

Wednesday, November 27, 2002



LEGISLATIVE ASSEMBLY OF MANITOBA

VOTES AND PROCEEDINGS No. 1

FOURTH SESSION, THIRTY-SEVENTH LEGISLATURE

1:30 O'CLOCK P.M.

This being the first day of the meeting of the Fourth Session of the Thirty-Seventh Legislature of the Province of Manitoba convoked by Proclamation of His Honour Peter LIBA, Lieutenant Governor for the dispatch of business, and the Members of the House being assembled,

His Honour Peter LIBA, was pleased to open the session with the following gracious speech:

Mr. Speaker, and Members of the Manitoba Legislature:

I welcome you to the Fourth Session of the Thirty-Seventh Legislative Assembly of the Province of Manitoba.

It is a particularly proud time for our province. Manitobans recently had the honour of hosting Her Majesty Queen Elizabeth II on the Canadian portion of her Golden Jubilee tour. This past summer, we also had the great pleasure of hosting the North American Indigenous Games. The public response to both events was overwhelming and we can take pride in the outstanding work of our organizers and volunteers.

We are also proud of those Manitobans who were called to serve overseas this year, or who contributed in other ways to the cause of international peace and stability.

As all Manitobans know, we have entered into a period of uncertainty in international affairs, compounded by a slowdown in the global economy. Tensions abroad have caused us to increase our vigilance at home and take new steps to enhance public safety.

The state of the global economy has added another element of uncertainty, but has also highlighted the underlying strength of the Manitoba economy. Although our growth rate slowed in the final months of 2001, we are reassured by the strong rebound through 2002. The Conference Board projects economic growth in Manitoba this year to be above the national average.

The resilience of the Manitoba economy reflects our economic diversity and a commitment from all sectors to our long-term growth strategy. Annual job creation in Manitoba since 1999 is double the annual job creation during the previous decade. College and university enrollment is up 19% over the same period and Manitoba is one of just three provinces in Canada to have recorded investment growth in each of the past three years.

As a result, Manitoba's unemployment rate is among the lowest in Canada and income assistance rolls have fallen to their lowest level in two decades. Manitoba has also achieved the lowest rate of youth unemployment in the country, strengthening our ability to keep young Manitobans at home.

Increased efficiency and effective partnerships have helped spur the provincial growth strategy. Your government has acted on longstanding proposals to streamline administration in the public sector. The actions include:

- Amalgamating Manitoba school divisions, to achieve a one-third reduction of school boards and administration;
- Merging the two Health Authorities in Winnipeg and two others in rural Manitoba;
- Creating a single, province-wide Hydro utility to spearhead Manitoba's energy strategy; and
- Modernizing the City of Winnipeg Act while cutting out a third of its provisions.

The recent federal Throne Speech provides opportunities for our national and provincial governments to work in concert. The new federal agenda includes investments in climate change implementation, agricultural diversification, urban infrastructure, immigration services, skills development, and programs for First Nation and Metis peoples.

Federal action in these areas will lend critical support to Manitoba's growth strategy.

Nowhere is an effective partnership with the federal government more important than in the field of health care. Restoring and improving the public health system remains your government's first priority.

The Manitoba plan for rebuilding health care, begun three years ago, includes expanded training for health professionals, new investment in health capital, innovations in service delivery, and a focus on prevention.

In all these areas substantial progress has been made. The number of nurses graduating this year will be three times the number who graduated in 1999, and 90% of nursing students have indicated they plan to stay and work in Manitoba. Across the province new investments have been made in health capital, leading to major upgrades of hospitals in Brandon, Beausejour, Gimli and Winnipeg.

Manitoba has earned national recognition for progress on hallway medicine. Access to advanced diagnostic tests, such as CT scans, MRIs, ultra-sounds and bone density scans, has been increased significantly by building new infrastructure, replacing old equipment, training and hiring technicians and extending hours of operation.

Your government has brought health care closer to home for many Manitobans and added flexibility to the system. Innovative measures include the creation of 23 Telehealth Sites across the province, expanding day surgery at the Pan Am Clinic, moving childrens' dental surgeries to Thompson and expanding the use of rural operating theatres.

There is more work to be done to improve health care in Manitoba, and it is clear that provinces can no longer shoulder the burden of rising health care costs alone. The federal Throne Speech promises a more equitable funding partnership, beginning with an immediate increase in federal support.

Over the longer term, your government looks forward to implementation of the recommendations contained in the Romanow Commission on the Future of Health Care in Canada. We anticipate that the national strategy outlined in Commissioner Romanow's Report will reinforce the investment priorities and the focus on innovation and preventive care contained in Manitoba's health plan.

Manitoba continues to be accountable for health care expenditures. Our province was recently singled out by the federal Health Minister and the national Radiologists' Association for meeting accountability requirements of the federal health equipment fund. Last year, accountability for adult education spending was strengthened. This year, legislation will be introduced to improve accountability in lotteries and gaming.

Your government took action on the threat of West Nile virus last year, by granting emergency powers to the Health Minister and launching a pilot program to map mosquito breeding sites and increase larviciding in the Capital Region. This year your government will work with health and local authorities throughout Manitoba to expand mapping and larviciding, improve drainage, and educate the public on the most effective ways to prevent exposure to West Nile.

Since 1999, your government has acted to build on the existing economic foundations of Manitoba and lay the groundwork for future growth. At the 2000 Century Summit, business, labour, aboriginal, education and community leaders from across Manitoba outlined a new economic growth strategy. More recently, the Premier's Economic Advisory Council has recommended a set of sector targets for the Manitoba economy and innovative models for economic partnership.

Your government has incorporated the Council's recommendations into its Action Strategy for Economic Growth — a strategy that will continue to inspire confidence, encourage opportunity and create excitement for Manitoba citizens and investors. It focuses on seven key sectors.

1. Education First

A growth strategy for today's economy requires a flexible education strategy and a commitment to lifelong learning. Benchmarks of our progress over the past three years include:

- Keeping the commitment to fund public schools at the rate of economic growth;
- A 19% increase in post-secondary enrollment, following the introduction of a tuition freeze and expansion of the provincial bursary program;
- A threefold increase in nursing graduates and a 15% increase in the medical program;
- Opening of the Stevenson Aviation Training Centre to provide advanced training for Manitoba's aerospace industry;
- An increase of 11% in apprenticeship training, due to the establishment of 30 new Trades Advisory Committees and the introduction of community-based training in reserves and isolated communities;
- A 36% increase in enrollment through the ACCESS program for aboriginal professionals, following three years of funding increases; and
- A new credentials recognition program to aid the integration of newcomers into the Manitoba job market.

Your government remains committed to doubling college enrollment, to maintaining our leading edge programs in early childhood development and, above all, to supporting a quality public education system that provides opportunities for all Manitoba children.

New education initiatives will include:

- Computer literacy programs for Manitoba schools;
- Targeted training in support of leading edge growth industries such as biotech, culture and communications; and
- Enhanced aboriginal education, linking the expansion of ACCESS and vocational training already initiated by the province with the new programs announced in the federal Throne speech.

2. Building through Research and Innovation

Knowledge-based industries will be at the forefront of future economic growth in Manitoba and will play a key role in economic diversification strategies for rural Manitoba and the North.

Over the past three years, Manitoba has helped forge new partnerships in research-led development through support for the St. Boniface Clinical Research Institute, TRILabs, the Portage Food Development Centre and the University of Manitoba's Neutraceutical and Functional Foods Centre.

The new Manitoba Biotech Strategy has been developed in partnership with business and the local research community. There are 37 biotech firms operating in Manitoba today — an increase of 40% in just two years. These enterprises generate more than \$250 million in annual revenues and employ over 1600 people.

New partnerships developed between entrepreneurs, researchers and the investment community over the past two years have significantly increased activity in emerging fields such as health care innovation, energy development and advanced manufacturing.

Our five-year targets are to double the level of venture capital in the new technology sector, to increase the number of information technology firms in Manitoba by 25% and the number of biotech firms by 50%.

3. Raising and Retaining Investment

Rapid growth in Manitoba's venture capital industry has created a more promising environment for entrepreneurs in all sectors and better growth prospects for small and medium-sized businesses. A further step in addressing capital needs is to increase local investment by pension funds and institutional capital pools.

Your government will work with the Premier's Economic Advisory Council to implement a new Capital Retention Strategy for Manitoba. The strategy follows the recommendations of the recent Deloitte & Touche study and the Industry Department's "gap analysis" on capital needs. Key elements are:

- Promoting a definition of "local investment" that emphasizes both market rates of return and economic development benefits;
- Broadening understanding of local investment strategies within the investment community; and
- Exploring options to "pool" smaller Manitoba funds to create a larger local investment portfolio.

4. Affordable Government

Investments in people and infrastructure have to be managed within a solid and transparent financial framework. In 1999 your government committed to keep Balanced Budget legislation and has kept that commitment through three budget years. Your government also committed to tax reductions that are fair and sustainable. It has kept that commitment by:

- Reducing personal income taxes by 11.5%;
- Increasing property tax credits from \$250 to \$400, at a saving to homeowners of \$53 million;
- Decreasing the small business tax from 8% to 5%; and
- Reducing corporate taxes in Manitoba for the first time since the Second World War.

Improvements have also been made to the management of public finances:

- Reducing annual debt-servicing costs, due to an accelerated pay-down of long-term debt;
- Including Manitoba's public sector pension liability in the province's debt repayment strategy; and
- Making provincial budgets more transparent, with full disclosure of Hydro capital funding.

In contrast to many jurisdictions, Manitoba was able to carry through with its tax and debt reduction commitments in 2001 and 2002, resulting in continued gains in real wages and growth in consumer spending.

Your government will follow through with its 5-year plan to phase out the Education Support Levy on property. Income and corporate tax reductions for January 2003 will proceed as promised, and debt reductions will proceed as budgeted.

5. *Growing through Immigration*

International immigration has played an important role in Manitoba's growth to date. Immigration has also contributed to the diversity of our province, broadening our opportunities and bringing a unique international outlook to Manitoba communities.

Annual immigration to Manitoba has increased 50% in three years, to a high of 4,500. The increase results from a concerted provincial and community effort to expand Provincial Nominee and Refugee Sponsorship programs, and to strengthen qualifications recognition, ESL training and settlement services. In recognition of Manitoba's success, the federal Minister for Immigration has recently renewed the province's bilateral partnership agreement and pledged Ottawa's support for further increases.

Our new target is to double international immigration to 10,000 annually, by expanding existing promotion and settlement services. Legislation will be introduced this year to create a new Manitoba Council on Immigration, with a mandate to expand settlement supports and employment opportunities and promote Manitoba as a destination. The Manitoba Council will be made up of representatives from business, labour and local communities.

6. *Building our Communities*

Each region of Manitoba has a unique set of growth opportunities and investment needs. Your government's strategy for rural Manitoba has a twin focus on diversifying the rural economy and ensuring a sustainable quality of life for rural residents.

Infrastructure and the environment are priorities for public investment. Investment in roads will increase 15% under the province's new five-year plan. New investments in water management will add to the \$75 million spent since 1999 on flood protection, drainage works and the Clean Drinking Water Strategy.

Provincial strategies have been made more effective by strengthening local partnerships. The number of Conservation Districts has been increased from 9 to 16 in just three years and these Districts are increasingly taking the lead in water management planning. Decisions on livestock development are being made on the basis of municipal development plans, with scientific input from the province.

Your government has a strong commitment to growing the farm economy. Since 1999 the province has spent \$220 million on disaster assistance for Manitoba farmers, to offset the effects of unstable weather patterns and U.S. subsidies. Our rural diversification strategy includes both major projects, such as ethanol expansion and the Simplot plant, and an unprecedented level of investment in agri-product research. Alongside traditional crops and products, the rural economy now emerging will include fibre industries, functional foods, and wind energy.

At the same time, your government is committed to maintaining a quality of life that sustains communities and attracts newcomers to rural Manitoba. New initiatives have focused on retention of physicians, expansion of rural home care and ambulance services, community-based apprenticeship and nurse-training programs, and increased immigration. Affordability measures for rural Manitoba include lower income taxes, reduction in farm property assessments, and equalization of Hydro rates.

The resource riches of the North offer a different set of opportunities for economic growth and partnership. To realize the full potential of Manitoba's North we must also address the special northern challenges of skills training and resource stewardship.

The *Northern Development Strategy* has created new partnership models with northern communities to maximize local benefits from energy, forestry, mining and transportation projects. Hydro construction is proceeding with the full participation of First Nations communities. The University College of the North will demonstrate a creative new approach to skills training in the North — focused less on bricks and mortar and more on flexible course options and close-to-home delivery.

At the same time, your government is committed to providing more clarity in land use planning — both for local communities and investors. The East Side Wide Area Planning process is demonstrating a community-based approach to land use decision-making. On the recommendation of stakeholders, the province will establish a new cross-departmental Forestry Unit and will advance provincial land-use designations based on improved resource-mapping.

The urban centres of Winnipeg and Brandon are key to anticipated growth in cultural and knowledge-based industries, and in the delivery of public services such as health and advanced education.

Revitalizing our commercial centres is a top priority. Projects like the Keystone Centre redevelopment in Brandon and the creation of a new college campus in Winnipeg have triggered new private investment and brought people back to our downtown streets.

Another priority is the renewal of central neighbourhoods. Provincial programs to support home building and renovation are already paying off by reversing a decade-long decline in property values. In three years, the sale prices of homes in Winnipeg's West End and North End have risen 60%.

Westman will benefit from upgrades to the Brandon Health Centre, such as the first MRI outside Winnipeg, which are designed to maintain leading-edge health delivery for the entire region. A similar commitment has been made to Brandon University and Assiniboine Community College, to modernize and expand education and training options. The province and the city are examining the feasibility of moving ACC to the former Mental Health Centre Site, and extending the heritage tax credit program to Brandon.

The Winnipeg Capital Region will be the major beneficiary of several new infrastructure projects, including construction of a new downtown Hydro headquarters, the \$52 million Affordable Housing Initiative, and expansion of the Winnipeg Floodway.

The Floodway expansion option was chosen after extensive consultation and has now been submitted in proposal form to the federal government. Preliminary work began last summer and the province has worked with the federal government to modernize the floodway operating rules. This session amendments will be introduced that, for the first time, provide a legislated right to compensation to any individual who experiences artificial flooding due to the operation of the Winnipeg Floodway.

Every region of Manitoba has a mix of natural and cultural attractions to draw visitors. Tourism, the fastest growing sector of the global economy, has become a key element of regional growth strategies.

The recent boom in eco-tourism is a perfect fit with Manitoba's spectacular mix of pristine wilderness areas. Since 1999 close to a million hectares has been added to protected areas and parklands in Manitoba. New partnerships have been forged with First Nations to develop and promote eco-tourism and to improve the airstrips and roads that serve as infrastructure for the tourism sector. A Watchable Wildlife Program will develop seven primary sites for wildlife viewing throughout Manitoba.

Cultural sites and events are also a major attraction for visitors to Manitoba. Investments in film production, festivals, and spaces for the visual and performing arts not only add to the vitality of our communities; they play a central role in our tourism and growth strategies. New programs will be introduced this year to assist rural and northern festivals recognized as signature events in their communities, and support the enhancement of community gathering places.

Your government has worked closely with the tourism industry to improve Manitoba marketing strategies. New legislation will be introduced this year to create a stand-alone agency that will promote tourism within and beyond our borders and get out the positive message about what Manitoba has to offer. This new campaign will be led by stakeholders within the tourism industry and feature prominent Manitobans.

7. *Building on our Energy Advantage*

One of Manitoba's chief economic advantages is access to low-cost, reliable and renewable hydro-electricity. Over the past three years your government has taken steps to promote our Hydro advantage and prepare for anticipated growth in energy conservation and clean energy production. Among these steps are:

- Renewing Manitoba Hydro's \$1.6 billion export sales contract with Xcel Energy in Minnesota;
- Building natural gas generating stations at Selkirk and Brandon, further reducing Hydro's reliance on coal generation;
- Moving to a single low rate for Hydro consumers in rural and northern Manitoba;
- Merging Winnipeg Hydro with Manitoba Hydro, to create a single power and conservation utility serving Manitobans;
- Developing a methane conversion plant at Winnipeg's Brady Landfill, to reduce greenhouse gas emissions and generate additional electric power; and
- Partnering with Manitoba First Nations, to share in the profits, the employment and the training opportunities from the next generation of low-impact hydro-electric plants on the Nelson River.

Recognizing that the impacts of climate change are already being felt in our province, ours was the first jurisdiction to comprehensively assess the costs and opportunities of implementing the *Kyoto Accord* and to develop a strategy for meeting our emissions reduction targets.

Key elements of that strategy are already underway. After the introduction of energy efficiency loans and the home audit program in 2000, Manitoba Hydro's PowerSmart is about to achieve its goal of building a "virtual dam" — that is, freeing up for export sale the same amount of energy that would be produced by a new generating station. Energy saved through conservation measures will total 200 megawatts in the coming year. That is equivalent to the annual production from the planned Wuskuatim generating station; or to the total power demand for a city the size of Brandon.

With the merger of the two Hydro utilities, new PowerSmart programs are being extended to Winnipeg homeowners and businesses. Manitoba Hydro has set a new target to triple the conservation of energy in Manitoba over the next decade.

The emerging clean energy economy is opening up many opportunities for those who are poised to innovate. Manitoba has already begun to seize those opportunities:

- Expanding the power transmission grid to allow increased exports of renewable electricity to the east, west and south;
- Expanding the production and use of ethanol in gasoline;
- Developing biomass and wind energy, to supplement Manitoba Hydro's clean energy portfolio;
- Researching hydrogen fuel applications, drawing on a network of researchers and manufacturers at the University of Manitoba, the Pinawa AECL labs, and Winnipeg bus makers; and
- Increasing the use of geothermal heat pumps, to build on the leadership of the Manitoba construction industry and the success of Manitoba Hydro's incentive program.

Some of the most significant emissions reductions can be achieved through community efforts to set aside green spaces and the energy efficient choices made by consumers. Citizens in Manitoba and elsewhere are ahead of their governments and are actively seeking clean air options.

In the coming year, your government will establish a new "Community Challenge" program that supports local green plans and shares ideas and opportunities from across Manitoba.

Government for all the People

A new referendum requirement will be introduced in the Legislature this session, to ensure that the Manitoba Public Insurance Corporation cannot be sold without the consent of Manitoba citizens. Legislation will also be introduced to create a new Advocacy Office for MPIC claimants.

New rules governing the disclosure of "third party" campaign spending will be proclaimed in the coming weeks. This change, first recommended to the Legislature in 1990, is the latest in a series of election reforms. Two years ago, election financing was modernized by banning union and corporate donations to political parties. The same principle was extended to party leadership campaigns last year, and at same time voting regulations were changed to give members of the military and other Manitobans serving overseas a greater ability to exercise their democratic rights.

Quality of Life

The goal of our growth strategy is to preserve and enhance the spectacular quality of life enjoyed by Manitobans. Our goal must also be to expand the circle of those who share fully in Manitoba's advantages. Looking to the future, we cannot afford to waste any portion of the vast potential in our citizens and our youth.

Creating a safe and nurturing environment for children is the first priority. Manitoba's early childhood development programs have been cited as a model by education leaders across Canada and were recently described by a senior officer of the Royal Bank as a "work-in-progress success story." Child poverty rates fell in 2000.

Your government will continue its phase out of the National Child Benefit clawback, which began in the 1990s, and continue to improve the minimum wage. Your government has also taken a lead in helping parents ensure their children's safety. Recent initiatives include the first *Cyber-Tip* line in Canada to protect children on-line, and the creation of a new child-friendly courtroom. Manitoba has also worked for new federal legislation to tighten legal sanctions against child pornography and sexual predators.

New measures to be introduced this year include a High-Risk Sex Offender Web Site, and covering the victims of predators and sexual offenses against children under the Victims' Right Bill.

A *Safe Schools Charter* will be introduced by legislation and a new system for classifying movies and videos will allow parents to better judge the suitability of content for their children.

Policing has been increased in all regions of Manitoba, through an unprecedented level of direct provincial support. Added funding for public safety will be made available through revenues from photo radar and red light cameras.

A special focus for Manitoba police is organized crime and gang activity. Your government created a *Gang Prosecution Unit* upon coming into office and has since doubled the staffing of the unit. The next step is a *Gang Strike Force* to facilitate the integration of police and prosecution. New legislation will be introduced this session giving courts the power to shut down businesses that are fronts for organized crime.

A package of initiatives will be introduced to deal more effectively with the problem of elder abuse and seniors' home security. New legal protections will be put in place for victims of dating violence and civil protection orders will be strengthened to protect victims of domestic violence.

Action on Aboriginal Justice implementation will continue, with the development of a comprehensive Metis policy, extension of probation services under aboriginal control, new justice training initiatives in the North and a \$1.4 million training program for Aboriginal family service workers.

Affordability is one of the features of our province that attracts newcomers and gives citizens a wider share in our quality of life. Electricity prices in Manitoba, already the lowest in North America, have been frozen and rural and northern rates have been reduced while consumers elsewhere have been hit by skyrocketing power bills. Manitobans have also enjoyed a 3 year freeze on Autopac premiums, while in the past year alone consumers in the rest of Canada saw their car insurance premiums increase by an average of 18%.

Over the past 12 month period, Winnipeg's inflation rate was the lowest among Canadian cities and Manitoba's was the lowest rate among the provinces.

Gains in financial security have helped maintain consumer confidence in the face of declining equities markets and global uncertainty. In the past three years, per capita labour income in Manitoba has increased 12.6% — almost twice the rate of inflation. Reductions in personal income taxes, combined with new tax credits for families, have taken a total of 24,000 Manitobans off the tax rolls.

Our commitment to fairness entails a special concern for the security of working families. Workplace safety improvements introduced last year include stronger enforcement provisions and a comprehensive strategy to reduce injuries on the job. This year, public consultations will be held to examine pension rules affecting 140,000 Manitobans.

The joys of summer vacation are another factor in the quality of life enjoyed by Manitoba families. As announced earlier, your government will work with schools and parents to ensure that the summer season extends to the Labour Day weekend. Opportunities for a summer vacation at the lake will be extended by opening 1,000 new cottage lots and 1,000 new campsites across Manitoba.

We look forward to 2003 as another year in which to showcase our province's attractions and host major sporting events. In April 2003, Winnipeg will once again be the site for the World Curling Championship. In August, the Western Canada Summer Games will be jointly hosted by the communities of Selkirk, Beausejour, Gimli and Stonewall. We wish the host communities and the volunteer organizers every success.

I want to thank our guests for joining us today for the start of the new session, and thank our Speaker and all Members of the Legislature for the hard work that lies ahead.

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 and your decisions in the best interests of all our citizens.

Wednesday, November 27, 2002

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

PRAYERS

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

Mr. Speaker then informed the House that Laura HUDEK, Akosua MATTHEWS, Ashley MIYAI, Buchi NNADI, Blake ZAWADA, Vanessa THIESSEN, Andrea PETERS and Alexis MARTIN had been appointed Pages for the Fourth Session of the Thirty-Seventh Legislature.

On motion of Hon. Mr. DOER:

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

Hon. Mr. DOER moved:

THAT this House do now adjourn.

And the Question being put. It was agreed to.

The House then adjourned at 2:21 p.m. until 1:30 p.m. Thursday, November 28, 2002.

Hon. George HICKES,
Speaker.