

**First Session – Forty-Third Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Public Accounts**

*Chairperson*  
*Mr. Josh Guenter*  
*Constituency of Borderland*

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-Third Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA  
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**Wednesday, November 13, 2024**

**TIME – 1 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Josh Guenter (Borderland)**

**VICE-CHAIRPERSON – MLA Jim Maloway (Elmwood)**

**ATTENDANCE – 9 QUORUM – 6**

*Members of the committee present:*

*Mr. Brar, MLAs Chen, Compton, Dela Cruz, Messrs. Guenter, King, MLA Maloway, Mr. Nesbitt, Mrs. Schott*

*Substitutions:*

*MLA Compton for MLA Devgan  
Mr. King for Mrs. Stone  
Mrs. Schott for Hon. Min. Kennedy*

**APPEARING:**

*Tyson Shtykalo, Auditor General*

**WITNESSES:**

*Jeff Hnatiuk, Deputy Minister of Sport, Culture, Heritage and Tourism*

*Angela Cassie, Chief Operating Officer, Travel Manitoba*

*Scott Goodine, Archivist of Manitoba, Department of Sport, Culture, Heritage and Tourism*

*Julia Tétrault, Director, Strategic Priorities, Sport and Tourism Policy, Department of Sport, Culture, Heritage and Tourism*

**MATTERS UNDER CONSIDERATION:**

*Auditor General's Report – Archives of Manitoba: Preservation and Access to Records, dated February 2024*

*Auditor General's Report – Management of Provincial Tourism, dated January 2020*

*Auditor General's Report – Follow-Up of Previously Issued Recommendations, dated March 2023*

*Management of Provincial Tourism*

*Auditor General's Report – Follow-Up of Previously Issued Recommendations, dated February 2024*

*Management of Provincial Tourism*

\* \* \*

**The Chairperson:** Good afternoon. Will the Standing Committee on Public Accounts please come to order.

**Committee Substitutions**

**The Chairperson:** Before we begin with our business today, I'd like to inform the committee that we have received three membership substitutions for this meeting only: MLA Compton for MLA Devgan, Mrs. Schott for MLA Kennedy and Mr. King for Mrs. Stone.

\* \* \*

**The Chairperson:** This meeting has been called to consider the following reports: the Auditor General's Report—Archives of Manitoba, Preservation and Access to Records, dated February 2024; and Auditor General's Report—Management of Provincial Tourism, dated January 2020; and Auditor General's Report—Follow-Up of Previously Issued Recommendations, dated March 2023, Management of Provincial Tourism; and, finally, the Auditor General's Report—Follow-Up of Previously Issued Recommendations, dated February 2024, Management of Provincial Tourism.

Are there any suggestions from the committee as to how long we should sit this afternoon?

**Mr. Greg Nesbitt (Riding Mountain):** Ninety minutes?

**The Chairperson:** There's been a suggestion to sit for 90 minutes.

Is that agreed? *[Agreed]*

**Floor Comment:** And revisit after that.

**The Chairperson:** Sure. We can revisit it after that. So we will sit to 2:35.

All right, in what order does the committee wish to consider the reports?

**Mr. Nesbitt:** I'd recommend we do the tourism one first.

**The Chairperson:** All right.

It's been suggested that we consider the tourism reports first. Is that agreed? *[Agreed]*

All right. At this time I'll ask the committee if there is leave for all witnesses in attendance to speak

and answer questions on the record, if desired. Is that agreed? *[Agreed]*

Before we proceed further, I'd like to inform all in attendance of the process that is undertaken with regard to outstanding questions. At the end of every meeting, the research clerk reviews Hansard for any outstanding questions that the witness commits to provide an answer to, and will draft a questions-pending-response document to send to the deputy minister. Upon receipt of the answers to those questions, the research clerk then forwards the responses to every Public Accounts Committee member and to every other member recorded as attending that meeting.

Does the Auditor General wish to make an opening statement?

**Mr. Tyson Shtykalo (Auditor General):** First, I'd like to introduce the staff member I have with me, Grant Voakes, audit manager, who worked on both the reports we'll be talking about today.

Mr. Chair, in 2017, Travel Manitoba had been the lead marketing and development agency for tourism in Manitoba. Given its importance we conducted an audit in 2019 to determine whether the Province had established adequate systems and practices to support the achievement of its tourism goals and objectives. We found the Province did not have adequate systems and practices in place to support the achievement of its tourism goals and objectives.

Travel Manitoba had developed a number of plans and strategies to support and grow tourism that had goals and objectives; however they did not fully consider the risks that could affect tourism, and there was limited consideration on how to mitigate identified risks. We also found that Travel Manitoba's tourism plans and strategies did not have implementation plans with clear steps, milestones and required resources. Implementation plans are important because they set out the steps required to achieve overall goals.

Finally, we found that while Travel Manitoba consulted with the business community and incorporated this feedback into its plans and strategies, it did not consult with key government departments in—until a draft plan was prepared. By not having key stakeholders in the provincial government involved earlier in the planning process, specific concerns, barriers to achievement or other information not previously identified may have been overlooked or omitted. This in turn could jeopardize the success of the plan and the achievement of tourism goals.

This audit included four recommendations to address the deficiencies we found. Our follow-up reports noted that these four recommendations have since been implemented. Looking ahead, it's important that as the tourism strategies are updated and revised, Travel Manitoba continue to assess the risks as well as the resources necessary for their implementation. This would help ensure the success of these strategies in attracting tourists to the province.

Like to thank Travel Manitoba officials for their co-operation and assistance in this audit. I'd also like to thank my audit team for their hard work, and I look forward to the discussion today.

**The Chairperson:** Thank you, Mr. Shtykalo.

Does the deputy minister wish to make an opening statement, and would he please introduce his staff joining him here today?

**Mr. Jeff Hnatiuk (Deputy Minister of Sport, Culture, Heritage and Tourism):** Yes, first I'll introduce the staff that I have with me.

First, Angela Cassie, who's the chief operating officer with Travel Manitoba. Also related to the Travel Manitoba report, Julia Tetrault, who's our director of sport and tourism. And when we get to the Archives report, we've got the Archivist of Manitoba, Scott Goodine, here with us.

With opening remarks—I'm not sure if the microphone is picking up here, but good afternoon, and thank you very much for having us here and allowing me to speak in front of you today.

\* (13:10)

In 2020, the Auditor General of Manitoba completed an audit report on the management of tourism to evaluate whether provincial systems and practices effectively support the achievement of tourism goals and objectives.

As a provincial Crown corporation responsible for tourism marketing and development, Travel Manitoba's primary function is to enhance tourism visitation and spending across all regions of the province. As such, Travel Manitoba collaborated directly with the Office of the Auditor General on the audit.

The audit found that Travel Manitoba did not conduct an adequate risk assessment for its tourism strategies; sufficiently report on the progress of each strategy; identify resources needed; and provide easily locatable and publicly accessible reports.

Consequently, the audit presented four recommendations. In March of 2023, the Office of the Auditor General released a follow-up report indicating that two of the four recommendations made in the 2020 report had been implemented by Travel Manitoba as of September 2022. In February 2024, the Office of the Auditor General released another follow-up report confirming that two outstanding recommendations were implemented by Travel Manitoba as of September 2023.

As mentioned, all four recommendations have been fully implemented. The government of Manitoba provides \$13.865 million in funding to Travel Manitoba through a contribution agreement. As the department responsible for Travel Manitoba, we're here today to answer any follow-up questions that the committee may have relative to the Travel Manitoba reports.

Thank you, Mr. Chair.

**The Chairperson:** I thank the deputy minister for his opening statement and for introducing his staff.

The floor is now open for questions.

**MLA Jelynn Dela Cruz (Radisson):** Thank you to our deputy minister, as well as the department, for being here with us today and for the labour that you are each devoting to meeting the recommendations of our Auditor General.

My question will, I think, help—well, me personally as a committee member—better understand what goes into—I guess, what goes into resources and what resources exactly contribute to the kind of progress points that we see in tourism in Manitoba.

And so on recommendation No. 2, understanding that the AG recommended that Travel Manitoba identify existing resources, funding required and its sources, staff requirements and so forth; and understanding, as well, that you folks have provided a response and that this is an ongoing thing, identifying resources; my question for the department is, what resources have Travel Manitoba identified to date regarding implementation of its strategies, and has the department incorporated any of them since the report.

**Mr. Hnatiuk:** Thank you very much for that question.

Travel Manitoba has identified several resources for implementing its strategies, including financial support and partnerships with key stakeholders for collaborative initiatives.

Implementation plans for all four strategies have been provided. Some examples of the resources identified

within the plans include PrairiesCan for \$2 million in 2022-2023 under the Tourism Relief Fund; Destination Canada, \$1 million for a three-year, 2021-22 to '24-25 joint Manitoba-Saskatchewan prairie angling partnership; joint campaign to promote northern lights experiences in Manitoba, Yukon and the Northwest Territories in '22-23; as well as joint marketing campaign with Economic Development Winnipeg, Destination Canada and WestJet to promote the new non-stop flight from Los Angeles in 2023.

There's also \$250,000 to develop a joint Manitoba-Saskatchewan agro-tourism strategy. That was announced in September of '24. And the Francophone Affairs Secretariat, a four-year funding agreement for francophone tourism development—for a francophone tourism development specialist to lead work related to francophone tourism development.

**Mr. Nesbitt:** Can the deputy minister identify the current funding formula? I know it was set at 95.5 or 96.4 over the past eight years under the former government. Can he explain that formula, how it works and where the levels of funding are at, at present?

**The Chairperson:** The deputy minister, go ahead.

**Mr. Hnatiuk:** So the current level of funding as identified at \$13.865 million is the amount that was allocated to Travel Manitoba based on the 95.5 funding model prior to COVID.

Because the 95.5 funding model was a rolling fund based on averages over a number of years, because of COVID and the drop in the tourism industry due to COVID, that level of funding of \$13.8 million has—was leveled and maintained at that amount instead of dropping it based on the formula, and that amount remains consistent to this year.

**MLA Jennifer Chen (Fort Richmond):** I have two questions.

One is regarding the current percentage of tourism as compared to the GDP. What is the current percentage?

And the other question is regarding the Provincial Tourism Strategy steering committee. On the—in the report, page 16, there was a—some concerns regarding the representatives that were sitting on the steering committee. So just wondering, currently, can you elaborate upon the membership—the current membership—of the provincial tourism strategy steering committee.

Thank you.

**Mr. Hnatiuk:** So in 2019, Manitoba Tourism Strategy noted that the tourism sector contributed just over 3 per cent to the provincial GDP.

In the Travel Manitoba response to the 2020 OAG report stated that Manitoba Tourism Strategy's goal is to doubling that contribution to the provincial GDP from 3 per cent to 6 per cent.

The most recent reports haven't come out yet to indicate what level that's reached at this point.

\* (13:20)

Relative to the steering committee, it's made up of representatives from key Manitoba government departments, including Sport, Culture, Heritage, Tourism; economic development, investment—sorry, economic development, investment and natural resources; and Environment and Climate Change, as well as representatives from key tourism stakeholders from the public sector.

And those stakeholders include Churchill Wild; Economic Development Winnipeg; the Winnipeg Convention Centre; Sport Manitoba; CCFM; the Assiniboine Park Conservancy; Winnipeg Airports Authority; Birdtail Waterfowl; I'd mentioned Environment and Climate Change; the Winnipeg Art Gallery; Calm Air; Indigenous Tourism Manitoba; and, of course, Travel Manitoba.

**MLA Chen:** So the latest percentage is 2019? There's no 2020 percentage to—as compared to the GDP?

**The Chairperson:** Sorry. Mr. Hnatiuk, go ahead.

**Mr. Hnatiuk:** I'm sorry, Mr. Chair.

Yes, 2019 are the most recent numbers that we have, but we expect sometime this month, actually, the 2024 numbers.

**Mr. Diljeet Brar (Burrows):** I want to say thank you to the department for implementing all the four recommendations.

Whenever I think about Manitoba and tourism, agritourism comes to my mind all the time. Do we have any examples of projects that we have done on agritourism, or is it on the table for future strategies?

**Ms. Angela Cassie (Chief Operating Officer, Travel Manitoba):** Thank you very much for the question.

And certainly agritourism is an area that we see as potential to help with the gross growth of visitation, but also to ensure that that growth is dispersed across the province.

We recently received \$250,000 through Destination Canada to do a study on agritourism and explore the potential for Manitoba. So this program through Destination Canada looks at cross-border collaboration, so we are working together with Tourism Saskatchewan and looking at a specific route to start with along Highway No. 1.

So that work is under way to begin to determine what is available, how we might need to further develop the offering, and then we'll, once this initial study is done, begin to look at next steps to better leverage our agricultural richness for visitation.

**Mr. Brar:** Happy to hear about that. Wonderful. Looking forward to see something in that positive direction.

I also think about attracting, you know, ethnic film producers here. I've seen that various ethnic—for example, Filipino—films have been produced in our province and other provinces. As well, we have over 1 million Filipinos in Canada and 100,000 here. So those industries are developing, and the next generation has aspirations to be the directors and producers.

Similarly, I've seen Punjabi film producers attracted towards Manitoba, because when I see—as a person of Punjabi heritage, I see that the cropping pattern and the landscapes of Manitoba are very much similar, for example, wheat and canola, to show those, you know, fields of Punjab.

So do we have any strategy or are we thinking about any strategy to attract those ethnic film producers to Manitoba?

Because I can quote here that eastern and western provinces, they attract a lot of especially Indian and Punjabi film producers to their provinces, and they generate revenue through this exercise.

So is there anything similar happening or possible in our province? I want to know about that.

**Mr. Hnatiuk:** Thank you for that question.

I guess on the film industry side of things, Manitoba Film and Music, through Manitoba's film commissioner, one of their main responsibilities is attracting the film industry here to Manitoba. And as a matter of fact, we're at a point right now where the production of films in Manitoba are at one of its highest points, as far as revenue that's being generated from the film industry. But their work is to promote Manitoba as a location for the film industry.

Relative specifically to the Filipino, Punjabi and Chinese communities, there are focus groups that have taken place relative to tourism opportunities, visitation opportunities for those communities based on what we have here in the province, more from a tourism perspective than in a film perspective.

But I do know, because Manitoba Film and Music does fall within our department, that they're continually looking at the promotion of the film industry, both from a provincial homegrown perspective, a national perspective, but an international perspective also.

**Mr. Trevor King (Lakeside):** A question for the department is: other than the Province, where else does tourism Manitoba receive its funding to support the work of the agency on behalf of Manitobans?

I know you mentioned the \$13.8 million in the—that is budgeted for Travel Manitoba, and I know your staff mentioned Destination Canada. Maybe that's possibly where some funding comes from, too.

But can you tell us, other than the Province, where else funding comes for tourism Manitoba?

\* (13:30)

**Mr. Hnatiuk:** Thank you for that question.

So Travel Manitoba has a partnership program. Basically, it's a sponsorship program where they generate about \$1 million a year in sponsorships. There's the Canada-Manitoba agreement on the francophone tourism strategy. There are federal dollars through Destination Canada and through PrairiesCan that are program-based dollars, so the PrairiesCan dollars, for example, there's \$2 million made available, that's program-based so the dollars flow through Travel Manitoba to the tourism sector here in Manitoba.

So that's not necessarily dollars that help with the operation specifically of Travel Manitoba, but rather help to fund projects, tourism-based projects or programs within Manitoba.

**Mr. King:** So that—those funds would be over and above the \$13.8 million, correct? *[interjection]* Okay, thank you.

**The Chairperson:** Deputy Minister.

**Mr. Hnatiuk:** Correct.

**MLA Jim Maloway (Elmwood):** Point-to-point airlines versus hub and spoke airlines are, you know, a big issue in the travel business, and WestJet is a point-to-point airline, and I know the government has been

talking to them over the last few years, and we do hear about an announcement of a non-stop flight to Atlanta or wherever. But we never find out whether they—they're still doing it, right? Like, were they successful or were they not successful?

So the question is, which airlines are you talking to. I'm assuming it's WestJet, which now owns Sunwing. But we have a way better chance I think of dealing with a point-to-point airline than we do with hub and spoke, because the hub-and-spoke airlines are all working through Toronto and they're working through Minneapolis, and Winnipeg doesn't have a great chance to become, you know, one of those players.

So that I think would help in this—the tourism a lot, because what we're doing is we're just sucking out all kinds of tourists to go south in the wintertime. You know, they only run a few months of the year. We don't have anybody coming back the other way. I mean, just the—we have Canadians going out and Canadians going back to the sun spots.

So I know that you had—Los Angeles was on your list. I just wonder, how is that all working right now. San Francisco should be a good one with the IT down there, right? And there's other, probably, areas that you could look at where you could get a good two-way traffic, but.

**Mr. Hnatiuk:** Thank you for that question.

So right now here in Winnipeg, the flights—the direct flights that we have, we've got more direct flights now than we had pre-pandemic. So we have—you'd mentioned WestJet, LA direct flight; we have Atlanta, a direct flight; we have Nashville, that's a direct flight now.

Two other key direct flights that we have just added recently is Denver and Chicago, and the reason those two are significant is because—and to your point about rather than Manitobans just leaving, going somewhere warm and—and this, the Denver and Atlanta direct flights are key for the hunt and fish part of tourism. Brings a lot of the Americans here for hunting and fishing purposes.

We also are working through Travel Manitoba with Calm Air for flights to the North, specifically Churchill, and the opportunities—the tourism opportunities in the North.

So, as is mentioned, the connectivity through air travel here in Winnipeg is better now than it was prior to the pandemic.

**The Chairperson:** All right, seeing no further questions, I will now put the question on the report—the three reports, tourism reports.

Auditor General's Report—Management of Provincial Tourism, dated January 2020—pass.

Does the committee agree to complete consideration of the section, Management of Provincial Tourism within the Auditor General's Report, Follow-Up of Previously Issued Recommendations, dated March 2023? *[Agreed]*

Does the committee agree to complete consideration of the section, Management of Provincial Tourism within the Auditor General's Report, Follow-Up of Previously Issued Recommendations, dated February 2024? *[Agreed]*

All right, so we will now take up consideration of the Auditor General's Report—Archives of Manitoba: Preservation and Access to Records, dated February 2024.

Does the Auditor General wish to make an opening statement?

**Mr. Shtykalo:** Records held by the Archives of Manitoba trace the history of this province from the early days of the Hudson's Bay Company to present day. These records are an invaluable source for all Manitobans. They help us understand our past and shape our future.

Given the value of these records, we conducted an audit to determine whether Archives was fulfilling its legislative responsibilities for the retention and preservation of its records.

We concluded that the Archives is partially fulfilling its legislative responsibilities, as we found significant risks related to the protection and preservation of records that exist, and we found that the Archives facilitated access to physical records, but did not provide access to digital records from departments.

Mr. Chair, the Archivist of Manitoba is responsible for establishing policies, standards and guidelines for record-keeping. While some work has been done, we found there were no formal policies or standards in place. Such a policy would help ensure public servants have a clear understanding of the role they play in record-keeping and the importance of records.

We also found that the demand from departments and government agencies for record-keeping advice and guidance was increasing, while at the same time, the uptake for the existing record-keeping training was low.

In an increasingly digital society, the Archives must acquire and protect digital records. Unfortunately, we found the Archives did not have the capability to acquire, protect, preserve and provide access to digital archival records.

\* (13:40)

These records are currently retained by government departments and agencies, making them inaccessible through the Archives. It is also essential that the Archives protect the records in its care. We found the Archives had limited space for physical records, and it did not verify the contents of records transferred into its care.

We also found aging and deficient building infrastructure, including a lack of fire suppression systems in some areas and water leaking into some storage spaces. This increases the risk that archival materials may be damaged.

This report includes 10 recommendations to protect and preserve records and enhance public access to these records. We will follow up on the implementation status of these recommendations in 2026.

I'd like to thank Manitoba Archives and staff for the—and the many other stakeholders we met with during the audit for their co-operation and assistance, and thanks to my audit team for their efforts.

**The Chairperson:** I thank the Auditor General for his opening statement.

Does the deputy minister wish to make an opening statement?

**Mr. Hnatiuk:** I'm pleased to be here to provide an update on my department's efforts to implement recommendations from the recent performance audit of the Archives of Manitoba. A branch within the Department of Sport, Culture, Heritage and Tourism and mandated by The Archives and Recordkeeping Act, the Archives of Manitoba provides records management policies and advisory services to government to support effective record-keeping and enable the preservation of government records of lasting significance.

It has the exclusive mandate to preserve the archival records of the government and its agencies, the Legislature, the courts and the Hudson's Bay Company. The Archives also has a discretionary mandate to acquire records of local public bodies and those organizations and individuals in the Manitoba private sector.

Although the audit titled Archives of Manitoba: Preservation and Access to Records was released in February of this year, and we only provided our action plan to Public Accounts Committee in May, I'm very pleased to report that several of the recommendations are complete and others are well under way. Three of the 11 recommendations are already completed.

Recommendation 1, that the Archives formalize the records and information management framework as government's policy on record-keeping, was completed in March, while recommendation 8, that the Archives establish a process to obtain feedback from users as well as expanding the opening hours, was completed in April and March, respectively.

The Archives now surveys users who attend public events and is open the first Saturday of each month from October through to April.

Recommendation 5, that the Archives perform spot checks of non-digital archival transfers was already part of the Archives' normal work practice and is thus considered complete.

As we work towards the other recommendations, it needs to be noted that as a central service, the Archives collaborates with and relies on other departments and groups within the government of Manitoba to do its important work. Several recommendations rely on collaboration with the Public Service Commission and/or deputy ministers. Archives leadership have met with Public Service Commission senior leadership, the deputy ministers' committee and the ADM committee of senior leaders to discuss implementation.

Additionally, the Archives' Government Records Office has recently established a community of practice of ADM-level executive leads for departmental record-keeping.

Recommendations 4 and 10 involve technology advances to implement a solution that will allow the Archives to acquire, preserve and make accessible digital archive records. This requires significant collaboration with the digital technology services division.

I'm pleased to announce that CPGS recently put out a—published an RFP on MERX on November 1 that is a major step towards providing a solution on the digital record-keeping side.

While there have been a lot of success to report on today, it must be noted that a number of OAG recommendations involve significant financial investments in technology, infrastructure and increased human resources for the Archives.

Recommendation 7, which recommends that the archives implement a long-term asset replacement plan, remains incomplete. While the Archives is working on such a plan, actual replacement and expansion of infrastructure is the responsibility of what was the Department of Consumer Protection and Government Services.

As I introduced the Archivist of Manitoba earlier on, Scott Goodine, Scott is also here to assist with any questions that anybody may have.

**The Chairperson:** I thank the deputy minister.

Mr. Maloway—the floor is now open for questions.

Mr. Maloway.

**MLA Maloway:** So I guess I'm really kind of interested in knowing about the IT architecture that you're planning to use here in—you know, the government's been on SAP now for 20 years or more. I don't know whether what you're working on is a module of SAP or whether this has absolutely nothing to do with SAP, that it's a platform that is being used just for records.

And if so, then I'd like to know who else is using it. Because we've had that issue over the years with IT in the government here going back for at least 20, 25 years, where we try to tell the departments to try to get a program from another province, you know, that's already been paid for. You know, some provinces have spent millions of dollars developing a program, and then it's free. But we don't want it, because we want our own special one that we can pay IBM, you know, millions of dollars to develop, that's just good in Manitoba. So we tell them to do this, but we don't know how good they are at following through on what we've told them to do.

You want to also have a system where you don't—you know, we all have these devices at home where we've taken, you know, video 20 years ago and now we can't play it anymore because the machine doesn't work, and we don't know how to go back and reconstruct all our old pictures and stuff like that. I'm just scared we're going to end up with that, that we've got—we had archives that were, you know, hundred years old and, you know, the paper fades and quality goes down the drain. Well, guess what, you put it on a digital program—well, how do you know you're going to be able to retrieve that in a couple of hundred years from now?

So I just want to make sure we don't get into a sinkhole here of spending millions and millions of

dollars and ending up somewhere where we're going to have to redo the whole thing in a couple years.

And so if you could kind of enlighten us on just where you're going with the IT, that would be really helpful, I think.

**Mr. Scott Goodine (Archivist of Manitoba, Department of Sport, Culture, Heritage and Tourism):** Thank you for starting with the easy questions.

So you kind of asked a few different questions as one, and I'll try and answer them to the best of my ability.

We have two current IT projects going that we're working with Consumer Protection and Government Services with. One is the MIRA Vitality Project, and that project is a little further along. And we have signed a contract with the company OpenText, and that will manage our paper records in our record centre, but also eventually will manage the digital records of the government of Manitoba—the semi-active records and active records of the government of Manitoba.

\* (13:50)

It is not SAP but it should speak to SAP because the records of SAP are obviously important records of the government of Manitoba. And so our system will need to speak with SAP and handle the records management and retention of the records in SAP, as well as all the other government records.

We are still in the design phase, so it's very early. So we don't have proof of concept yet.

The second part is the—the second IT project is the digital preservation project, which will be—allow the Archives of Manitoba to ingest the digital records of government. And so all the records that are created digitally we currently do not have the facilities to ingest them but we are working with CPGS and we now have an RFP on MERX which will lead to the—hopefully, to the Archives of Manitoba acquiring a digital preservation project—yes, do you have a question?

**The Chairperson:** Just a reminder to all committee members and all present to direct questions and answers through the Chair.

**MLA Maloway:** Thank you for your answer.

And what I was waiting to hear though is: compared to the other provinces, who are you following?

**Mr. Goodine:** Sorry. We have very close collaboration with a number of provinces. We are not, per se, following any of them.

Ontario has been very helpful. British Columbia has also been helpful with digital preservation. We have fairly regular discussions with a number of different provinces but we won't be following any of them.

The software that will be acquired for OpenText is already acquired and then the digital preservation RFP will be another proprietary company. But as of yet, we don't know who that is.

**The Chairperson:** So, a quick follow-up from Mr. Maloway.

**MLA Maloway:** So the question is: why are you—why are we developing our own software peculiar to Manitoba. There is nothing peculiar about Manitoba that I'm aware of that wouldn't be usable in other provinces.

Like, isn't there anything standard that we can just simply borrow from another province and not spend all this money developing.

**Mr. Goodine:** Yes, I would say that we aren't creating our own; that we are following government tendering standards to acquire a software that will require a little bit of configuration for Manitoba, but we are not creating the wheel in Manitoba.

**MLA Dela Cruz:** I just want to express how great it is to hear that in such a short period of time the department has made such progress. As a—the youngest member of our current class of MLAs, I take for granted every day that, you know, from the moment that I've had to take minutes for meetings, it's been digital.

And so I really have respect for you folks and the attempt and the efforts to marry the two record-keeping modes, so to speak.

My question kind of crawls back to page 13 of the report. On page 13 of the report, there are different examples as to where records may have been destroyed or missing. And so my question for the department is the—is there a reason why Archives have never attempted to impose a penalty for destruction or removal of government records?

**Mr. Hnatiuk:** Thank you for that question.

The examples on page 13 of the OAG report are not examples of offences under The Archives and Recordkeeping Act. These are examples of outdated

records schedules or gaps in records scheduling, so difficult to penalize something that doesn't contravene the act.

Section 28 of the act is an important provision that prohibits the willful destruction, 'erasurage' or removal of government records or counselling others to do so. The key phrase in this provision is: with intent.

Fortunately, the Manitoba government has not had a case of willful destruction or removal and, therefore, has not had to pursue the offence and penalty provisions.

However, other jurisdictions such as Ontario, BC, PEI have had situations of willful destruction of government records, and this is the reason that this statutory safeguard is there for the protection of public assets.

**Mr. Nesbitt:** I want to talk about dollars and cents here for a minute.

So I'm encouraged to hear that you have the RFP out for the digital preservation software right now, and—I mean, that's the first step, obviously, into digital storage.

So, moving forward. Well, first of all, do you have any idea—ballpark numbers—in what this software might cost, and is there an initial cost plus a leasing fee per year—whatever—in that, whatever you can reveal at this point. And also, once it's implemented, will there be cost savings to government in terms of, you know, hard-copy storage, space requirements—perhaps less staff because it's digital, perhaps more staff.

Just give us a sense on the committee of what this software will do, what it will cost and how it might make better financial sense for the government moving forward.

**Mr. Hnatiuk:** Thank you for that question.

And it's kind of—there's a number of prongs to that question.

I guess, first of all, on cost, it's difficult for us to, at this point, say specifically what the cost will be. That sits in another department. It's a responsibility with DTS and CPGS in that department.

\* (14:00)

So I wouldn't want to guess at this point. I'm going to ask Scott Goodine to speak to some of the efficiencies of the—of what the new program will bring.

So, Scott, if you can.

**Mr. Goodine:** We believe that, as you know, government is working digitally now. We are just not managing records digitally, and we're trying to make that step, and that step has proven very hard, not only for Manitoba, but for jurisdictions around Canada and around the world.

We do believe we will see efficiencies in how records are managed. We should see efficiencies in storage because we will—electronic storage, because we will, once we have a records management system in place for government, we'll no longer have the excessive electronic storage that we currently do now. Everyone is saving everything.

For physical storage, eventually we will see a savings in physical storage, but I will answer that the physical storage that we have at the Archives and at the government records centre is actually the best-managed records in this government. And so we are already experiencing savings there, because we're taking records out of expensive downtown offices and managing them in—at our records centre in the St. Boniface Industrial Park.

So we do feel we're already finding efficiencies with paper records, but we are also cognizant that we need to make the jump as a government into a digital—well, a digital government, effectively, that will manage its records appropriately and properly.

**The Chairperson:** All right. And just a reminder to put questions and answers through the Chair.

We will move on to MLA Compton.

**MLA Carla Compton (Tuxedo):** I have a question around the bit around record-keeping training and having low uptake. I come from a world where record-keeping is not optional—from the medical world. And so one of the things I find interesting as I read that point around low uptake on the training and the recommendation is to encourage people to do the training.

I'm just curious why it seems to be optional, because—and please correct me if I'm understanding this wrong, but my understanding is this is around the records of government, what government does. These should be things that are recorded and kept, right? So why would we be letting things be optional? So I'm just curious around that.

**Mr. Hnatiuk:** Thank you for that question.

We have attempted over the last few years, through the Public Service Commission, to make the record management course mandatory. The challenge has been

there are a number of mandatory courses currently in place, and the sense was adding another one was challenging at this particular time. We will continue, though, to request for that mandatory training because we obviously feel it's very important for department staff to be very well trained in records management.

As a—I won't call it an interim step, but a step towards training, we have an outreach program that's targeted at senior leadership, and that program has begun. So every department identifies a senior leadership, whether it's an ADM or a minimal director position in the department that sits around the department's executive committee team that is responsible for management of records within that particular department. So it's a step towards, but it's not mandatory yet, but we continue to work towards that.

**MLA Maloway:** So I want to get a clearer vision here of just how this whole thing is going to look four or five years from now, then. You take your hundred-year-old records, like, say, paper records, okay, and is the goal here that we're going to digitize those hundred-year-old records and then shred all—shred them all because we're trying to save space here, right? So we're going to shred all these records. We're going to put them on—we're going to digitize them, okay. Are we going to be storing them on a server farm somewhere in Chicago, or are we going to be putting them up in the cloud?

Then are we going to be making them accessible to anybody who wants to buy them for \$1 a record or whatever, or—so we don't have to go stand in line at the Archives to see a record, right? Like, are we going to go with a government online program here where we can actually make some money on this, the government can make some money and make things convenient for our residents, right, so they can go—if they live in Thompson they can find out a birth certificate or whatever it is, get it online and pay their \$2, and now the government's made some money back from this program? Is that where we're going here? I just—not really clear about all this.

Or are we going to go and save the paper records and then run a parallel digital—digitized system and then—and not provide it to anybody unless they come and stand in line on Portage Avenue, right? So are—like, can you just explain this a little more?

**Mr. Hnatiuk:** I'm going to ask Mr. Goodine to respond to that question.

**Mr. Goodine:** Okay, so you've asked a fairly complex question.

\* (14:10)

So for digital record-keeping and digital archives, we are very much looking at a go-forward point of view. So we are looking at the records being created by this group today—government today and taking that forward. We are not interested in digitizing mass amounts of older records; it's very cost-prohibitive. You know, digital imaging is a popular option for access, but it's an investment with potential high upfront and downstream costs, and we really need to consider what records need to be in electronic form for active business use.

We did, several years ago, discuss with a client department about digitization. To give you an idea of costs, the quote they got for 225 boxes—so you could probably see a reduction in price if the scale goes up, but it wouldn't be that significant. They needed 13 hours per box for preparation, and they were charging \$26.75 per hour, so that price per box is forty-four—\$344, and so their total quote for 225 boxes of digitization was \$77,000, and if you extrapolate that to the significantly larger amount we have in Archives, we're looking at \$58 million and 250 person-years to digitize the archival collection—or to digitize the semi-active holdings—I'm sorry—of the Government Records centre.

And so our digital strategy is very much going forward. We want to move this government into digital record-keeping in a digital archives, but we will always have the historical archives, and they'll be preserved according to proper archival standards.

**The Chairperson:** Mr. Maloway, on a follow-up.

**MLA Maloway:** So then how are you going to make them available to the public? Are you going to allow them access online and they pay to get—make copies of it? And where are you storing all this stuff?

**Mr. Goodine:** Thank you for that.

With the move to digital, I mean, the records are still accessible based on the legislation that governs them. So records that are available would be available. Records that are not available would not be available because their various legislation would prohibit access, at least open access.

Where they will be stored, again, we are very much the client—we are not the technology experts—but my understanding would be a cloud-based server based in Canada.

**MLA Maloway:** Just a final follow-up on that, then.

So is this an issue, then, where the government is retaining ownership and control of this whole process, or are we farming this out where the ownership rests with the IT company that's putting all this stuff online? Like, are they in a position to resell any of this, or is it they're just being paid a fee by you to put all this stuff online?

**Mr. Goodine:** Yes, the government would retain ownership of all the records, and they would just be a service provider for hosting the records. But it would be no different in essence than what we're doing right now in the government where we have servers.

**MLA Maloway:** But as Mr. Nesbitt just asked before, are—is the government going to make any money or reduce its costs by charging for the—for these records to the public?

**Mr. Goodine:** We do not charge to access records now. I don't believe we would charge to access records in the future.

**Mr. King:** Just curious, just how well the departments, like all the departments, are in keeping their own records before they send them to the Archives. Can they better define their own roles in each department to make it more efficient and cost effective in the end?

**Mr. Hnatiuk:** Thank you for that question. So there is a plan in place to—for departments to ensure that records are current.

Record schedules are a legitimate requirement under The Archives and Recordkeeping Act, and it's a

responsibility of departments and agencies to ensure that record schedules are kept up to date and reflect current record-keeping practices.

With the rollout of the outreach program, with the executive leads that mentioned earlier on, it's the Archives' intention to help departments ensure that a regular review of record schedules are—is developed, and to support them in risk-based approach to their updates.

So we're working all the time with department leads to ensure that they have the proper information on what records they do need to keep and those that they don't.

**The Chairperson:** All right. Hearing no further questions or comments, I will now put the question on the report.

Auditor General's Report – Archives of Manitoba: Preservation and Access to Records, February 2024—pass.

Before committee rises for the day I would ask that all members please leave behind their copies of the reports so that they may be used again at future meetings.

The hour being 2:18, what is the will of the committee?

**Some Honourable Members:** Rise.

**The Chairperson:** Committee rise.

**COMMITTEE ROSE AT:** 2:18 p.m.

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