



LEGISLATIVE ASSEMBLY OF MANITOBA

VOTES AND PROCEEDINGS No. 1

THIRD SESSION, THIRTY-NINTH LEGISLATURE

1:30 O'CLOCK P.M.

This being the first day of the meeting of the Third Session of the Thirty-Ninth 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 Third Session of the Thirty-Ninth Legislative Assembly of the Province of Manitoba.

This House is meeting for the first time since the passing of the Honourable Oscar LATHLIN, who served the constituency of The Pas for 18 years. He will be remembered by all Members for bringing the issues of the North to the Legislature, both as an MLA and as a Minister. He was passionate about expanding education opportunities for Aboriginal people and providing positive choices for northern youth.

Oscar LATHLIN was particularly proud of the successful youth cadet program in Cross Lake that was started by Bob Smith. In his honour our government will double provincial support for similar youth programs in the North.

At this time I would ask all Members and guests to stand for a moment of silence in memory of Oscar LATHLIN.

Thank you.

Mr. Speaker, we begin this session at a time of continuing turmoil in the global economy.

Over the past three months, the credit crisis originating in the United States has triggered dramatic losses in stock markets and has shaken investor and consumer confidence throughout the world.

This Legislature has dealt with the impacts of external crises in recent years, including the economic fall-out from 9/11 and the financial repercussions from a federal accounting error. While the full scope of the current crisis is yet to be seen, its potential impact on pensions, businesses and jobs is a matter of serious concern.

Amidst this concern, Manitobans should know that our province is well positioned to weather the impacts of a global downturn. Manitoba has experienced steady economic growth over the past nine years, thanks to a skilled and expanding workforce, innovative businesses, and strategic investments in people and infrastructure.

In 2008 independent economic forecasters project Manitoba's growth at 2.1%, which will be the second highest in Canada and more than triple the national rate. While all provinces are projected to see a slowing of growth in 2009, Manitoba's economy is still projected to grow by 1.6% – compared to 0.7% for Canada as a whole.

At times like these, Manitobans will also recognize the value of a balanced approach to provincial finances. Over the past nine budgets our government has not incurred a deficit. Each provincial budget since 1999 has provided sustainable tax reductions along with strategic investments in health care, education and infrastructure. Over that period the Fiscal Stabilization Fund, the province's "rainy day" savings account, has nearly quadrupled in value.

This is not a time to retreat from our balanced policies or from our long-term growth strategy. Indeed, it is more important than ever to expand the skills base of our workforce and invest in strategic capital projects and innovation. By staying the course we will add stability to our economy and position Manitoba more strongly for the economic recovery.

By working together with our national government we will reinforce the approach we adopt here in Manitoba. Prime Minister Harper is to be commended for calling a meeting of First Ministers on the eve of the G20 summit. At that meeting, Canada's leaders agreed to move forward with needed infrastructure investments, to make a renewed effort at removing internal trade barriers and to work together on expanding international trade. At a future meeting in the new year, First Ministers also agreed to discuss the expansion of Aboriginal economic opportunities through education.

Maintaining Stability

Affordable government within a balanced budget framework has been a key element of Manitoba's growth strategy. It has earned our province six credit rating improvements since 1999 and allowed for payments against our province's long-term debt – including a \$110 million payment this year. It has also allowed tax reductions that now save Manitobans over \$1 billion annually.

The global crisis presents a fundamental choice between stepping back from planned tax reductions or providing predictability to businesses and citizens. Our choice is to maintain predictability. Therefore, our government will carry through on past budget commitments to improve affordability for Manitobans.

On January 1st the small business tax rate, which at 2% is already the lowest small business rate in the country, will be reduced to just 1%. Nine years ago this rate stood at 8%.

In July, 2009 the corporate tax rate will be reduced again, from 13% to 12%. This rate stood at 17% in 1999 – and at that time was the highest rate in the country. The new rate in 2009 will be the fourth lowest in Canada.

On January 1st personal income taxes will be reduced by cutting the rate for the lowest income bracket, increasing the Personal Amount by \$100 and increasing the threshold for the middle-income bracket. This is the third step in a five year plan to reduce income taxes by 10% for middle income earners – a reduction that will produce annual tax savings of \$77 million. The 2009 reductions alone will save Manitobans almost \$22 million.

On January 1st a new Caregivers Tax Credit will go into effect, providing up to \$1,020 a year for those who look after their loved ones at home.

Further announcements on our tax plan will be included in Budget 2009, consistent with our long-term strategy of making sustainable improvements within a balanced framework.

Beginning January 1st our government will implement a set of measures to ensure that viable businesses in Manitoba have access to credit for new or ongoing ventures.

As a first step to promote investments in innovation and productivity, our government eliminated the capital tax for manufacturers this year. We are proceeding with the next stage in our multi-year phase-out of the tax for other businesses. In 2009 capital tax reductions will free up \$24 million for investment. By 2011 the total amount freed up will be \$80 million.

Direct provincial support for innovation will also be enhanced. Manitoba currently supports development and implementation of new technologies through the *Feasibility Studies* and *Technology Commercialization* programs. In 2009 our government will increase the provincial share of these programs from 50% to 75% and – in recognition of credit access challenges – will now provide the funding up-front.

Our government will also appoint a Manitoba Council on Innovation to develop new commercialization strategies for Manitoba and forge stronger relationships between researchers, the investment sector and entrepreneurs.

In 2009 the budget of the *Community Enterprise Investment Tax Credit* will be doubled. In 2008, its first year of operation, the \$5 million program has leveraged almost \$17 million in share capital for Manitoba. The province will commit \$10 million to the *Credit*, which will leverage over \$33 million in share capital.

The maximum loan guarantee under the *Business Start Program* will be raised from \$20,000 to \$30,000, and the guarantee will be made available to firms that have been operating for up to one year. In addition to supports currently available to farmers under the *Operating Credit Guarantee Program*, a new Credit Guarantee Program will be created to assist non-agricultural rural enterprises.

Our government will also introduce measures to help protect the assets of Manitoba citizens.

Given the historic declines in the stock market, an element of flexibility will be added to pension regulations. The changes will ensure that workers' assets are protected and that businesses do not have to declare bankruptcy or cut benefits as a result of plan shortfalls.

Our government will also keep a close watch on the housing market in Manitoba to ensure that the recent reassessment accurately reflects the values of properties.

A new *Financial Literacy Initiative* will be launched this year to provide consumer education in the areas of opening bank or credit union accounts, establishing a good credit record and understanding RRSP options. As well, new legislation will be introduced to strengthen regulation of the mortgage broker industry and improve disclosure requirements.

Expanding Skills

Manitoba's education strategy remains at the heart of our economic strategy. Our government is committed to a plan that will expand the skills base of the Manitoba economy, opening new opportunities for youth and increasing our long-term competitive advantage.

In the coming year, further additions and upgrades will be made to campuses throughout Manitoba. New buildings will be added to the University College of the North's campuses in The Pas and Thompson. Construction will begin on the Richardson College for the Environment and Science Complex at the University of Winnipeg, and a new residence facility will be built at the University of Manitoba as part of "Project Domino." At Brandon University, construction will begin on a new physical plant. Construction is already underway on The Heavy Equipment Training Facility at Red River College and on the Len Evans Centre for Trades and Technology at Assiniboine Community College.

Continued investment in the skilled trades is crucial to addressing one of the barriers to growth in Manitoba and increasing opportunities for Manitoba youth. Manitoba's apprenticeship program has grown significantly since 1999, with the number of registered apprentices up by more than 70%.

Last year our government committed to a historic expansion of skills and apprenticeship training, with a target of 4,000 new placements in four years. Since that time 1,100 placements have been created. In the coming session, legislation will be introduced to modernize apprenticeship training, based on the recommendations of the *Apprenticeship Futures Commission*. As well, new apprenticeship trades will be designated, course purchases will be increased and new tax credits will be offered for employers who provide apprenticeship placements.

Training and apprenticeship targets will also be established for major capital projects funded by the province.

A special emphasis will be placed on Aboriginal training programs, as recommended by the Premier's Economic Advisory Council's summit on *Aboriginal Business Development and Increasing the Aboriginal Workforce*. In response to a key recommendation of the summit, a *Northern Essential Skills Initiative* will be launched this year. The *Initiative* will provide industry-based training for Aboriginal and northern residents prior to entering the apprenticeship stream.

This year a new Northern Sector Council was created, to address an unprecedented situation in Manitoba's North, where the number of job openings now exceeds the number of people available to fill them. In the coming year the mandate of the Northern Development Strategy will be refocused, to initiate new strategies for training and community development. A dedicated Métis Economic Development Fund will be set up in partnership with the Manitoba Métis Federation. And a new UCN training program for the mining sector will be established in Flin Flon.

Strategic Investment

Building and upgrading Manitoba's infrastructure has been a priority for our government since 1999. Investments have been targeted to add new schools and hospitals, expand our university and college campuses, and renew our highway system.

These are essential investments we make in the future of our communities and the long-term growth of our economy. They also provide a stimulus to our economy in the near term, providing companies with the assurance they need to maintain their workforce and invest in new equipment and training.

Today our government is committing to a four-year, \$4.7 billion investment plan. The new plan will fund needed capital projects in health, education, housing, transportation, drinking water and wastewater treatment.

The plan will advance the construction of major projects in all regions of the province.

In Northern Manitoba the projects include:

- Construction of the East Side Road, new upgrades to Highway 6 and Highway 10, and improved roads for single-access communities;
- A new UCN building in Thompson and an expansion of the UCN facilities in The Pas – including a new Wellness Centre; and
- New affordable housing in Thompson and The Pas.

In Brandon and Westman the projects will include:

- A new physical plant for Brandon University and construction of the Len Evans Centre at the former BMHC site;
- Construction of a new Regional Cancer Centre in Brandon, dialysis service in Russell and a personal care home in Neepawa;
- Wastewater treatment upgrades for Brandon, Neepawa and Portage la Prairie;
- Upgrades to over 100 kilometres of the Trans-Canada Highway, continued work on the Brandon Eastern Access and the 18th Street Bridge, and the completion of First Street repaving;
- A new Portage la Prairie Multiplex; and
- New affordable housing units in Brandon

In Eastman and the Interlake the projects will include:

- Redevelopment of the Pine Falls Health Centre and the emergency unit at Bethesda Hospital, and upgrades to the Ste. Anne Hospital;
- New dialysis service in Hodgson and Gimli;
- Construction of a new Aquatic Centre in Arborg and a 52 km bike path along the Manitoba Floodway to Bird's Hill Park; and
- Upgrades to Highway 59, north of Winnipeg and Highway 75, from Winnipeg to the U.S. border.

In Winnipeg the projects will include:

- New construction on the University of Manitoba, University of Winnipeg and Red River College campuses;
- Expansion of the dialysis unit at the Health Sciences Centre and installation of a new MRI machine at the Children's Hospital;
- Upgrades to Manitoba Housing buildings at Central Park, Lord Selkirk Park and Gilbert Park; and
- Upgrades to Winnipeg's wastewater treatment system.

This plan will create jobs and training opportunities across the province. The Manitoba Bureau of Statistics estimates that, over 4 years, the \$4.7 billion investment will create approximately 40,000 jobs directly and an additional 34,000 indirect jobs.

To provide predictability to the construction industry, and the orderly management of these projects, our government will publish multi-year capital plans for health care, education, highways and water management.

In addition to these building plans, Manitoba will move forward with the vision developed with business, labour and community leaders to establish *CentrePort Canada* – Manitoba's inland port.

Our government, along with the federal government and our municipal partners, is committed to investing in an infrastructure plan for the 20,000 acre inland port area, and to upgrading the transportation corridors that connect Manitoba to export markets around the globe.

Our government will also take steps to ensure the competitiveness of *CentrePort*. Beginning July 1st, 2009, Manitoba will reduce the aviation fuel tax for cargo flights from 3.2 cents per litre to 1.5 cents per litre, and expand the tax exemption for international flights to include all cargo flights to and from the United States. We will also work with the *CentrePort* partnership to explore new ways to increase trade, such as improved federal government export incentives.

Provincial support to Manitoba municipalities has increased significantly over the past nine years. A recent national study found that Manitoba municipalities are well positioned financially, due to increased provincial funding levels and decreased costs. In recent years, the Province has uploaded responsibility for health services and welfare social assistance, isolating municipalities from the negative impacts of economic cycles. In the coming year, further steps will be taken to resolve jurisdictional overlap in the area of public health inspection.

Our government will also commit to accelerate municipal infrastructure programs, including our successful urban development strategy. In 2009 Manitoba will work with the City of Winnipeg and the Government of Canada to renew the Winnipeg Partnership Agreement, with a focus on downtown and core area development, including a renewal plan for the neighbourhood of South Point Douglas.

Increased cooperation between municipalities will lead to better planning in the Capital Region. In support of these efforts the province will fund 50% of the costs of a new *Plan Winnipeg*, to promote sustainable development of our capital and its surrounding area. Tax Increment Financing legislation will be reintroduced in the House this session, adding a valuable tool to support urban renewal efforts. And our government will continue to work with the City of Winnipeg to advance the southwest rapid transit corridor.

For northern Manitoba the construction of an east side all-weather road is a major project that will provide remote communities with the kind of access to goods and vital services that most citizens of Manitoba take for granted.

It can also be a major opportunity for northern residents, providing jobs and training that will bridge into the Hydro construction projects slated for the coming decade.

This year, as work on the floodway expansion project enters its final stage, the Manitoba Floodway Authority will be tasked to develop a partnership with East Side communities for the construction of the all-weather road. The approach will build on the Floodway project's successful Aboriginal set-aside program, and will ensure that economic benefits from the road construction are shared by local residents.

With the opportunities created by new power sales to Minnesota and Wisconsin, Manitoba Hydro will continue to move forward with building new hydroelectric infrastructure in northern Manitoba – in full partnership with Aboriginal communities. The revenues from Hydro exports ensure that Manitobans continue to benefit from having among the lowest electricity rates in the world.

Security for Citizens and Communities

Strategies to improve the security of citizens within their homes and neighbourhoods will be expanded next year, with funding for added police and prosecutors and expansion of the successful immobilizer program to reduce auto theft. The popular *SafetyAid Program* will be expanded to new locations, helping to improve the safety of seniors in rural and northern Manitoba. And new measures will be introduced to limit access to animal repellants, which in the past have been used in burglaries and assaults.

This year our government will introduce new legislation to ban smoking in cars when children are present and the use of hand-held cell phones or text messaging devices while driving.

To help those that help keep us safe, Workers Compensation coverage for firefighters will be expanded, by adding to the list of presumptive diseases under the WCB Act. The Police Act will also be modernized, to protect police officers who put their lives at risk to keep citizens safe, and address citizens' desire for appropriate and effective administration.

A new Food Safety Act will be introduced to help ensure the safety of our food chain. And legislation introduced in the past session to regulate dog breeders will be reintroduced.

In a time of economic unrest people who are already struggling to make ends meet cannot be forgotten. Our government will continue with strategies to reduce poverty, which according to Statistics Canada have resulted in the child poverty rate in Manitoba dropping by 36% from 1999 through 2006.

In the coming year training and education opportunities will be increased under the *Rewarding Work Program*. The new initiatives will help low-income working families with the costs of raising their children, provide ongoing supports to help people stay employed, and make it easier to move from welfare to work.

Manitobans with disabilities will have their eligibility for provincial supports expanded, by exempting federal Registered Disability Savings Plans from eligibility assessments.

Our government has doubled its commitment to adult literacy since 1999. We will continue to enhance and expand literacy programs to benefit the provincial economy and improve the social, economic and health outcomes for adult learners, their families, and their communities.

In the coming year, Manitoba Housing will significantly expand programs to overhaul public housing stock and retrofit older homes for energy and water conservation. This expansion will be a partnership with community groups, and will provide training and employment opportunities for local residents as well as savings on utility costs.

Our government will also proceed with the expansion of childcare options under our five year *Family Choices* plan. Over its first two years the plan will add close to 3,000 funded childcare spaces. New capital funding will be provided in the coming year, and a new recruitment and retention initiative will be introduced for childcare workers.

Our government has made a strong commitment to *Changes for Children*, a multi-year plan of action that will strengthen Manitoba's child welfare system. The province is currently implementing the recommendations of three independent reviews of the system – introducing a broad range of innovations that includes new legislation, increased front line resources, and a requirement for service agencies to adopt leading practices. Another step to support children's safety will be the introduction of an advanced computerized case management system.

Security of access to health care remains a top priority for citizens and for our government. Thanks to a landmark agreement between the Manitoba Medical Association and the province, one of the last vestiges of the outmoded patient payment system is being eliminated. As of April 1st, 2009, doctors in Manitoba will no longer charge tray fees to patients for publicly insured services. In the upcoming session our government will also be introducing legislation to ban government health care premiums in Manitoba.

Over the next two years, our government will invest \$85.5 million in specialized medical equipment including \$51 million in 2008-09. That is more than double the \$40 million invested over the past two years.

Stewardship

In the past decade Manitoba has become a recognized leader in clean energy development, sustainable building practices and environmental protection. It is vital to maintain our progress in this area, not only to provide the stewardship we owe to future generations but also to retain our competitive edge in an area that is of increasing economic importance.

In the coming year our government will introduce historic measures to protect forests in our provincial parks. New logging in provincial parks will be banned on a go-forward basis. Further, and in cooperation with industry stakeholders, we will introduce a plan to phase out existing logging that has been taking place in our parks for many decades. While respecting economic impacts, these measures will ensure that Manitoba's wilderness areas are preserved for future generations.

At the same time, major improvements will be made to the provincial park system, including resurfacing of the Bird's Hill bike path, development of recreational facilities and trails at Assessippi, and upgrades to park roads and sewer systems. On the East Side of Lake Winnipeg, new resources will be invested to support the bid for a UNESCO World Heritage designation and the development of sustainable ecotourism. We will also introduce new legislation to give legal recognition to planning and protection of First Nations' traditional lands on the East Side of Lake Winnipeg.

A new *Wetlands Protection and Restoration Initiative* will be launched, including plans to restore our major marshes in Manitoba, the Delta Marsh and the Netley-Libau Marsh, and new incentives for land owners to restore or develop prairie wetlands. The *Initiative* builds on research that shows the enormous value of wetlands for biodiversity, for retaining nutrients, for regulating prairie water tables and for reducing greenhouse gas emissions.

The *Wetlands Initiative* will add another dimension to our government's commitment to restore the health of Lake Winnipeg. Wetlands in river deltas help to filter out excess nutrients such as nitrogen and phosphorous, and studies have indicated that restoring the Netley-Libau Marsh could reduce nutrient loading in Lake Winnipeg by 6%.

A new *Sustainable Agricultural Program* will also be launched this year as part of the agenda laid out in Manitoba's *Kyoto and Beyond* plan. Manitoba was an early proponent of the Kyoto Protocol and is now one of the only jurisdictions in North America with a plan to achieve its Kyoto emission reduction targets by 2012. One of the major reduction initiatives that will go forward this year is licensing for the capture of methane gas at the City of Winnipeg's Brady Landfill. Beginning in 2010, Manitoba Hydro's last coal generating power plant at Brandon will be used only in emergencies.

This year our government will work with Manitoba Hydro and the federal government to support the development of emerging renewables, including wind power and solar water heating.

Since 1999, Hydro's PowerSmart program has achieved over 400 megawatts in electricity savings and assisted more than 45,000 Manitobans to invest in energy upgrades to their homes. PowerSmart will be expanded this year, with new incentives for Manitobans to use alternatives to oil and propane. A targeted initiative will be launched for First Nations and lower income communities.

Manitoba's recycling programs will also be stepped up. Aggressive targets will be set for the re-use of plastic bags; recycling of bags will be ramped up; and bags that do not conform to composting or recycling standards will be banned from distribution in Manitoba. A new industry partnership will be launched in the coming year, with a mandate to reduce the amount of paper and packaging going into landfills.

In closing I wish to congratulate the City of Brandon for winning the right to host the 2010 Memorial Cup.

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.

PRAYER

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.

On motion of Hon. Mr. DOER:

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

By unanimous consent, it was agreed that the House will sit on Friday, November 21, 2008 at 9:30 a.m. in order to allow the Leaders of each political party to each give a 5 minute tribute to the late Hon. Mr. LATHLIN and that a formal condolence motion will be considered at a later date.

Thursday, November 20, 2008

By unanimous consent, it was agreed to permit the Speaker and the family of the late Hon. Mr. LATHLIN to set up an appropriate display on the desk of the former Member during the tributes.

By unanimous consent, it was agreed for the House to recess following the tributes and to resume at 10:00 a.m.

Hon. Mr. DOER moved:

THAT this House do now adjourn.

And the Question being put. It was agreed to.

The House then adjourned at 2:18 p.m. until 9:30 a.m. Friday, November 21, 2008.

Hon. George HICKES,
Speaker.