded vote, please.

Mr. Chairperson: A recorded vote having been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 12 is accordingly passed.

* * *

Mr. Chairperson: Shall clause 13 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: As the minister suggested I say earlier, ditto.

Mr. Chairperson: We thank the member.

Voice Vote

Mr. Chairperson: All those in favour of clause 13, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mr. Lindsey: A recorded vote, please.

Mr. Chairperson: Recorded vote is requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 13 is accordingly passed.

* * *

Mr. Chairperson: Shall clause 14 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: Once again, this whole business with the way they've introduced the age of children is allowed to work should be withdrawn from this bill. And I, again, implore the government to listen to people that made presentations, to listen to their labour management review committee, and to listen to Her Majesty's loyal opposition, and withdraw this entire section of the bill.

Voice Vote

Mr. Chairperson: All those in favour of clause 14, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Clause 14 is accordingly passed—oh, I'm sorry, I take that back. A recorded—sorry. Mr. Lindsey

Recorded Vote

Mr. Lindsey: A recorded vote, please.

Mr. Chairperson: I'm going too fast for my own good. A recorded vote having been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 3.

Mr. Chairperson: Clause 14 is accordingly passed.

* * *

Mr. Chairperson: Shall clause 15 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Mr. Chairperson: I hear a no.

Mr. Lindsey: Once again, Mr. Chair, proclaiming this bill as it stands is wrong, and I would deeply again implore the government to listen to everybody

that presented, to listen to their labour management review committee, and withdraw the parts of this bill that are so clearly wrong and that so many people are clearly against. Keep the provisions in place for extending the parental and care-leave section of the bill, and withdraw all the rest of it.

Voice Vote

Mr. Chairperson: All those in favour of clause 15, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Clause 15 is accordingly passed.

* * *

Mr. Chairperson: Enacting clause—pass; title—pass. Bill be reported.

That concludes consideration of Bill 20.

Bill 23—The Commodity Futures Amendment and Securities Amendment Act (Continued)

Mr. Chairperson: We will now proceed to Bill 23.

Does the minister responsible for Bill 23 have an opening statement?

Hon. Cameron Friesen (Minister of Finance): Mr. Chair, the amendments that we make, in regard to The Commodity Futures Amendment and Securities Amendment Act, are ones that will strengthen provisions for investors in the province of Manitoba. We thank those members who came to committee tonight to give to us their opinion. We thank IIROC for the presentations that they made.

We understand that this is a bill that both expresses our government's commitment to providing a framework for the protection of investors in this province in respect of the necessity of regulating capital markets. At the same time, we send an important message to wrongdoers to say, you will not be protected, you'll be prosecuted.

We understand that it's inappropriate that people can simply cease to renew membership in organizations and in so doing to make themselves immune to prosecution, and that is why we create the framework in which IIROC is able to prosecute

individuals for wrongdoing. And we understand as well, it sends a powerful message about deterrents to those who would try to defraud.

We understand—we want to make clear that the vast majority of investors and the vast majority of investment companies and individuals who are registered seek to offer the best products to their clients. They seek to—they are proud of their profession, and we understand this is important work to do. But we need to make sure we have a system that properly provides accountability.

There are three essential measures. We've discussed them at length tonight. Of course, we want to create better enforcement for the payment of fines. And these amendments do that. We want to provide immunity, civil immunity to IIROC members when they are acting in good faith in accordance with their duties, and these provisions would do that. And of course, we want IIROC to have that right explicitly to appeal to the Manitoba Securities Commission. While we believe that it is implicit now, we know that the protections or the changes would seek to make those conventions explicit.

I do want to say that, as a government, we do—we have heard IIROC in seeking an additional measure that we don't support at this time. And, of course, IIROC was seeking to compel the provision of witness—or the provision of evidence and disclosure during an investigation and a hearing process by members of the general public. It is our view that it would represent an extraordinary level of authority generally reserved to agencies connected with governments. We are mindful of the fact that there is only one other jurisdiction in which this kind of provision has been given. That is Alberta. We are not saying no forever. But we are saying we will continue to engage with IIROC and industry experts and industry organizations to understand what the need is.

I want to make clear that it was the advice given to us by privacy lawyers that we not extend these powers at this time. Members of this Assembly may not know that IIROC is not subject to the provisions of FIPPA, even though other bodies are subject to FIPPA provisions. So we have important questions to act—to ask on that matter, as we continue to understand better the reasons for IIROC seeking these powers. However, we should also understand as legislators that when IIROC investigators say that there is evidence that is not being compelled or provided, they have the ability to engage with

Manitoba's Securities Commission. And the MSC can compel that testimony. So I believe we still have in this jurisdiction a good framework to be able to get at the heart and the spirit of what the IIROC is intending through these measures.

* (20:40)

There is one measure, though, that one of our presenters specifically spoke of today. It has to do with that part of these amendments that goes to the immunity for good-faith actions of an S.R.O. in the exercise of power and duty. There was a concern expressed by IIROC that, as stated in the act, the wording would not include the exercise of powers or duties given by the commission under a recognition order, and, therefore, it would actually limit the intended scope of the immunity. Of course, our intent in these measures is to extend that immunity to these individuals when they act in good faith, in accordance with their duties, and, therefore, I will be introducing amendments for the consideration of this committee tonight that we have worked in co-operation with IIROC to understand. These are largely technical. They seek to better describe those measures that we originally built into the bill's wording.

Mr. Chairperson: We thank the minister.

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

Mr. Matt Wiebe (Concordia): I appreciate the opportunity once again to put some words on the record with regard to Bill 23. And I agree with the minister; we did hear some compelling evidence and presentations by the presenters here tonight, in particular, from the—from IIROC, and the information that they brought forward certainly informed the conversation that we had in our caucus, and certainly will inform the information that we hear here tonight.

As I've said earlier, Manitoba is home to a diverse investment market, and we must ensure that investors feel secure and their investments are protected. Our NDP team recognizes that Manitoba is a province that needs quality investment protection, and that's been the starting point for our caucus all along, and that is the consumer protection piece, the piece that looks after individual investors, and really tries to protect them and give them all of the tools that they need to make smart decisions in their investments but also protects them on the other side; when they do have an issue, they know they can

feel confident that those perpetrators have been properly dealt with, that fines have been instituted, and in the case where there is an ability to get restitution, that every effort is made to do that, and if that's done through the legal system and the information that IIROC has brought forward can help inform that, I think that's an important tool and an important mechanism that individuals have to get their money back and get them back on track.

We appreciate the fact that IIROC is an organization that seeks to offer some oversight and regulation in the investment industry. We see that there's a lot of room to enhance that and improve that, and this bill goes part of the way. I am quite concerned and surprised, quite frankly, that the minister has stopped short of being a leader in the country on this, and joining with Alberta, other provinces that are taking the step that IIROC has identified, would give them the power to investigate and properly litigate any issues that arise and really gives them the full ability to make a difference and make sure that those who are not adhering to regulation are properly prosecuted.

You know, it's not like this would be done in a vacuum; they're—you know, still operate under the Manitoba Securities Commission, and, in fact, when the minister talks about the ability of FIPPA to be used, I mean, that's not something that can be used with the Manitoba Securities Commission, either. So, I mean, this is certainly in lockstep with what would be expected under that framework, and it's something that, again, has been implemented in Alberta; it's something that we've seen has shown some results and shown some good progress there. So I think that's something that, you know, we certainly should be looking at. Other provinces, of course, are considering this as well.

So, you know, when the, you know, when the minister says, you know, out of hand, that he won't support any further amendments, it is surprising to me, it is surprising that he doesn't believe that a strong, you know, regulated investment industry is something that Manitobans prioritize and they want to see the proper protections for them as consumers. And that's, as I said, where we start as a caucus, and that's where we want to put all of our focus.

So, you know, we started the evening with the minister—what I thought I heard saying we're open to more amendments, we're open to look at—to hear from the experts, to look at ways to enhance this bill.

And now I hear him say that they're backing down on that commitment to Manitobans.

And so that's concerning to me. I think there's a lot of value in enabling organizations like IIROC to do their job and do it in a way that protects Manitobans in the best way possible. And we certainly hope that those considerations will be taken into account and, you know, that the minister does take those—that presentation seriously, takes that information seriously and reconsiders his position on expanding this bill.

Mr. Chairperson: We thank the member. We'll now consider clauses.

Clauses 1 and 2—pass; clauses 3 and 4—pass; clause 5—pass.

Shall clauses 6 through 8 pass? *[interjection]*

Clauses 6 through 8 are accordingly passed. *[interjection]* No, no, no, I'm going to announce shall clause 9 pass.

Clerk Assistant (Mr. Andrea Signorelli): Do the 6 to 8 again, please.

Mr. Chairperson: Clauses 6 through 8—pass. I thought that's what he told me to do.

Shall clause 9 pass?

An Honourable Member: No.

Mr. Chairperson: I hear a no.

Honourable Minister Friesen.

Mr. Friesen: I move

THAT Clause 9 of the Bill be replaced with the following:

9 Subsection (69)(2) is amended

(a) in the French version, by striking out "directeurs" and substituting "administrateurs"; and

(b) by striking out "under assigned to the exchange or organization under section 20" and substituting "in accordance with a recognition under section 14 (recognition of self-regulatory organization) or assigned under section 20 (assignment of powers or—and duties to commodity futures exchange or self-regulatory organizations)."

Mr. Chairperson: It has been moved by the Honourable Minister Friesen

THAT Clause 9 of the Bill be replaced with the following:

9 Subsection 69(2) is amended

(a) in the French version, by striking out—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense.

The amendment is in order; the floor is open for questions.

Seeing no questions, is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: The question before the committee is as follows—*[interjection]*—oh, sorry.

Amendment—pass; clause 9 as amended—pass.

Shall clauses 10 through 12 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Shall clauses 13—*[interjection]*—clauses 10 through 12 are accordingly passed.

Shall clauses 13 through 15 pass?

An Honourable Member: No.

Mr. Chairperson: Shall clause 13 pass?

Some Honourable Members: Pass.

Mr. Chairperson: Shall clause—*[interjection]*

Clause 13 is accordingly passed. I'm losing it in my old age.

Clause 14—pass.

Shall clause 15 pass?

An Honourable Member: No.

Mr. Chairperson: I hear a no.

* (20:50)

Mr. Friesen: I move

*THAT Clause 15 of the Bill be amended in the proposed section 31.5.3 of **The Securities Act** by striking out everything after "in good faith of" and substituting the following:*

a power, duty or function

(a) in accordance with the terms of a recognition under section 31.1; or

(b) assigned to the self-regulatory organization under section 31.5.

Mr. Chairperson: It has been moved by the Honourable Minister Friesen

THAT Clause 15—

Some Honourable Members: Dispense.

Mr. Chairperson: Dispense.

The amendment is in order. The floor is open for questions.

Mr. Wiebe: I'll allow the minister to give some context to the change proposed here.

Mr. Friesen: So, as I explained in my remarks on the bill and as IIROC explained in their presentation this evening, this is the means by which we would accommodate what the bill originally intended to accommodate in terms of providing to IIROC that immunity from prosecution when they are acting in good faith and in accordance with their duties.

Simply because of the way that the bill was worded, the recommendation was to provide better clarity on that statutory immunity that was intended to be conferred. That original amendment, as I read earlier, it provided for immunity assigned to it; in other words, delegated by the Securities Commission, and that wording, we based on a similar wording in the immunity section of the existing Commodity Futures Act that goes back for a number of years. IIROC's concern was that the wording would not include the exercise of its powers or duties given by the commission under a recognition order.

So this basically scopes in recognition orders and, therefore, I think more accurately, and the opinion of that third party, more accurately represents technically what we had intended all along to accommodate through this measure.

Mr. Chairperson: Is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: Amendment—pass; clause 15 as amended—pass; clauses 16 and 17—pass; enacting clause—pass; title—pass. Bill be reported as amended.

The hour being 8:53 p.m., what is the will of the committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 8:53 p.m.

WRITTEN SUBMISSIONS

Re: Bill 5

To Whom It May Concern,

On behalf of the Association of Manitoba Municipalities (AMM), which represents Manitoba's 137 municipalities, I would like to provide some comments regarding Bill 5 - The Public Interest Disclosure (Whistleblower Protection) Amendment Act (PIDA).

In light of the provincial government's commitment to ensure municipalities have a 'fair say,' the AMM welcomes the option by regulation for local governments to opt-in to the PIDA framework. Moreover, the AMM also believes flexibility is important, particularly for smaller municipalities who may want to opt-in, when establishing disclosure procedures. For instance, designating a Chief Administrative Officer (CAO) may not be practical for small municipal offices, and therefore municipal employees should be allowed to make a disclosure to the Ombudsman if cases may arise.

Meanwhile, in January 2017, the Civil Service Commission Board informed our organization about available resources to guide designated officers when dealing with disclosures. Additionally, the Civil Service Commission also noted that training has been developed and delivered to designated officers and chief executives outside of government upon request. Therefore, the AMM calls on the Province of Manitoba to provide training and resource materials to all interested municipalities that may want to opt-in to the PIDA framework if requested.

Thank you for the opportunity to provide these comments.

Sincerely,

Joe Masi
Executive Director,
Association of Manitoba Municipalities

Re: Bill 6

To Whom It May Concern,

On behalf of the Association of Manitoba Municipalities (AMM), which represents Manitoba's 137 municipalities, I would like to provide some comments regarding Bill 6 - The Public Sector Compensation Disclosure Amendment Act.

The AMM supports the increasing of the disclosure threshold from \$50,000 to \$75,000 and adjusting that amount for inflation every five years. As the \$50,000 threshold has remained unchanged for more than 20 years, the AMM welcomes the increasing and indexing of the threshold amount in order to promote greater efficiency and keep with the original intent of the Act.

Thank you for the opportunity to provide these brief comments.

Sincerely,

Joe Masi
Executive Director,
Association of Manitoba Municipalities

Re: Bill 23

Protecting Vulnerable Investors

Recommendations With Respect To Bill 23, The Commodity Futures Amendment And Securities Amendment Act

Introduction

This is a joint submission by Supporting Employment and Economic Development (SEED) Winnipeg and Community Financial Counselling Services (CFCS). We work in partnership to deliver a continuum of financial empowerment initiatives that provide pathways for financially vulnerable community members to move from poverty to achieving economic security. These initiatives include financial literacy education, financial coaching, matched savings, tax filing, access to benefits, basic bank accounts, identification, and Registered Education Savings Plans (RESPs). The funding provided by the Province of Manitoba, Government of Canada, charitable foundations, and the corporate sector has allowed us to expand the delivery of financial literacy workshops on savings and investing. These workshops provide financially vulnerable Manitobans with the knowledge, skills and confidence to make more informed choices about investing for the future. While financial literacy is important, it is clear that more robust legislation is required to protect investors from unscrupulous or negligent investment advisors. In addition, as a part of our financial coaching programs, we often assist individuals and families in financial crises or with unmanageable debt as a result of involvement in fraudulent investment schemes. We are very aware of the effects of dishonest

financial managers on community members and therefore support providing the Investment Industry Regulatory Organization of Canada (IIROC) with stronger fine collection powers, protection from malicious lawsuits when acting in the public interest, a clear right of appeal, and the ability to compel evidence at the investigation and prosecution stage.

About Our Organizations

Community Financial Counselling Services (CFCS) is a nonprofit charitable organization that works to strengthen Manitoba communities through the provision of accessible, affordable, respectful, responsive and effective counselling and advocacy services to meet the unique and complex needs of individuals, couples and families who are experiencing a variety of challenges in the areas of: personal/family finances, financial literacy, tax preparation, responsible gambling and financial empowerment. CFCS provides training and technical support to over 30 tax clinics and coordinates the largest community volunteer income tax clinic in Canada.

Supporting Employment and Economic Development (SEED) Winnipeg envisions a world where opportunities exist for all people and communities to realize their hopes. SEED is a nonprofit charitable organization dedicated to building strong communities and increasing opportunities for people through financial empowerment programs and services. SEED provides business development, matched savings, financial literacy, access to benefits, access to identification and financial literacy program. SEED partners with over 100 community based organizations to delivery these programs and coordinates the largest and longest running asset building collaborative in Canada.

Recommendations

SEED and CFCS provide a continuum of financial empowerment programs to a combined total of over 20,000 financially vulnerable community members annually. These programs provide a pathway that supports the transition from crisis to financial wellbeing. As program participants improve their financial stability, they are able to transition from day to day survival mode and begin the process of setting goals for the future, such as saving and investing. We are strongly in support of fair regulation and effective enforcement of rules to protect Manitobans from negligent or predatory practices. The financial health of many of our

program participants is fragile and it can take them years to recover from a financial loss. In our experience, newcomers, Indigenous community members and seniors are at heightened risk as they try to navigate unfamiliar and increasingly complex investment options.

We welcome the introduction of Bill 23 and strongly urge unanimous support for the following amendments:

1) The ability to file IIROC disciplinary decisions with the court in order to collect the fines imposed. Allowing IIROC to file disciplinary decisions with the Court of Queen's Bench will improve the probability that fines will be collected. The current low collection rate allows unscrupulous individuals to act with impunity by continuing their harmful practices through a different arm of the financial services industry. More importantly, this provision would send a message that there are real consequences if you break the rules and harm people. IIROC has had more success collecting fines in Provinces like Alberta and Quebec where this legislation has been in place for several years.

2) Immunity for IIROC and its staff, directors, officers and agents (including adjudicators) for acts done in good faith in the performance of a regulatory duty or in the exercise of a regulatory power. This will allow IIROC and its employees to carry out their work without undue fear of being subject to civil litigation that is malicious.

3) A clear right of appeal for self-regulatory organizations to the Commission. This provision will make it clear that both the self-regulatory organization and a respondent have the right to apply for a review of a self-regulatory organization decision to the Manitoba Securities Commission. This amendment will ensure a fair and level playing field.

We also urge the inclusion of the following amendment:

4) The ability for IIROC to compel evidence in disciplinary investigations and disciplinary hearings. This will strengthen IIROC's investigative reach by allowing IIROC the ability to test the evidence for reliability and relevance at the investigation stage and prosecution stage. Providing IIROC with these abilities would ensure that the organization can more effectively and efficiently investigate and prosecute potential breaches, and it would increase the

likelihood that those who engage in misconduct will be held accountable.

Concluding Remarks

We welcome the introduction of this legislation and hope these amendments garner the unanimous support of all political parties. These amendments will provide IIROC with additional tools to investigate allegations of wrongdoing and will enhance IIROC's ability to hold individuals accountable for misconduct and negligence. Strengthening the investor protection framework is of particular importance when we consider the destructive long term impacts of a financial loss

on financially vulnerable community members. Effective protection against financial wrongdoing will allow our program participants to take their first steps towards savings and investing with more confidence and financial security.

Submitted By

John Silver
Executive Director,
Community Financial Counselling Services

and

Carinna Rosales & Louise Simbandumwe
Co-Directors
SEED Winnipeg Inc.

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/hansard.html>