



**LEGISLATIVE ASSEMBLY OF MANITOBA**

**VOTES AND PROCEEDINGS No. 1**

**FIFTH SESSION, THIRTY-EIGHTH LEGISLATURE**

**1:30 O'CLOCK P.M.**

This being the first day of the meeting of the Fifth Session of the Thirty-Eighth Legislature of the Province of Manitoba convoked by Proclamation of His Honour John HARVARD, Lieutenant Governor for the dispatch of business, and the Members of the House being assembled,

His Honour, John HARVARD, was pleased to open the session with the following gracious speech:

Mister Speaker and Members of the Manitoba Legislature:

Welcome to the Fifth session of the Thirty-Eighth Legislative Assembly of the Province of Manitoba.

Manitoba has moved forward through the first six years of this century, building new partnerships, building new opportunities and building for the future. Our province is changing for the better.

More of our young people are receiving advanced education and training, with increases in college and university enrolment of over one-third since 1999. Our population is growing, with improved youth retention and increased immigration. In the coming months we will meet our target of welcoming 10,000 immigrants annually.

Manitoba is building again. We are working together to renew our city centres, to expand our campuses and hospitals, to construct new recreation facilities and new infrastructure for drinking water and water management. We are making investments that will benefit our citizens for generations to come.

And we are building new economic opportunities based on our Manitoba advantages in resources and technology – in clean energy; in food production and bio-technology; in cultural industries and advanced manufacturing.

Achieving the goals we have set as a province has laid a foundation that will allow us to move forward into the future.

The growth of the past seven years has resulted in a stronger housing market, increased consumer confidence and greater opportunities to work and innovate. It has also created demands for skilled workers to support the fastest growing sectors of our economy. To keep growing we need to step up our efforts to bring more entrants into the workforce, to retain and attract youth, and to promote agility and innovation.

We also need to address the strain on our roads and highways, by increasing our provincial investments and forging a national partnership to sustain our infrastructure into the future.

And we must take further action to protect the quality of our lakes and waterways – with each region and each sector of our community doing its part – so that we can pass on to our children the benefits and enjoyment of our natural environment.

### **Building Manitoba**

When our government came into office in 1999, new investments were needed to address a decade of neglect in Manitoba's hospitals, campuses and roads.

Rebuilding Manitoba's health system was our first priority. Badly needed capital projects had been cancelled time and again, and our largest hospital, the Health Sciences Centre, had operating rooms that were falling below accreditation standards.

Over \$1 billion has been invested to build and modernize health facilities since 1999. Those investments are making a difference for patients and health providers. This fall, a major modernization of the Health Sciences Centre was completed – the largest health capital project in Manitoba history.

State of the art emergency and operating rooms will be in full use at the Health Sciences Centre in the coming year. This project will be followed by emergency room projects at Victoria, Concordia and Seven Oaks hospitals.

Our continued commitment to health capital improvements extends throughout Manitoba. Emergency room upgrades have been completed at the Brandon, Gimli, and Boundary Trails hospitals. New primary health centres have been opened in the communities of Waterhen and Camperville, and dialysis services have been added in Garden Hill and Norway House.

The Dauphin Community Health Centre is set to open in the new year. Construction will soon begin on a five-bed acquired brain injury unit in Thompson and an expansion to the Bethesda Hospital in Steinbach.

Investments in Manitoba campuses and schools have been another priority for our government – the base for building a stronger future. Education was a target for funding cuts during the 1990s, resulting in a backlog in school construction projects and an aging Engineering Building at the University of Manitoba where the roof constantly leaked.

Over the past seven years funding has been provided for 10 new schools, 13 replacement schools, 48 additions and more than 600 renovation projects. New schools have recently opened in Winkler, Deloraine and Falcon Beach. More new schools are being built in Carberry, East Selkirk, West Kildonan, Inwood and Churchill.

At the University of Manitoba, our government was asked to make the first investment to launch a private sector capital campaign. We did so, and the province's \$50 million contribution has triggered a total of \$237 million in fundraising. The partnership financed construction of the new Engineering and Information Technology Complex, upgrades to facilities for Medical Rehabilitation, Architecture, Dentistry and Pharmacy, and the renewal of building envelopes and electrical systems across both of the University's campuses.

In partnership with the City of Winnipeg, our government also invested in the construction of a new downtown campus for Red River College. A similar partnership with the City of Brandon has helped launch the first phase in the relocation of Assiniboine Community College. This year ACC's Culinary Arts, Hospitality and Tourism programs will be moved to the former nurse's residence building at the North Hill site.

Also this year, investments will be made to house the new College of the Environment at the University of Winnipeg and to build and enhance facilities for the University College of the North. The distance education mandate of UCN will be supported by a partnership effort with the federal government to construct broadband links into remote communities – meeting one of the key objectives of the Kelowna Accord.

While placing a priority on health and education capital, our government has also increased investments in transportation infrastructure. During the 1990s, the provincial gasoline tax was increased and the province gained new revenues. Yet over that entire decade the provincial highways budget increased by less than one percent a year. For the past seven years Manitoba's gasoline tax has been frozen, making it the lowest in Canada outside of Alberta. During that time our government has increased funding for highways by 50%.

A major increase in provincial infrastructure investment was recently announced, adding an additional \$300 million for highways capital and maintenance over the next two years.

Today our government is announcing the largest investment in infrastructure ever made in Manitoba – a commitment of \$4 billion over the next ten years.

Projects underway this year include upgrades to key transportation routes in every region of the province: the trans-Canada highway, highway 75, highway 10, highway 6 and highway 59.

Work will also begin this year to address the transportation needs of remote communities. These projects include the Rice River road, which is the first leg of an all-weather road serving communities on the East Side of Lake Winnipeg. New roads will also be built to provide the communities of St. Theresa Point and Wasagamack with a reliable link to their airport. And our government will work with the communities of Paungassi and Little Grand Rapids to develop proposals for new airstrips.

While increasing our provincial investments, Manitoba has called for a national commitment to infrastructure renewal – to address the future needs of Canada's economy and promote the safety and well-being of our citizens. Manitoba's own vision for transportation extends well beyond our borders. We are working in close collaboration with our exporters and with other governments to develop Manitoba's potential as an inland port. Our vision is for new transportation corridors linking the port of Churchill to mid-western markets all the way down to Mexico, and making Manitoba a hub for the Pacific Gateway in B.C.

An unprecedented construction boom is underway in Manitoba, fuelled by record housing starts, commercial building and the new Winnipeg airport. The Red River Floodway expansion is on schedule and in the spring of 2007 will provide protection against a 1 in 300 year flood – the largest flood in recorded history. The completed Floodway will protect against a 1 in 700 year flood.

Manitoba's new Department of Infrastructure and Transportation has been mandated to work with our construction industry to plan for, and manage, the challenges of growth. A new Sector Council will be created this year, providing a forum to guide both short-term and long-term strategies.

## **Renewable Energy**

Building our province's hydro-electric capacity is part of our vision for a prosperous future.

In a world increasingly searching for renewable energy supply, Manitoba's abundant water resources are to our province's economic future what oil and gas have been to other provinces. The construction of the Limestone dam, which was undertaken in the 1980s in the face of determined opposition, has already yielded billions of dollars in export sales and helped give Manitobans reliable electricity at rates that are among the lowest in the world.

Following the completion of Limestone, hydro development sat dormant for more than a decade. Plans to build Conawapa were developed in the 1980s but then mothballed in the 1990s.

In recent years there has been a revival of enthusiasm for hydro's potential. Construction of the Wuskwatim dam is now underway, in partnership with Nelson House First Nation. Manitoba Hydro has just announced a new, 10 year power sale arrangement with Northern States Power in Minnesota, worth over \$2 billion. The new agreement will run from 2015 to 2025.

Today we are proud to announce that we will build the Conawapa dam. Energy projections for export and domestic markets indicate the time is right for Manitoba Hydro to move forward with another major generating station. As with Wuskwatim, the components of the Conawapa project will be submitted for public review by independent regulators. Once in operation, Conawapa will generate 1,250 megawatts of electricity.

Our government is confident in the future of hydroelectric development in Manitoba, and excited by the opportunities it provides for northern and aboriginal communities. We are committed to ensuring that Manitoba Hydro and its assets remain owned by Manitobans, for the benefit of Manitobans.

Wind energy is emerging as a new component of Manitoba's clean energy portfolio. The province's first wind farm, a 99 megawatt installation at St. Leon, is now fully commissioned and delivering power to Manitoba Hydro. Manitoba Hydro will be issuing a request for proposals this winter to develop another 300 megawatts of wind power – the next step towards our target of 1,000 megawatts. The full development of Manitoba's wind strategy is expected to generate \$2 billion in investment, \$100 million in wind rights payments to landowners and \$150 million in property taxes to local governments.

The expansion of ethanol production in Manitoba is underway, following the introduction of Manitoba's *Ethanol Mandate* in 2003. The next step in our bio-fuels strategy is expansion of biodiesel production in rural Manitoba. The Biofuels Act will be updated to ensure fuel quality for consumers. Our government will work with industry to ensure that biodiesel blends are available throughout Manitoba.

This year Manitoba will also introduce a green energy manufacturing tax credit, to promote development and manufacture of clean energy technology in Manitoba.

### **Innovation and Competitiveness**

Hard work, entrepreneurship and targeted investments in training and research have put Manitoba companies at the forefront of some of the fastest growing sectors in the global economy: advanced manufacturing; film and cultural industries; biotechnology; aerospace; and functional foods.

The Premier's Economic Advisory Council has helped frame a growth strategy based on targeted training programs, stronger links between research and industry, and the development of our hydro advantage. PEAC and the business community have also initiated and led the "spirited energy" campaign to promote Manitoba within and beyond our own borders.

Provincial investment in biotechnology research and development has increased by 60% since 1999 – creating innovation and training clusters at the University of Manitoba and Red River College, and supporting a biotech industry in Manitoba that has been recognized as the fastest growing in Canada. The province has worked closely with our manufacturing sector to promote new production and training techniques. Private investment in manufacturing has increased \$1.7 billion since 1999 – a 43% increase.

The new Department of Competitiveness, Training and Trade will lead a campaign to reduce red tape in government, focusing on the creation of a "single window" service for businesses.

Manitoba's unique sector councils have proved an effective way of focusing the efforts of government and industry. The new Department has also been given a mandate to expand the sector council network, concentrating on developing and expanding our apprenticeship and co-op education programs, improving recruitment from colleges and universities into the workforce and introducing new vocational options at the high school level. An alternative high school diploma will be developed, recognizing work experience and academic credentials. A new Flex Fund will be created to deal with training needs in key areas.

### **Growing Our Population**

In the past six years population loss from Manitoba has been turned around. Between 2000 and 2006, we recorded a net population gain from other jurisdictions, with 6,683 more people coming to Manitoba than left. This compares to a net loss of 9,763 people over the previous six years. Low unemployment, expanded enrolment in colleges and universities and competitive living costs are all factors helping to attract newcomers and provide opportunities for youth.

The number of young people has increased every year since 1999, for a total gain of 11,000. For this key demographic, we have gone also from a net loss to other jurisdictions in the 1990s to a net gain over the past six years.

Our government recognizes that we face an ongoing challenge to retain and attract the skills our growing economy requires. We will continue working with employers and education partners to expand training opportunities. We will introduce new affordability measures specifically aimed at youth. And we will expand our successful programs to attract international immigration to Manitoba.

In the coming months, Manitoba will reach the target we set of settling 10,000 newcomers annually. This achievement is the result of a united effort by governments, employers, educators and communities.

Our new target for immigration is to double the current level in the decade to come – adding another 1,000 immigrants to the target each year. This is a bold goal, and to reach it we will need to strengthen and extend the partnerships that have proved so effective. New funding will be provided for settlement services and targeted training, and new legislation will be introduced to spur the recognition of qualifications.

### **Healthy Families**

The needs of Manitoba children will always be front and centre for this government. To ensure the continuation of youth and early years programming implemented since 1999, legislation will be introduced this session to enshrine Manitoba's leading *Healthy Child Strategy*. The province will continue to work with communities and families to deliver our five-year plan for strengthening child care options. The Federal government has made a commitment to the children of Manitoba, and Canada as a whole, and we expect that commitment to be honoured.

A new program will be introduced to provide every child born in Manitoba with an early start on reading. The public library system will be extended with added funding for municipalities, and we will provide enhanced programs to families on literacy, nutrition and positive parenting. An Adult Literacy Act will be introduced to help prevent adult Manitobans from being left behind due to a lack of reading skills.

Unfortunately, some children are put at risk by tragic breakdowns in the family. Our government has committed an additional \$42 million to child protection services, responding to recommendations made by the Provincial Ombudsman and the Children's Advocate. The funding will focus on caseload reduction, early intervention, and – above all – preventing children from having to be brought into the child protection system. Some of the new money will be used to restore funding cut from foster families in the 1990s and to support the recruitment of new foster families.

This year our government will expand the ground-breaking work Manitoba has done in promoting healthy living habits among children and adults. New initiatives will target community exercise options, participation in physical activities and healthy food choices in schools. The province will work with community leaders and the Canadian military to explore the expansion of the successful Cadet program in Cross Lake to other northern communities.

Healthy living requires options for healthy activity. In the past seven years, the province has partnered with other levels of government to support the enhancement of community recreation centres across Manitoba – including the construction of major new facilities in Dauphin, Thompson and the Pas. In Winnipeg we are investing a further \$17 million in recreation centres and swimming pools. This year the *Building Manitoba Fund* will provide \$7 million for new recreation options in rural and northern Manitoba.

Our government has worked closely with volunteers and communities to expand our trails network. In 2004 we provided a tax exemption for trails. In 2005 we passed legislation making it easier for private landowners to allow trails to cross their land. And in 2006 we contributed \$1 million to the work of the Manitoba Recreational Trails Association. We will continue with this partnership in the coming year. In addition, we will make further investments in the next phase of the TransCanada trail through Winnipeg.

For rural citizens with mobility restrictions handi-transit service has become a critical support, allowing many residents to stay in their homes and fully participate in their communities. The province pays for the initial cost of the handi-transit vehicles and for a third of the operating costs. This year, the province will dedicate \$5.4 million in federal Bill C-48 funding to replace vehicles in 64 communities across the province.

Our government is pleased to announce that in the coming year disabled citizens will have access to the Manitoba Legislature through the front entrance, following construction of a permanent tyndall stone ramp.

Our government continues to enhance community support services for seniors, making it possible for older Manitobans to stay in their own homes and live life on their own terms. A popular program that provides safety audits to seniors and safety aids such as deadbolts, peepholes and non-skid bath mats, will be expanded this year to cover 10 additional communities and two First Nations.

Legislation will be introduced to assist grandparents seeking predictable access to their grandchildren – establishing a framework for common sense solutions that also respect the fundamental rights of the child.

In the coming session our government will continue to make improvements to consumer protection in Manitoba. The Payday Loans Act will be enacted and we will introduce new legislation to prevent identity theft, regulate pawn shops, and provide RRSP creditor protection. Our government will also work to ensure that consumers do not end up out of pocket due to misleading gift cards or certificates.

A set of changes will be introduced to modernize the *Employment Standards Code*, to reflect the current realities of today's economy, the changing face of the labour force and the needs of families.

## **Health Care**

Health care remains the top priority for Manitobans and for this government. When governments do not make health care a priority, the result is fewer doctors and nurses. During the 1990s education programs for doctors and nurses were cut back, nurses were fired and specialists left the system. The result of that neglect was an increase in wait times. To compete for health professionals in the North American market, we must strive to make Manitoba health facilities world class and maintain the morale of our front line staff.

We have invested in health capital over the past seven years and we have worked hard to educate, recruit and retain health care professionals in Manitoba. Since 1999, the number of graduates from nursing education programs has more than quadrupled and the University of Manitoba's medical school has expanded by 40%. Our human resource strategies have contributed to 200 more doctors and 1,300 more nurses practicing in Manitoba. In addition 200 new specialists have been recruited to work in Manitoba. Since 2003 alone, 190 more technologists have been hired.

We are expanding nurse training opportunities throughout Manitoba. This year, St. Theresa Point will be home to a 25-seat class of licensed practical nurses offered jointly by University College of the North and Assiniboine Community College. Red River College is operating a 24-seat rotating class in the Gimli, Boundary Trails and Dauphin Hospitals, training LPNs to become registered nurses.

We are working with the University of Manitoba to expand training opportunities for specialists in Manitoba, and with the Manitoba Health Research Council to develop leading edge research opportunities. This year special funding will be provided to expand training for emergency medicine physicians and to recruit oncologists. In co-operation with CancerCare Manitoba the province is currently developing a made-in-Manitoba Cancer strategy focusing on prevention, early detection, treatment and care.

We are also working to expand the pediatric residency program, to add rotations in Brandon and Thompson. As well as enhancing pediatric care in these communities, this will help increase the number of pediatricians who could look to communities such as Brandon and Thompson as locations for their permanent practice.

One year ago we announced our \$155 million *Wait Time Strategy*. Since then we have made significant progress bringing down wait times and wait lists. When we first came into government, waits for life-saving treatments such as cancer radiation therapy and cardiac surgery were unacceptably long. We focused on ensuring those wait times were reduced. Today the wait time for radiation therapy in Manitoba is one week – compared to six weeks in 1999 – and the median wait for all cardiac surgeries is down to 13 days.

Over the past year we have concentrated our efforts on reducing wait lists that affect the quality of life of Manitobans.

- The median wait time for orthopedic surgery has come down from 44 weeks to 24 weeks. Last year, 1,000 surgeries were performed – an increase of over 40%. As a result, the wait list in Winnipeg alone has decreased by 37%.
- The wait time for an elective CT is 11 weeks, down from 14 weeks last year.
- The median wait time for an elective MRI is 8 weeks, down from 15 weeks.
- And wait times for bone density testing are 8 weeks, down from 30 weeks.

These improvements are promising, but we know there is much more to do. We will continue to address the national wait time priorities, which include orthopedics, cataracts, cancer, cardiac and diagnostics. We will also move forward on priorities identified in Manitoba, including pediatric dental treatment, pain management and sleep therapy.



In the 1990s provincial subsidies for ambulance service were phased out and Regional Health Authorities were given the authority to charge fees. This led to a patchwork of policies and to some rural patients receiving large bills for ambulance trips. Our government has acted to address the problem. Fees will no longer be charged on inter-facility ambulance trips. The elimination of fees removes an unfair financial burden on patients living outside Winnipeg.

Our government has established chemotherapy centres in Neepawa, Russell and Hamiota and we are in the process of establishing new centres in Pinawa and Deloraine. We have also committed to make Brandon a regional centre for cancer care by investing in a new model of treatment that combines radiation therapy and chemotherapy. The model will be made possible with the installation of a new linear accelerator in Brandon.

The regionalization of health delivery in Manitoba began in 1996. Since then, our government has reduced the number of regional health authorities from 13 to 11 and introduced changes to improve the administration and accountability of RHAs. In the coming year we will commission an external management review of the regionalization initiative, to ensure we are maximizing the quality and affordability of patient care.

### **Safer Communities**

Crime rates have dropped in Manitoba, but the level of crime remains unacceptable and we have more work to do. Our approach to reducing crime involves a three pronged attack: *prevention, presence* and *consequences*. Every year our government has introduced new measures to combat crime based on this approach.

- *Prevention*: Seven years ago, after-school youth recreation programs were few and far between. Today Manitoba has 45 *Lighthouses*, providing safe and fun places for youth to go in the evening. Over 345,000 youth have taken part in programs at the *Lighthouses* since they were established. We are pleased to announce today that we will be adding five more Lighthouses to meet our target of 50. We will also work with our partners to expand the *Police in Schools* program this year.
- *Presence*: In the 1990s, provincial funding for police officers was flat or declining. Today the province has provided resources for 125 new police officers, including 23 new City of Winnipeg officers who graduated this past week and 23 who graduated into the force in May. Budget 2007 will build on our previous two Budgets, adding resources to help police maintain a greater presence in Manitoba communities.
- *Consequences*: Our government has increased prosecutors and prosecution resources 80% since 1999 as part of our effort to ensure criminal acts are met with consequences. One of our challenges is dealing with kids who are too young to be subject to federal youth laws. To address this, we introduced *Turnabout*, the only program of its kind to provide both help and firm consequences for children under 12. To date, 90% of the youth sent by police to *Turnabout* have not re-offended. The program is viewed as a leading model across Canada and will be expanded in the coming year.

Manitoba has been a strong and consistent voice arguing for tougher federal youth laws. At every step we opposed the federal government's move to replace the Young Offenders Act with the Youth Criminal Justice Act. We have argued continually for changes in the new Act, including a provision to ensure that public safety is the foremost consideration in granting bail to young offenders.

Our government has targeted organized crime with additional police and prosecution resources, as well as innovative strategies aimed at coordinating our response. We would like to acknowledge the hard work of law enforcement officers in our province, who are working together to fight criminal activity that is a serious challenge right across the country.

We recognize that more action is needed. In the upcoming session a new package of anti-gang initiatives will be introduced, providing police and prosecutors with improved tools to fight gang crime. The new initiatives will make innovative use of provincial laws.

This new anti-gang package is complemented on the prevention side by Manitoba's new *Spotlight Program*. Launched last month, the *Spotlight Program* provides intensive supervision to youth involved in gangs, which is a proven deterrent to re-offending. It also provides services to youth to help them transition out of gang life by returning to school, finding a job and dealing with substance abuse.

Finally, Manitoba will continue to be at the forefront in dealing with issues like Internet luring and child pornography. Manitoba's Cybertip.ca has now been expanded nation-wide. It has shut down 1,100 websites and resulted in 20 arrests. Building on this effort, our government will introduce new legislation requiring the mandatory reporting of child porn found on computers.

## **Green and Growing**

Manitoba has won widespread recognition for our leadership in environmental protection and innovation. Last year U.S. Business Week magazine put Manitoba's climate change policies first among states and provinces in the world. More recently, the Canadian Energy Efficiency Alliance awarded Manitoba the top grade in Canada for promoting and supporting energy efficiency.

Manitoba's successes have grown out of our natural advantages and a long-term vision that is shared by leaders and communities across the province. The province's *Climate Change Action Plan*, adopted in 2003, called for Manitoba to become a leader in geo-thermal installations, wind power, hydrogen development, bio-fuels and the provision of clean, renewable power to neighbouring jurisdictions.

Every element of this plan is now well-advanced. Manitoba leads the nation in geo-thermal installations. We have become a leader in the manufacture of hybrid buses and the development of a new hydrogen-powered bus. Energy efficiency for consumers and business has been promoted through the expansion of Manitoba Hydro's *Powersmart* program, which has saved over 700,000 tonnes of greenhouse gas emissions and saves consumers over \$36M on their energy bills annually. A new phase of this program will target specific communities, including First Nations in the Island Lake area, and the Centennial community in Winnipeg, for special retrofitting projects.

Protecting Manitoba's water quality has been a priority for our government since 1999. The province recently introduced a third phase in programs and regulations designed to ensure that this generation of Manitobans passes onto the next generation all the benefits that our waterways and lakes provide. The new phase includes the first-ever limits on the application of phosphorous to soil, nutrient-free buffer zones along lakes and waterways, and new standards to regulate septic fields and sewage treatment in all parts of the province.

The new water protection framework calls on all Manitobans to do their part in cleaning up our lakes and waterways. The province has helped fund clean drinking water and sewage treatment projects throughout the province and is working with the livestock industry to support the development of anaerobic digesters and other technologies that will support environmentally sustainable operations. The entire framework is being submitted for an independent and public review led by the Clean Environment Commission.

Our government is committed to protecting wildlife and natural spaces and cleaning up contaminated sites. This year, we listed Woodland Caribou as threatened under our Endangered Species Act. In the upcoming year, we will list two bird and three plant species.

We will continue to expand protection for Manitoba's beautiful natural areas. Our government will work with First Nations and stakeholders to enact permanent protection for Poplar River and develop special protection measures for Little Limestone Lake. We will continue to commit funds this year to clean up contaminated areas, including orphaned petroleum sites and abandoned mines.

Our government will continue to protect Manitoba's water from proposed diversion projects that could introduce foreign biota. Working with the Canadian government and our international allies, Manitoba has successfully blocked three efforts to transfer water from the Missouri River to the Hudson Bay basin: the original Garrison Diversion Project, the Northwest Area Water Supply Project and a proposed inlet at Devils Lake. So far, not a drop from the Missouri River has flowed into the Red River and Lake Winnipeg. Preventing inter-basin transfer of water is, and will remain, our first objective.

In 2005, the governments of Canada and the United States agreed to a number of measures to protect water quality in the Red River Valley. In 2006, Canada's Environment Minister reconfirmed this commitment in meetings with U.S. officials. Manitoba will continue to urge the federal government to implement the 2005 commitment to install an advanced biota filter at the Devils Lake outlet and proceed with construction immediately.

### **Growing Rural Manitoba**

Our government believes in the single desk model of the Canadian Wheat Board. It has been consistently supported by producers in Manitoba, who until now have had a direct say – through democratic board elections – in how their wheat is marketed and sold. We will not accept the elimination of the Wheat Board for solely ideological reasons. The national government must hold a vote that gives wheat producers a voice in any changes to the single desk. Failing that, Manitoba and Saskatchewan have committed to hold a vote.

We are committed to maintain a responsive farm safety net in Manitoba. 2006 was a better year on the farm, but most producers are still dealing with the impacts of poor weather and low commodity prices in the previous two years. During those difficult years, Manitoba farmers received record crop insurance payments of \$295 million in 2005 and nearly \$200 million in 2004. In 2005, the Manitoba government increased our Canada Agriculture Income Support commitment to \$129 million – more than double our normal commitment.

In 2006, our government will continue to support producers, providing \$60 million to CAIS to help producers overcome the income loss from previous years.

We will also continue to develop our diversification strategy for rural Manitoba, which includes new options for food development and marketing, tourism promotion and the development of wind energy and biofuels. In the weeks ahead, we will be releasing the results of our Creating Opportunities committee. The committee asked producers and community leaders for their ideas on how they could capture more value from the goods they produce. The provincial government's new network of rural GO Teams is designed to cultivate and support rural entrepreneurship and community ideas.

The need for skilled workers in rural Manitoba has increased with economic diversification. Our government has responded by expanding the education and training options available to rural residents within their own communities. We have worked with communities to develop targeted immigration policies. And we have created new scholarships for the study of food sciences and rural development.

Tax changes introduced by our government have helped put oil and gas extraction in southwestern Manitoba on a record pace. More wells were drilled this year than at any time in the province's history, and industry investment is projected to total \$400 million this year. Companies are planning to utilize a CO2 sequestration technique for enhanced oil recovery – a method that increases production while reducing greenhouse gas emissions.

### **Northern Development**

In the last election our government received a mandate to move forward with the University College of the North – an innovative institution that will educate northerners in their own communities and contribute to the next generation of northern nurses, teachers, trades people and social workers.

Currently UCN has 2,600 students registered in over forty programs. New regional centres, new teaching facilities and facility upgrades will be part of the capital commitment to the North in the coming years, along with road construction, hydro development and health care facilities.

Preservation of the key transportation and regional supply role of the Port of Churchill remains a priority for our government. Another priority is to ensure that development of the East Side of Lake Winnipeg takes place in a way that is sensitive to the spectacular environment of the region and to the needs and wishes of the people who live there. Our government will begin the first leg of an all-weather road on the East Side this year and work with remote communities to improve air access and the winter roads network. We will also pilot a unique retrofit and energy efficiency project in the Island Lake area and fund East Side communities to start mapping their traditional areas.

The Northern Healthy Foods Initiative will be expanded from the initial 15 communities in the pilot, and the province will test a new form of truck transport – “Rocky Mountain Doubles” – designed to reduce northern freight costs. This year, the *Neighbourhoods Alive!* program, which has helped improve housing and community conditions in Winnipeg, Brandon and Thompson, will be expanded to other communities in the north and rural Manitoba. In addition, the Northern Food Allowance will be increased to help families in remote communities pay for the higher costs of healthy food and other necessities.

To accelerate the development of Manitoba’s Metis Policy, our government will establish connections at the department level with Metis representatives. We will provide additional support to the Louis Riel Institute’s Adult Education program, and work with the Manitoba Metis Federation on proposals to expand the successful Standing Tall program to more schools.

### **Revitalizing Cities**

Since coming into office our government has significantly increased funding for municipal roads, transit and police. Recently we committed an additional \$50 million to support the improvement of regional roads and bicycle routes in Winnipeg. This is the largest contribution the province has ever made to Winnipeg streets.

This year the new Agricultural Centre of Excellence will be opened as part of the \$15 million redevelopment of Brandon’s Keystone Centre. Proposal requests have been put out for the \$17 million 18<sup>th</sup> Street Bridge project, and work will be underway in the new year to provide an improved level of flood protection for Brandon.

We are pleased to announce that Manitoba’s cities will receive a further \$12.6 million in 2007 for public transit. This addition reflects one-time funding through the federal government’s Bill C-48. Manitoba is committed to increased provincial funding for transit operating costs in Thompson, Flin Flon, Brandon and Winnipeg – restoring the 50-50 funding partnership that was in place prior to the cutbacks of the 1990s.

Our government will continue to place a high priority on upgrading sewage treatment facilities in our cities, to ensure that economic and population growth remains compatible with water protection. In the capital region surrounding Winnipeg, water protection has been added to the set of sustainable development principles used in assessing new development applications.

### **Affordable Taxation**

The last seven years has delivered the largest tax cuts ever provided to Manitoba families and businesses.

In 1999 Manitoba had the highest corporate income tax rate in the country at 17% – a rate that had not been reduced for 50 years. Our small business tax was the second highest in Canada, at 8%, and property taxes had been rising steadily for a decade.

Since then, our government has steadily reduced taxes, making historic cuts in personal income, business and education property taxes. Tax savings this year alone total \$618 million for individual taxpayers and businesses. This includes the elimination of the second education tax on property, which was accomplished a year ahead of our government’s commitment. There has never been an era in Manitoba when the provincial government has reduced taxes more than in the past seven years.

The progress will continue here today.

- On January 1<sup>st</sup> Manitoba's corporate tax rate will be lowered to 14%. In 1999 this rate was 15% higher than Ontario's, but in 2007 rates in the two provinces will be equal.
- Manitoba's small business tax will be lowered again on January 1<sup>st</sup>, to 3% – taking it from the second highest to the second lowest rate in Canada.
- On January 1<sup>st</sup> the middle income tax rate will also be lowered again, to 13% – a 22% cut since 1999.
- Our government will bring in further measures to ease the tax burden for seniors. Starting in 2007, seniors will be allowed to split eligible pension income when calculating their provincial income tax. This tax break matches the federal tax changes just announced. It will save pensioners an estimated \$11 million annually.
- Starting immediately, Manitoba consumers will – for the first time ever – receive a \$2,000 rebate on the purchase of hybrid vehicles. This is a two- year tax reduction intended to bridge consumers and the auto industry to 2009 – when California's new emissions standards will spur a major change in vehicle options and availability.

Our government is particularly proud to announce a new tax initiative aimed at keeping young people living, learning and working in Manitoba.

While we have made progress in keeping our young people, more work is needed. We will continue with policies that provide affordable, accessible education opportunities and hope for the future.

And we will build on these policies of hope with a new initiative designed to encourage our youth to put down roots in Manitoba. For the first time in Manitoba history, all post-secondary students who stay and work in the province will receive a 60% tax rebate on their tuition fees.

The program will start in 2007 and will allow the average graduate to receive the rebate over six years – during the time they are establishing themselves in the workforce and paying off student debt. The program will also contain incentives for students to continue professional or graduate study in Manitoba.

These and other tax reductions over the past seven years have been part of a long-term fiscal plan that stands on three pillars: reducing taxes, making annual payments on the debt and pension liability, and balancing the budget under the Balanced Budget Law. For seven consecutive budgets, Manitoba has made significant progress in reducing taxes and paying down debt, while keeping our books balanced.

Our government was the first in Manitoba to act to eliminate the long-term public pension liability. Our government has also taken major steps to improve financial transparency, including being the first to show the full impact of the pension liability on Manitoba's finances. We did this by publishing Manitoba's first-ever summary budget in 2001, which has been a key part of our public reporting ever since. This session, we will introduce legislation that completes the transition to generally accepted accounting principles.

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Members of the Legislature and invited guests, we are all privileged to live in a province that is constantly looking forward and looking beyond our borders.

This week we took time to remember those Canadians who sacrificed to preserve our liberty, and to salute the men and women who now serve our nation abroad.

This week we are also celebrating and sharing the spirit of our community with visitors from across Canada.

Manitoba has just staged the first-ever Aboriginal People's Choice Music Awards at the MTS Centre – inaugurating a new national showcase for Aboriginal talent. We are currently playing host to the Grey Cup and its week-long festivities. And as all this is taking place, organizers and volunteers are preparing to host the Women's Ice Hockey World Championships next year and the Brier in 2008.

As you proceed to carry out the responsibilities the people of Manitoba have entrusted to you, I trust that Divine Providence will guide your deliberations in the best interests of all our citizens.

His Honour, the Lieutenant Governor was then pleased to retire.

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**PRAYERS**

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On Motion of Hon. Mr. DOER, Bill (No. 1) – An Act Respecting the Administration of Oaths of Office/Loi sur la prestation des serments d'entrée en fonction, was read a First Time.

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Mr. Speaker then informed the House that Ms. Lindsay SAILOR, Mr. Brett RACH, Ms. Laura COLLINS, Mr. Hugh CRAWLEY, Mr. Evan RAMAGE, Ms. Cara GINTER, Ms. Jessica DUPASQUIER, Ms. Natasha HUDEK had been appointed Pages for the Fifth Session of the Thirty-Eighth Legislature.

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On motion of Hon. Mr. DOER:

ORDERED that the Speech of His Honour, the Lieutenant Governor be taken into consideration tomorrow.

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Hon. Mr. DOER moved:

THAT this House do now adjourn.

And the Question being put. It was agreed to.

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The House then adjourned at 2:40 p.m. until 1:30 p.m. Thursday, November 16, 2006.

Hon. George HICKES,  
Speaker.