

**Third Session - Thirty-Eighth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**Official Report**  
**(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 8, 2005

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PETITIONS

#### Highway 200

**Mrs. Mavis Taillieu (Morris):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Highway 200 is paved from Winnipeg to the Canada-U.S. border except for approximately a 10-kilometre section between highways 205 and 305 which remains unpaved. School buses, farm equipment, emergency vehicles and local traffic must travel on Highway 200 which is dangerous, if not completely impassable, during wet spring weather and other times of heavy rainfall.

Due to unsafe conditions, many drivers look to alternate routes around this section when possible and time permits. The condition of the gravel road can cause serious damage to all vehicles.

Insufficient traffic counts are not truly reflective of the traffic volumes because users tend to find another route to avoid this section. Traffic counts done after spring seeding, during wet weather or during school recess are not indicative of traffic flows.

Maintenance costs for unpaved highways are high and ongoing. It would be cost-effective to pave this section.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Transportation and Government Services (Mr. Lemieux) consider paving Highway 200 between highways 205 and 305 to ensure a smooth, safe and uninterrupted use of Highway 200.

Signed by Ron Courcelles, Karen Budey, Danielle Chartier and others.

**Mr. Speaker:** According to our Rule 132(6), when petitions are read they are deemed to be received by the House.

#### Riverdale Health Centre

**Mrs. Leanne Rowat (Minnedosa):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for the petition:

The Riverdale Health Centre services a population of approximately 2000, including the town of Rivers and the R.M. of Daly, as well as the Sioux Valley First Nation and the local Hutterite colonies.

The need for renovation or repair of the Riverdale Health Centre was identified in 1999 by the Marquette Regional Health Authority (RHA) and was the No. 1 priority listed in the RHA's 2002-2003 Operational Plan.

To date, the community has raised over \$460,000 towards the renovation or repair of the health centre.

On June 1, 2003, the Premier (Mr. Doer) made a commitment to the community of Rivers that he would not close or downgrade the services available at the Riverdale Health Centre.

Due to physician shortages, the Riverdale Health Centre has been closed to acute care and emergency services for long periods since December 2003, forcing community members to travel to Brandon or elsewhere for health care services.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier to consider ensuring that acute care and emergency services are available to the residents of Rivers and surrounding areas in their

local hospital and to live up to his promise to not close the Rivers hospital.

To request that the Minister of Health (Mr. Sale) consider developing a long-term solution to the chronic shortages of front-line health care professionals in rural Manitoba.

This petition has been signed by Karen Minshull, Bruce McCalloch and Helen Sheridan.

### **Ambulance Service**

**Mr. Ron Schuler (Springfield):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

In May 2004, 46-year-old Peter Krahn suffered a heart attack while exercising in East St. Paul and was pronounced dead just under an hour later after being transported to the Concordia Hospital in Winnipeg. Reports show that it took nearly 18 minutes for an ambulance to arrive for Mr. Krahn.

The Interlake Regional Health Authority claims that 21 minutes is an acceptable emergency response time, whereas the City of Winnipeg uses a benchmark of 4 minutes.

Ambulance coverage for East St. Paul is provided from Selkirk, which is almost 25 kilometres away.

The municipalities of East St. Paul and West St. Paul combined have over 12 000 residents.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider providing East St. Paul with local ambulance service which would service both East and West St. Paul.

\* (13:35)

To request the provincial government to consider improving the way that ambulance service is supplied to all Manitobans by utilizing technologies such as GPS in conjunction with a Medical Transportation Co-ordination Centre (MTCC) which

will ensure that patients receive the nearest ambulance in the least amount of time.

To request the provincial government to consider ensuring that appropriate funding is provided to maintain superior response times and sustainable services.

Signed by David Unruh, Christina Unruh, Michael Unruh and others.

### **Generally Accepted Accounting Principles**

**Mr. Kevin Lamoureux (Inkster):** I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

Manitoba's provincial auditor has stated that Manitoba's 2003-2004 budget deficit was the second highest on record at \$604 million.

The provincial government is misleading the public by saying they had a surplus of \$13 million in the 2003-2004 budget.

The provincial auditor has indicated that the \$13-million surplus the government says it had cannot be justified.

The provincial auditor has also indicated that the Province is using its own made up accounting rules in order to show a surplus instead of using generally accepted accounting principles.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider adopting generally accepted accounting principles in reporting Manitoba's budgetary numbers.

Signed by Francis Pineda, Tony Parani and Rey Operana.

## **MINISTERIAL STATEMENTS**

### **International Women's Day**

**Hon. Nancy Allan (Minister responsible for the Status of Women):** Mr. Speaker, I have a ministerial statement for the House.

Mr. Speaker, every year on March 8, women and men from around the world gather to celebrate International Women's Day. International Women's Day was proclaimed at a women's conference in Denmark in 1910 to highlight the labour struggles that women around the world faced every day.

In 1977, the United Nations adopted a resolution inviting all countries to dedicate one day to the celebration of women's rights and international peace. March 8 was chosen because it marked the day of the New York City labour strikes in both 1857 and 1908, where women workers protested overcrowded, dangerous working conditions and the exploitive wages paid to female textile workers.

This government has moved to improve the living conditions for women and their families. For example, in response to the high cost of healthy foods in northern and remote parts of Manitoba, the Province has increased the Employment and Income Assistance northern allowance to low-income families in order to allow these families to purchase healthier foods.

In addition, the Province now has the first Aboriginal Midwifery Education Program in Canada. This program will help to ensure that mothers and their babies will have access to culturally and medically appropriate care in their home communities.

Moreover, we have one of the best early childhood education programs in the country, which is soon to become even better partly due to the work of my colleague, the honourable Minister of Family Services and Housing (Ms. Melnick), who worked with other provincial colleagues to secure the \$5 billion in federal funding for child care in Canada.

This year, in recognition of International Women's Day, our government hosted a reception honouring women in Manitoba. This year's theme was the many varied and diverse accomplishments of rural and northern women. On this International Women's Day, I believe it is important for us to take a moment to remember that although much progress has been made toward women's full equality there are still many challenges that lie ahead. Thank you, Mr. Speaker.

\* (13:40)

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, it is a privilege for me to rise today in response to the Minister responsible for the Status of Women and her statement about International Women's Day. As a woman who is also a politician, it is truly a privilege to put a few words on the record about this very important day, a day that is set aside to recognize the contributions and successes of women, as well as to work toward overcoming those barriers that women continue to face.

Around the world, women and women's groups are celebrating International Women's Day. As the minister stated, the provincial theme for this year is celebrating rural and northern women. I understand that women in various locations throughout the province have unique perspectives and face different situations. Not only do they face different situations, Mr. Speaker, they also are challenged by difficult situations.

Mr. Speaker, the NDP chose the theme this year as celebrating rural and northern women. Sadly, some of the barriers rural and northern women face are caused by this very NDP government: their lack of support to Osborne House which led the board of volunteer women to resign, their poor handling of the BSE crisis in Manitoba which has left women and their families struggling just to survive, their failure to handle the pediatrician shortage in Brandon forcing high-risk moms to travel to Winnipeg to deliver their babies, their closure of rural hospitals forcing women and their families to experience highway medicine.

Today is a day to thank those rural women struggling in their own lives, communities and across the province. Today, I and many of my colleagues were able to attend the reception in the Rotunda and visit the many information tables about women's issues. It is obvious that we do have a lot to celebrate. Manitoba women are hardworking, persevering and have many outstanding accomplishments to be proud of, but, Mr. Speaker, I do urge this government to do its fair share, to do its job and to remove the barriers that they are setting up that are preventing women from achieving their full potential.

**Hon. Jon Gerrard (River Heights):** I ask for leave to speak to the minister's statement.

**Mr. Speaker:** Does the honourable member have leave? *[Agreed]*

**Mr. Gerrard:** Mr. Speaker, I rise to join my colleagues in the celebration of International Women's Day and the acknowledgement of the important role of women. As the Leader of the Liberal Party, women have played a particularly important part in the provincial Liberal Party. Nellie McClung campaigned actively not only for the right for women to vote, but to elect a Liberal government which would indeed deliver the right of women to vote in Manitoba.

**An Honourable Member:** That was the last one.

**Mr. Gerrard:** No, there were four Liberal governments. We are proud to have had Nellie McClung campaigning so actively. One of the things people do not always remember is that she worked very hard to deal with issues where women were working in very poor conditions often in textile factories and to improve those.

I would also like to acknowledge the important role, of course, that Sharon Carstairs has played as a Liberal leader and to say that the tradition of supporting women strongly within the Liberal Party continues, for during the last provincial election we had 40 percent of our candidates who were women. We are going to continue to make sure we are working hard until we get better conditions for women throughout Manitoba. Thank you.

\* (13:45)

#### Introduction of Guests

**Mr. Speaker:** I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today Mr. Todd Schwartz who is the Consul and Principal Officer with the U.S. Consulate of Winnipeg.

On behalf of all honourable members, I welcome you here today.

Also in the public gallery we have with us from Gray Academy of Jewish Education 58 Grade 5 students under the direction of Mrs. Sharon Gaber, Mrs. Sandy Rosenberg, Mr. Chris Garroni and Mr. David Law. This school is located in the constituency of the honourable Member for Tuxedo (Mrs. Stefanson).

On behalf of all honourable members, I welcome you here today.

## ORAL QUESTIONS

### Budget Speech Government Promises

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, after two elections and five budgets this NDP Premier has a record. Unfortunately, it is a record of broken promises.

Mr. Speaker, prior to the last budget this Premier stood in this House and he said, "I was not elected to raise taxes." Well, no surprise to anybody, I guess, other than this Premier, that he raised taxes and user fees by \$90 million in the last budget.

Mr. Speaker, this NDP Premier promised that he would make our communities in Manitoba safer. Well, under his watch the Hells Angels have moved into Manitoba. A new gang, the Banditos, are now moving into Manitoba. Last year this NDP Premier set a record for the number of murders under his watch in the city of Winnipeg, a record that was set by the previous NDP government in Manitoba.

Mr. Speaker, with those kinds of broken promises to Manitobans why should the people in the gallery and Manitobans watching today believe any promise.

**Hon. Gary Doer (Premier):** Mr. Speaker, the member opposite insulted the people of Manitoba when he talked about the budgets we made and their judgment. The people made their judgment about 18 months ago, and I will never insult the people in terms of their judgment, in terms of our record.

### Health Care Services

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, of course, at that time the biggest granddaddy of all that this Premier, this NDP Premier, said to Manitobans is: "Elect me and I will end hallway medicine in six months and \$15 million." That is what this Premier said to Manitobans. Well, even over the last number of budgets that we have seen \$1.3 billion go into health care, health care under this NDP government has only gotten worse in Manitoba. Waiting lists have grown. There is a larger doctor and nurse shortage in Manitoba, and this NDP government has now introduced highway medicine.

Mr. Speaker, we have heard from Manitobans right across our province and especially in a recent Westman Health Care Forum in Brandon. The question they ask: With almost \$300 million alone in last year's budget, why can this Premier not hire one doctor in Brandon?

**Hon. Gary Doer (Premier):** Mr. Speaker, I think if the member will look at the record he will find a decline of doctors. In fact, he might even see a chart in the budget today, the decline of doctors in the 1990s and an increase of doctors since we have been elected. Those are facts. The member opposite gets his elections mixed up. He gets his facts mixed up, but Manitobans are not mixed up. They do not buy the rhetoric, the old reheated rhetoric of the member opposite. They know what is going on. They know we are making progress. They know we have more work to do, and we are going to do more of it this afternoon.

**Mr. Speaker:** Order. Just to remind our guests in the gallery, all guests should be seated and also there is to be no participation and that includes applauding. I would just like to remind all honourable members, or all the guests that are in the gallery. Honourable members may applaud if they wish.

\* (13:50)

### Pharmacare Deductibles

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, this NDP government has consistently increased taxes on the backs of the sick and the elderly in this province. While in opposition, the former Minister of Health, the Member for Kildonan (Mr. Chomiak), referred to increases in Pharmacare deductibles, and I quote, "as a tax grab on Manitobans and a tax, most importantly, on the sick." Yet, for the past three years, this NDP government has consistently raised Pharmacare deductibles by 5 percent per year. Will the Minister of Health agree today to reverse his government's decision to increase Pharmacare deductibles?

**Hon. Tim Sale (Minister of Health):** Mr. Speaker, since we formed government we have more than doubled our commitment to Pharmacare. We worked through our Premier (Mr. Doer) last fall to bring to the national attention the reason why we have problems, and that is there is no national

commitment to a Pharmacare program to have all of the lifesaving and really important drugs covered nationally. They are approved nationally. They are studied nationally. They are approved for use in provinces nationally.

Why is the federal government not prepared to make money available so that a national Pharmacare program can serve all Canadians? In the meantime, we have doubled our spending on Pharmacare. We have added hundreds of new drugs to our Pharmacare formularies, and we are proud of having the strongest Pharmacare program in this country.

**Mrs. Stefanson:** Mr. Speaker, this is unacceptable. This Minister of Health is now trying to once again pass the buck to the federal government saying they are not getting enough in the way of transfer payments. In the last year alone this government has received some \$262 million more in the way of transfer payments from the federal government. Will the Minister of Health agree today to reverse his government's decision to hike Pharmacare deductibles?

**Mr. Sale:** I am looking forward to the Estimates debate, and we will have a chance to help the Health critic learn what, in fact, has been the case in terms of federal funding for health care. I need to tell the member that in 2004-2005, the federal government removed some \$96 million from our spending in that year. Mr. Speaker, \$96 million out; they put \$78 million back. Net result, we are down \$18 million real dollars in the real year that we are currently still in. That is the way the federal government has been treating medicare since 1994-95 when \$7 billion was cut out of the base funding for social services, higher education and health care in this country.

### Rivers Health Care Centre Service Availability

**Mrs. Leanne Rowat (Minnedosa):** Mr. Speaker, let us talk about rhetoric and broken promises. In spite of the Premier's (Mr. Doer) promise to the community of Rivers, the Rivers Health Centre has been closed to acute care and emergency care services over periods of time since December 2003, forcing community members to endure highway medicine. On June 1, 2003, the Premier committed to the community that he would not close or downgrade the health facility or the services. On September 16, 2003, the Premier said, and I quote, "I did commit

that health care facilities would remain open in Rivers."

Can the Minister of Health tell the House when Rivers can expect acute care and emergency services to be reinstated, and enough rhetoric, please?

**Hon. Tim Sale (Minister of Health):** Mr. Speaker, I have been pleased to meet with many citizens of the town of Rivers and to discuss with them their concerns about their hospital, which I am very, very concerned about as well.

We have in Manitoba today 139 more doctors than there were here in 1999; 139 more doctors. Mr. Speaker, 52 of those doctors are in rural Manitoba; 52 more doctors. That said, given the fact that the previous government cut enrolment in the medical college, we have a structural shortage of doctors in this province, a structural shortage of doctors in this country. We are recruiting aggressively, and we will continue to do so. We cannot manufacture doctors after they cut the school enrolment during their time in office.

\*(13:55)

**Mrs. Rowat:** Mr. Speaker, again we have received rhetoric. He is not answering the question.

Rivers residents know how important their health centre is to them, and they know this is very important to the well-being of their community. The Premier (Mr. Doer) is saying "right." Well, let him follow through on the promise he made in June. Based on the assurances from the Premier, the community has raised over \$460,000 toward the renovation and repair of this health facility.

Mr. Speaker, can the Minister of Health confirm that his government intends to move forward on the renovation of the health care facility, or is this yet another broken health care promise to rural Manitobans by this Premier, this minister and this government?

**Mr. Sale:** Mr. Speaker, what I can confirm for the member is that during their time in office they cut enrolment in the medical school by 15, by about 30 percent. I can confirm that there are now 87 students in the first year of medicine, not 70 as there were in the previous government.

Mr. Speaker, there is not a lot of sense talking about hospitals needing to be opened if you do not

have doctors to staff them. The building is there, the equipment is there, but in Manitoba, unfortunately, due to short-sighted measures taken 10 years ago by this previous government, the enrolment in the college that we have is not sufficient to provide the numbers we need. We will increase the enrolment to 100 during this time in office which is an increase of 45 percent in the enrolment in the college. We have increased the number of residency positions and this year 800 nurses will graduate, not 210.

### Osborne House Board Resignations

**Mrs. Mavis Taillieu (Morris):** Mr. Speaker, 11 Osborne House board members resigned because they felt intimidated by this NDP government into doing something they could not in good conscience do in order to secure a service purchase agreement. Can the minister explain why this NDP government treated these women in such a way they felt no other option than to resign? Is this how this government treats women?

**Hon. Christine Melnick (Minister of Family Services and Housing):** Well, Mr. Speaker, I actually appreciate getting this question today on International Women's Day. Certainly we are committed to the safety of women wherever they are. Osborne House has long been a very important partner in the protection of women against domestic violence. We had worked with the former board for several months. We were very concerned when the board made the decision that they made. I can inform the House that we have very strong and very positive feelings around the current board, and we will work with them to ensure that when a woman says "no more," she has a safe place to go.

**Mrs. Taillieu:** Mr. Speaker, the deficit of \$52,000 at Osborne House was a direct result of this NDP government's back-door negotiations of a collective agreement and then failure to fund this agreement. Had the NDP provided the funds to meet this agreement, there would have been no issue and there would have been no board resignations. I ask the minister what is the priority of the NDP government. Is it \$52,000 for women in shelters in Manitoba, or is it \$500,000 to rebrand Manitoba with a New York ad agency?

**Ms. Melnick:** We were committed to working with Osborne House, whoever is on the board. We are

committed to protecting women in situations of violence. We will work with the new board at Osborne House as we will continue to work with all of the people of Manitoba who are working towards ending domestic violence in our province.

**Mrs. Taillieu:** Mr. Speaker, why would this government not work with the previous board? Professional women, recognized in their careers, in their communities and as strong volunteers, why did they not work with them? Today, in light of it being International Women's Day, will this government recognize the value that these women on this board at Osborne House made in giving so much of their time? Will they recognize their contribution and will they apologize to them for the treatment they have received at the hands of this government?

**Ms. Melnick:** I will again clarify for the member opposite, we were working with that board. We will continue to work with the new board. Our focus is not to lay blame, Mr. Speaker. It is to better the support network for women and their children fleeing domestic violence.

\*(14:00)

### **Livestock Industry Slaughter Capacity**

**Mr. Ralph Eichler (Lakeside):** Mr. Speaker, since the first BSE case in 2003, there has not been a single government dollar spent on slaughter facility expansion in Manitoba. This Minister of Agriculture and this NDP government continue to talk greater capacity, but have not flowed a single dollar.

Is the minister able to share with us today whether or not her government is prepared to flow real dollars to expand its slaughter capacity as outlined in our five-point BSE Recovery Program where we identified \$40 million towards major increases in Manitoba slaughter capacity?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Mr. Speaker, the member is factually incorrect in his comments just as the members opposite were factually incorrect yesterday when they said there was no increase in slaughter capacity in this province. They should have more respect for the many people who have slaughter facilities in this province, who have done

everything in their power to ensure that more animals are slaughtered in this province.

Despite the fact that new facilities have not been built, there has been an increase in slaughter capacity in this province. I would expect them to pay credit to the people who have been working so hard to ensure that animals are slaughtered. Yes, money has been invested.

**Mr. Eichler:** Mr. Speaker, I would like to see the minister table that document in the House. How much money has she actually flowed to the slaughterhouses in the province of Manitoba? In the Conservative five-point BSE recovery plan, we identified for the NDP government \$10 million in existing BSE aid money. That could be directed towards provincial slaughter facilities to federal inspection standards.

Is the minister prepared to commit the \$10 million identified in our recovery program to existing facilities to upgrade federally inspected standards, allowing our beef industry to become more com

**Ms. Wowchuk:** Mr. Speaker, I am glad that the members opposite are continuing to give a consistent message because previously the critic of Agriculture said that we did not need to expand slaughter capacity in this province. We had enough of it. They are now in a consistent phase. But, I can tell you that we decided and we made a decision that we had to invest in slaughter capacity long before the opposition put forward their five-point plan. We have a plan. We are working at the industry, and we will continue to work to see slaughter capacity increase in this province.

### **Garden Valley School Division New Construction Costs**

**Mr. Peter Dyck (Pembina):** On April 14, 2003, the then-Minister of Education promised to Garden Valley School Division the construction of a new middle school. Now, approximately 600 days later or almost two years later, the NDP reannounced the construction of that school. This dithering of announcements will add approximately a half million dollars to the cost of the project due to rising steel prices, cost of materials and labour.

My question is to the Minister of Education. Is the Province prepared to pay for the added cost due

to the escalation in prices? Will they again, like they did on the lights on Highway No. 32 and Highway No. 14, simply offload their responsibility on the local taxpayer?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Mr. Speaker, I am very pleased once again to rise in the House and talk about our record on capital as far as education is concerned. We recently announced a three-year vision for education capital—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. I would like to remind all honourable members we have guests in the gallery, we have the viewing public and the clock is ticking. If we do not have decorum in the House we are going to get less questions and answers. I ask the co-operation of all honourable members.

**Mr. Bjornson:** Mr. Speaker, in our first five years, \$288 million in capital. One thing that I really enjoy is the opportunity to visit schools. I have had the opportunity to visit almost 150 schools and just about every school that I visited has been touched in some way, shape or form by our ambitious capital program, over 600 projects. We have had major capital projects, including over 30 major renovations, building new schools. We are committed to safe, clean environments for our children. We have promised to build schools and we are going to build those schools. They accept our word as a government and this coming from an opposition party that at one time promised a brand new hospital.

**Mr. Dyck:** Mr. Speaker, you know it has been a roller coaster ride for the over 600 students who are now in overcrowded classrooms or in huts. My question very simply is: Is the NDP government prepared to cover the increased costs, or is this just another example of government offloading its responsibilities on the local taxpayer? Simple question. Yes or no. Will you fund it?

**Mr. Bjornson:** Mr. Speaker, I have said this before in the House. Growth is a good problem to have and that certainly was not the problem that we had with members opposite when so many people were leaving the province. It certainly was not a problem when members opposite had over 800 teachers leave the profession, nurses leaving the profession. We have a problem that is called growth and we are

managing that growth. We are committed to build new schools; we are going to build new schools.

### **Health Care Services Service Availability**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, every day in Manitoba many, many of our citizens are waiting anxiously and in pain for medical care and health care that they need, but this government has failed so completely to deliver quick access to quality care that the government is now going to court to protect the government's legal right to provide long waiting times.

I ask the Minister of Health why his government is going to court, as he announced January 27, to provide a legal right for his government to continue to give slow care.

**Hon. Tim Sale (Minister of Health):** Mr. Speaker, that is a very important question and I am pleased to have the opportunity to respond to it. First, I want to assure all members that procedures related to abortion services are being funded, have been funded, are available, have been available within medically accepted wait times for some years now.

Mr. Speaker, we are continuing to support procedures at Jane's Clinic in the interim as we bring about a new reproductive health care clinic. The issue which we are appealing has nothing to do with that. Unfortunately, in the judge's ruling he essentially ruled that the anxiety of a patient and where the patient wishes the procedure to be done should be factors that determine where health care will be provided and on whose terms it will be provided. That is not a recipe for a single payer health care system such as medicare. It simply would not be possible to maintain medicare in such a system.

**Mr. Gerrard:** Mr. Speaker, this government as we have heard has just said that the rights of the government are more important than the rights of the people. We disagree. It is a sad and sorry day when a government goes to court to protect its legal right to be incompetent.

This is not about public versus private care. This is about quick access to quality care. That is what Manitobans deserve. You have failed to deliver that. You need to acknowledge your failure and come up

with a new, more valid approach to better managing health care. Why are you going to court to protect your right to deliver slow care?

**Mr. Sale:** Mr. Speaker, how short the member's memory is. He was part of the government that cut \$7 billion out of the ability of provinces to deliver health care when he was in the federal Cabinet.

Secondly, we have the shortest cardiac waiting list in the country because we took action on timely access to care. We have less than one week's waiting for radiation therapy once it has been required for a cancer patient. That is an incredible improvement. When we formed government, we were sending patients out of this province for radiation therapy. We have almost quadrupled the number of MRI exams in this province. We have doubled the number of CTs, then some. We have almost tripled the number of ultrasounds, and waiting lists have come down. We have a problem with hips and knees, and we are going to address that problem in the same disciplined way we addressed cardiac and cancer and diagnostic equipment.

\*(14:10)

**Mr. Gerrard:** Mr. Speaker, every day I have calls from people who are waiting anxiously and in pain, and this government does not have a framework for dealing with it properly.

Judge Oliphant, in his decision, said having to wait for a procedure that must be performed in a timely manner is a gross violation of the rights of Manitobans to liberty and security of person. I agree. But your government has moved from shortening waiting lists to defending your right in court to have long waiting lists. We have moved from hallway medicine to courthouse medicine. You should be ashamed of yourself.

When is the government going to bring in a rational, legal framework for accountability when it comes to delivery of health care in this province so that the rights of people to have quick access to quality care are assured?

**Mr. Sale:** Mr. Speaker, during the time in office of my predecessor, for the first time this province published waiting times. We supported CIHI to publish benchmarks. We published all of the benchmarks that were possible, not just the

benchmarks that we had to in terms of the minimum set.

We will continue to be accountable for the waiting times. I accept the fact that on hips and knees, in particular, and to a certain extent on cataract procedures, we have more work to do. We will do more work to use the same disciplined approach of managed waiting lists that are centrally managed with wait list co-ordinators, manage surgical slates with the co-operation of all our physicians to bring those wait times down because I do not support the notion that people should have to wait too long for a hip or a knee that is preventing them from enjoying a reasonable lifestyle. We will work to fix that problem. Stay tuned, Mr. Speaker.

### **Healthy Kids, Healthy Futures Task Force Update**

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, the Healthy Kids, Healthy Futures Task Force has been travelling across the province and stopped in my constituency over the weekend. Could the Minister of Healthy Living and chair of the task force inform the House how these public hearings and school visits have been proceeding?

**Hon. Theresa Oswald (Minister responsible for Healthy Living):** It is a pleasure to speak about the Healthy Kids task force. I have had the privilege of travelling with members from all parties in the House, members from Morris, Turtle Mountain, River Heights, the Interlake, St. Norbert and Minto, to consult with Manitobans about issues that certainly are non-partisan indeed, and that is the health of our children.

We have been talking to people in communities across Manitoba, 10 communities to date. Also we have been talking directly to students in schools. We have attended 13 schools to date and heard a wide variety of opinions on issues concerning physical activity, nutrition and injury prevention.

This past Friday we had the privilege of attending our youth forum where 175 students from across Manitoba participated in very important discussions on this matter. We are also looking forward to gathering information from individual Manitobans on our Web site, and we look forward to presenting our report to the Legislature later this spring. Thank you, Mr. Speaker.

### Government Financial Statements Deficit

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, the independent, apolitical office of the provincial auditor has clearly stated in 2004 that Manitoba had a deficit in excess of \$600 million, the second highest in the history of this province. On the other hand, the Premier is saying that we had a surplus. The provincial auditor has indicated that the public is being misled. They are not aware of the fact that we actually had a \$600 million-plus deficit in 2004.

My question for the Premier is this: Why is the Premier of this province misleading the public of Manitoba when it comes to the actual deficit of our province?

**Hon. Gary Doer (Premier):** Mr. Speaker, the only individual that is misleading the public is the member opposite. The financial results of Manitoba Hydro in the 2003 drought year were reported in August—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** The financial results were reported in August of 2003. They were reported again in December of 2003. They were upgraded in March of 2004, and again in fiscal year end. The draw from the rainy day fund dealing with the drought of 2003 was also fully disclosed. Mr. Speaker, we have followed the practice under balanced budget legislation that we do not take credit for the surplus in Hydro or, because Hydro is arm's length, we do not raise the rates when there is a drought. The Auditor has said that the primary reporting system under balanced budget legislation—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** The Auditor stated that the primary reporting method for the government which is the operating budget and the balanced budget legislation, which includes rainy day fund draws in times of difficulty, should be replaced with the GAAP methodology. We have accepted that recommendation, and we are implementing that recommendation. We are also reporting on our election

promise to balance under the balanced budget legislation. I would suggest to the member opposite to stay tuned for the budget going to be presented in a few minutes from now in this House, Mr. Speaker.

**Mr. Lamoureux:** Mr. Speaker, the government is cooking the books. We are going to see another demonstration of cooking the books a little bit later this afternoon.

How does the Premier say that the provincial auditor, which is an independent office, is wrong? It is very clear. We had a \$600-plus million deficit in 2004. The provincial auditor is not wrong. I will believe him over I will believe this government.

My question to the Premier is this: When is this government going to stop cooking the books, do what other governments across Canada are doing and that is come in with one set of books, Mr. Speaker? Not one that they can give out propaganda saying that we know how to manage financial affairs. That is a bunch of garbage, a bunch of garbage. There is a deficit and Manitobans have a right to know how much that deficit is.

**Mr. Doer:** Mr. Speaker, the member opposite should not mislead the public because the Auditor's statement—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. I remind all honourable members that when the Speaker is standing all members should be seated and the Speaker should be heard in silence. I would like to, once again, remind all honourable members the honourable First Minister has the floor.

**Mr. Doer:** Thank you, Mr. Speaker. The budget under the Auditor's statement said the legislation that has been passed in this Legislature dealing with balanced budget legislation is basically completely and totally complied with because if it had not been complied with, the members of the government would have to take a pay cut under the legislation brought in by the former Premier, Mr. Filmon.

We are following the laws of this Legislature. I know the member opposite who walks around with a McDonald's hamburger does not respect this Legislature, but members on this side respect the

laws of the land and that is what we followed, Mr. Speaker.

\* (14:20)

### **Ambulance Service East and West St. Paul**

**Mr. Ron Schuler (Springfield):** Mr. Speaker, nine months ago, 46-year-old Peter Krahn suffered a heart attack while exercising in East St. Paul. Due to the long delay caused by the ambulance, Mr. Krahn was pronounced dead just under an hour later in hospital. The NDP government committed to resolving the issue.

Joyce of Clydesdale Drive in East St. Paul stated that, "I had to use the ambulance last year. They got lost getting here." When will the minister live up to his commitment to providing acceptable ambulance coverage for East and West St. Paul?

**Hon. Tim Sale (Minister of Health):** Mr. Speaker, I was informed that the time that it took to arrive for that case was 18 minutes and, regrettably, that was too long for the person in question. I regret that as much as any member of this Legislature does. I would tell the member that the ambulance situation in that community is a serious issue which is being carefully studied. New data has been received recently concerning the need in that community, and I am very carefully reviewing that data.

I also want to just remind the House that we have more than doubled spending on emergency response and transport services to \$28 million from \$11 million when his party was in power. I would remind the public that in the previous election they promised 2 percent. Mr. Speaker, 2 percent is not 120 percent, which is what we provided to ambulances.

**Mr. Schuler:** Mr. Speaker, David and Esther of Wallace Avenue in East St. Paul said, and I quote, "We called an ambulance and the driver did not know how to get to the Concordia Hospital." When will the NDP government live up to their commitment to provide acceptable ambulance coverage to East and West St. Paul?

**Mr. Sale:** First, Mr. Speaker, if the member has information about a specific incident, a specific failure and wishes to bring that to my attention in a

way that is able to be responded to, I would be glad to respond to that particular issue. As I said in my previous answer, the response times to communities of significant size are very important to us. We will continue to work to bring response times down.

I would remind the member opposite that when we formed government there were virtually no top-line ambulances in this province. Today there are 120 top-line ambulances, managed centrally, more effectively and efficiently than under the previous system. We will be improving the ambulance service throughout Manitoba, and I take the member's concern about his community. I share it, and we will be working on that issue.

### **Manitoba's Transport Vision Report Release**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, it is important to note that on the budget day, 2005, the Minister of Health just stated in this House that \$7 billion was cut by the federal government during the years prior to his election in 1999, and I will add that the Conservative government on this side of the House balanced the books in spite of those difficult times. My question: Was the spiralling number of broken promises made by this Premier (Mr. Doer) and the NDP government—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. The honourable Member for Arthur-Virden has the floor.

**Mr. Maguire:** Mr. Speaker, my question deals with the spiralling number of broken promises made by this Premier and his government; broken health care promises, one after another; broken promises to balance the budget and broken promises to help our farmers.

My question is to the Minister of Transportation and deals with the 10 people who died on a single weekend just over one week ago on Manitoba's highways. Why have you not kept your government's promise to release the report made on Manitoba's transport vision in the fall of 2003?

**Hon. Ron Lemieux (Minister of Transportation and Government Services):** I appreciate the question. This government has continually put

money into the transportation infrastructure system. We are now going to be extending the Highway No. 1 going by the minister opposite's backyard. Move your water fountain out of the way. The highway is going to be to Saskatchewan very, very shortly. Also, the northeast Perimeter, Mr. Speaker, is going to be taking place; it is going to be twinned. Also Highway 59 south is going to be twinned with regard to safety. This government has moved a long way with regard to safety issues and our transportation system as opposed to members opposite.

**Mr. Maguire:** Mr. Speaker, we are talking about 10 deaths on Manitoba's highways, and this minister wants to spout off about a water fountain. If just one of the recommendations in his report could have helped make the road safer and potentially save a life, then this government is negligent and unworthy of the public's trust. Will the minister release that report today?

**Mr. Lemieux:** We appreciate the consultation that took place with the public. We really count on that kind of consultation and input from the public of Manitoba with regard to transportation and many other issues as was pointed out today.

This government has put more money into transportation, a record amount of money compared to members opposite in transportation. We are looking also at the North with regard to it is the first time that a government specifically dedicates 25 percent of its budget to the North, as opposed to members opposite. Mr. Speaker, all the dollars that have been put towards transportation infrastructure with regard to the \$600 million in Manitoba road works plan.

Mr. Speaker, the members opposite continually talk about safety issues. We are dealing with safety issues in a practical way.

**Mr. Speaker:** The time for Oral Questions has expired.

## MEMBERS' STATEMENTS

### International Women's Day

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, today is International Women's Day, and it is a wonderful day to celebrate the wonderful women in various people's lives. I

would like to mention one wonderful lady. Her name is Jean Merle Low. She was born in Riverhurst, Saskatchewan, to Alex and Henrietta Low on August 16, 1925.

Mr. Speaker, Jean was involved in the high school band and after high school she served in the Canadian military. Upon the end of the war, she graduated from the University of Saskatchewan in Saskatoon with a degree in Pharmacy in 1949. I pledge today she wished that she was graduating today with the price that pharmacists can make today, but she did not. In 1949, she graduated and she was an entrepreneur because she started her own business in Punnichy, Saskatchewan.

Mr. Speaker it is interesting to note at that time the banks would not bankroll women, so her father had to lend her the money to start her own business. She married Victor Murray on October 6, 1951, and they had two sons. During that time, Jean Murray served on the town council. She proved that she was a leader. She proved that she had inspiration. She proved that she was a determined woman and she proved that hard work certainly paid off.

I am very, very proud to rise today, Mr. Speaker, to pay tribute to my mother because she has been a great inspiration to me. In addition, I would also like to pay my proud accomplishments to the other three women in my life, my wife Ashleigh, my two daughters Sarah and Hayley. Thank you very much.

### Ukrainian Presidential Election

**Mr. Doug Martindale (Burrows):** In December 2004, we witnessed a triumph for democracy in Ukraine. As a member of the Manitoba Legislative Assembly, I had the good fortune of travelling to Ukraine, as did the Member for Russell (Mr. Derkach), as election observers to help observe the Ukrainian presidential election on December 26, 2004.

I was one of 500 Canadians sponsored by the Ukrainian Canadian Congress, and had the privilege of participating as an election observer in the city of Kostiantynivka. The city has approximately 100 000 residents and had 108 polling stations where these residents could vote. On election day, we did not observe any outright fraud in the 10 polling stations that we visited. There were, however, reports of minor violations in other parts of Ukraine.

The presence of 12 000 international observers and international media made election fraud almost impossible. I want to congratulate all the Manitoba election observers, both those chosen by Canadem and those chosen by the Ukrainian Canadian Congress for helping ensure a fair and transparent election and for giving up their Christmas holidays to be observers.

I am happy to report that this election resulted in the Ukrainian people having a strong voice in shaping the future of their country.

Ukraine achieved independence from the former Soviet Union in 1991. It has taken the first step toward full democracy in 2004 by conducting a fair election, a benchmark of democratic countries such as Canada. I have returned to Canada knowing that election observers made a big impact in the history of Ukraine. I wish the Ukrainian people continued success in their endeavours. Thank you, Mr. Speaker.

\*(14:30)

### **Souris Women's Institute**

**Mrs. Leanne Rowat (Minnedosa):** I rise today to congratulate the Souris Women's Institute on its 91st anniversary. First organized in 1914, the Souris Women's Institute has been a long-standing presence in the community of Souris.

The institute came into being when Ms. Adelaide Hoodless founded the first group in 1897. Ms. Hoodless's group eventually grew to become an extensive network of women all over the world. Although the women's organizations have different names in other countries, they are all affiliated with the Associated Country Women of the World, whose groups work to improve the situation of women and families throughout the world.

The Souris Women's Institute international link is fully participating in international activities as well and is currently assisting with a project in India with the aim of providing economic empowerment to women in distress. The local institute's Pennies for Friendship program will specifically target women by helping to finance activities in many different countries through the work of the affiliated organizations.

In Souris, the Women's Institute celebrated its 91st anniversary by hosting the 73rd annual

convention of the Southwest B Region of the Manitoba Women's Institute. Members read a history of their 90 years of work in the community which involved the facilitation of many community projects and countless hours of volunteer service performed. At the close of the convention, birthday cakes were served by the institute's long-standing member, 100-year-old Catherine McBurney.

Mr. Speaker, I would like to congratulate the Souris Institute on their successes over the past 100 years and offer my thanks for unwavering commitment to family and community in the Souris community and worldwide. Thank you.

### **Affordable Energy-Efficient Housing**

**Mr. Rob Altemeyer (Wolseley):** Mr. Speaker, it is with no small amount of pride that I share, today, a remarkable success story of community groups working with our government to achieve a national policy victory. In January, I attended the Canadian Housing and Renewal Association's conference, entitled "Affordable and Efficient Housing towards a National Energy Efficiency Strategy for Low-Income Canadians," held in Halifax.

The goal of this event was to provide feedback to the federal government on how it might best include energy-efficiency goals as part of its affordable housing strategy. Given the culture of environmentalism in the Wolseley riding and the large number of successful affordable housing projects that our government is working on in the West Broadway and Spence neighbourhoods, I was keen to attend this conference.

Community representatives from Thompson, Brandon, West Broadway, Spence and North End Renewal Corporation were also present in Halifax, giving Manitoba one of the largest provincial delegations at the conference. Funding for this participation was provided by the province's Minister of Family Services and Housing (Ms. Melnick).

From the start, our Manitoba delegation made the argument that the conference should recommend environmental housing to the federal government. This would enable many other important housing considerations such as water efficiency, reducing toxins, and long-term durability to be encouraged under future affordable housing initiatives rather

than limit the focus to just one equally laudable goal of energy efficiency.

The West Broadway delegate, in fact, pointed to two projects just completed on Young Street, down the street from the Legislature, that use new environmental criteria for designing construction, and the results speak for themselves. The new house was built for \$20 a square foot less than is normally the case these days, and the prediction is that this 1400 square foot home will have an annual heating bill of just \$200, a story worthy of the national stage.

In conclusion, I commend the Canadian Housing and Renewal Association for sponsoring such an important event, and I wish to acknowledge the Manitoba participants: Brian Grant from West Broadway, Travis Unger from Spence Neighbourhood Association, Rob Neufeld of North End Renewal Corporation, Duane Nicol of Selkirk City Council. We will end there.

**Mr. Speaker:** Does the honourable member have leave to conclude his comments? *[Agreed]*

**Mr. Altemeyer:** Thank you, Mr. Speaker. Just to conclude, the participants, as well, who were there were Laurene Viarobo from Brandon Neighbourhood Renewal Corporation and Meenu Nanda of the Thompson Housing Renewal Corporation. Thank you, Mr. Speaker.

### **International Women's Day**

**Mrs. Mavis Taillieu (Morris):** Mr. Speaker, it is an honour for me on International Women's Day to put a few words on the record about women's accomplishments.

As we have heard, the provincial theme for Women's Day this year is celebrating rural and northern women. As a rural MLA representing Morris, I am pleased to recognize some of the women in my constituency who have made a tremendous difference in their communities through their involvement in their local government. In St. Pierre-Jolys, Claudette Closson was elected in October 2002 and is currently serving as the deputy mayor.

In St. François Xavier, Yvonne Wood was also elected in October 2002 and serves as a councillor in Ward 1.

Linda Morin was elected in 2001 in a by-election in the R.M. of Ritchot, and she is the deputy mayor of St. Adolphe.

Valerie Rutherford has served the people of Ritchot for a number of years from 1987 to 1995 and from 1998 to the present day. She represents Red River Drive in Grande Pointe.

The town of Morris elected Ruth Murray in 2001 and Jeanette Bergstresser in October of 2002.

In Macdonald, Cynthia Bisson was elected in 1998 and currently serves as a councillor for Brunkild.

Margaret Mills, currently the deputy reeve, was elected in 1995 in Headingley. Tammy Wood was elected in 1998 and Marly Mustard, elected in 2002, also serve the people of Headingley.

In De Salaberry's Ward 1, Marie-Thérèse Lefèvre was elected in 2002.

Mr. Speaker, I know each of us in this Chamber have outstanding women in our constituencies who have made valuable contributions, but these are some of the women in the Morris constituency who are worthy of recognition and heartfelt thanks. These women have taken an interest and active role in local governance. I am proud to represent Claudette, Yvonne, Linda, Valerie, Jeanette, Ruth Murray, Cynthia, Margaret, Tammy, Marly and Marie-Thérèse and am proud of the accomplishments and contributions these women have made.

Thank you very much, Mr. Speaker.

### **ORDERS OF THE DAY GOVERNMENT BUSINESS BUDGET ADDRESS**

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh), that this House approves in general the budgetary policy of the government.

#### ***Motion presented.***

**Mr. Selinger:** Mr. Speaker, today it gives me great pleasure to introduce Budget 2005: Balancing Priorities, Building Opportunities, Investing in Tomorrow.

Budget 2005 is built on four key pillars: paying down debt; making strategic investments; keeping our promises on tax reductions; saving for our future.

Budget 2005 reflects the growth and optimism Manitobans are experiencing. More young people are moving to our province, housing starts are up, employment and investment have reached record levels; and earnings growth is among the best in Canada.

Mr. Speaker, this is not a record to rest on, but a record to build on. We need to balance our priorities, build opportunities for all our citizens and continue to invest in tomorrow.

We want to ensure that Manitoba remains competitive and all communities benefit from our growth.

We recognize the setback cattle and ruminant producers are experiencing following the recent U.S. court decision to keep the American border closed.

Through our ongoing commitment to the Repositioning the Livestock Industry Strategy, we will continue to support our producers. We will work closely with our provincial and federal counterparts and the U.S. government to normalize trade and push for outcomes based on science.

Despite global economic pressures and the challenges of a high dollar, Manitoba is still growing. Investment in our province is projected to outperform the national average this year. Leading-edge sectors such as biotechnology and clean energy are maintaining a rapid rate of growth.

Budget 2005 is balanced. It maintains our policy of fiscal responsibility while continuing to grow the economy and keep Manitoba strong. It invests in the priorities of Manitobans: health, education, roads and water.

### **Reducing the Debt**

Mr. Speaker, when it comes to reducing debt, the first pillar of Budget 2005 is investing in tomorrow by keeping our government affordable today. We have implemented a balanced and responsible fiscal plan without imposing health care premiums, without selling off public assets and without stepping back from our promised tax reductions.

Mr. Speaker, I am proud to note that all our budgets have been balanced in accordance with Manitoba's balanced budget legislation. This is a

promise we made to the people of Manitoba and it is a promise we have kept.

In 2001, for the first time, a summary budget was included as part of our budget presentation. The budget I am presenting today is balanced under both balanced budget legislation and summary budget financial statements.

Nous continuerons à travailler avec le vérificateur général pour pleinement mettre en œuvre les principes comptables généralement reconnus.

### **Translation**

*We will continue to work with the Auditor General to implement Generally Accepted Accounting Principles.*

### **English**

In the 2007-08 fiscal year, the summary budget will become Manitoba's primary financial reporting tool.

Mr. Speaker, one of our first tasks after coming into office was to develop a plan to deal with the "monster" which was Manitoba's unfunded pension liability. A liability that, left unattended, would have swelled to \$8.4 billion by 2028.

The "monster" emerged in 1962, the year the Manitoba government stopped paying the employer portion of public pensions. It has been left to grow for almost 40 years, against a backdrop of silence. In 2000, we introduced the first-ever plan to eliminate the liability.

In October 2002, we implemented the second part of our plan, matching the pension contributions of new employees from within existing resources.

Dans le cadre de notre plan, la croissance de l'obligation découlant des régimes de retraite sera ralentie et inversée. D'ici 2032, elle sera éliminée.

### **Translation**

*Under our plan, the growth of the pension liability will be slowed and reversed. By 2032, it will be eliminated.*

### **English**

If the Manitoba government had kept matching funds instead of stopping payments to the employer

portion of the pension fund, our operating fund costs would be much lower today.

Mr. Speaker, tackling the public pension liability monster is part of a longer and larger long-term strategy. In our first six budgets, including today's, we put a total of \$594 million into the Debt Retirement Fund to pay down general purpose debt and pension liabilities. This is the largest six-year payment in Manitoba history.

\* (14:50)

In 1999, the debt payment was \$75 million. In Budget 2005, we are increasing our debt payment from a budgeted \$96 million last year to \$110 million.

Since 1999, Manitoba's net general purpose debt:GDP ratio has improved by 20 percent. Our debt servicing costs have fallen and we have earned Manitoba credit rating upgrades from Moody's Investors Service and Dominion Bond Rating Service. Overall, our provincial government ranks as the second lowest per capita spender, per capita, in Canada.

Our commitment to reducing the number of civil servant positions is on track. To achieve efficiencies, we are amalgamating administrative services into seven clusters and have reduced the number of health authorities from 13 to 11. A voluntary reduced week for the public service saved \$2.4 million in 2004, and will be continued in 2005.

We have embarked on a civil service renewal strategy which will ensure that we are going to keep and attract the talent we need to deliver important government services.

Nous augmentons le nombre de centres de services bilingues pour assurer à notre communauté francophone un meilleur accès aux services.

### ***Translation***

*We are expanding the number of bilingual service centres to ensure our francophone community has better access to services.*

### ***English***

#### **Building Manitoba**

The second pillar of Budget 2005 is investing in the priorities of Manitobans: accessible health care, cleaner water, quality education and better roads.

In 1999, our government identified "infrastructure deficits" in a range of key areas, and we acted. We began a five-year program of strategic investments in health care and education facilities, water systems and flood protection, roads and highways, and municipal infrastructure.

Mr. Speaker, action has replaced the inaction of the 1990s, when government promised but never delivered projects such as a major hospital upgrade in Brandon and Winnipeg and educational institutes at the University of Manitoba and Red River College.

Today, a new engineering and information technology building is under construction at the University of Manitoba. The downtown Red River College campus is open and bustling with students. Brandon Regional Health Centre is fully redeveloped and is home to the first MRI outside of Winnipeg. The more than \$100-million upgrade of the Health Sciences Centre, the single largest health infrastructure project in the history of Manitoba, is well underway.

We are building the facilities Manitobans need to compete and prosper in the 21st century. Budget 2005 is committed to accelerating this strategy with new investments in important infrastructure areas.

A key element of our strategy is revenue sharing with municipalities. Today, Manitoba is among the most generous provinces when it comes to municipal support.

Mr. Speaker, Budget 2005 increases our support for municipal infrastructure spending through the creation of a new Building Manitoba Fund.

Our new Building Manitoba Fund provides \$86 million, equivalent to the income tax revenue shared under the former Provincial Municipal Tax Sharing agreement. It significantly increases transit operating grants for the cities of Winnipeg, Brandon, Thompson and Flin Flon for the first time in 10 years. It replaces flat transit and road grants with dynamic sharing based on the equivalent of 3 cents of provincial fuel taxes (2 cents of gas tax and 1 cent of diesel tax) or \$32.7 million in 2005, \$4.7 million more than in 2004, and it includes funding for roads in cities and municipalities.

In total, the fund will provide \$119 million to municipalities, an average increase of 8 percent over 2004.

Our plan means that municipalities will receive the equivalent of \$165 million in provincial fuel tax revenues over the next five years. It complements the federal government's initiative to share gas tax revenues with municipalities.

We will consult with municipalities across Manitoba on the transparency and comparability of our municipal revenue-sharing program.

The Building Manitoba Fund will contain accountability features to ensure that new funding in Budget 2005 is targeted for upgrading water and sewer facilities and roads and transit systems in keeping with Manitobans' priorities.

### **Growing Our Cities**

The new investments in Budget 2005 will add to a strategic renewal of infrastructure underway in communities across Manitoba.

In Winnipeg, investments focus on the downtown revitalization, transportation and sewer system upgrades and flood protection.

Budget 2005 invests \$56 million in the Red River Floodway Expansion. This is the single largest infrastructure project in Winnipeg's history.

Important projects like the Kenaston underpass and upgrades to Winnipeg's waste water treatment plant are proceeding.

Over the next six years, Manitoba will invest \$500 million on infrastructure projects in Winnipeg alone.

As promised, for the first time, we will begin sharing casino revenues with Winnipeg, starting with 5 percent in 2005, rising to 10 percent in 2006. In 2006, we will take steps on assessment costs to provide Winnipeg with comparable treatment to other municipalities.

Monsieur le Président, il s'agit là d'un niveau d'appui provincial sans précédent pour notre capitale.

### **Translation**

*Mr. Speaker, this is an unprecedented level of provincial support for our capital city.*

### **English**

We will increase the 15-year exemption from rent controls for new construction to 20 years in order to encourage further apartment development.

In Brandon, we are pleased to be part of a \$15-million redevelopment of the Keystone Centre and to be making the largest single health care investment ever in Western Manitoba, the \$58-million redevelopment of the Brandon Regional Health Centre. In addition, Budget 2005 will contribute to building a Wellness Centre at Brandon University, full operating funding for Brandon's new MRI and an expansion of surgical beds at the Brandon Regional Health Centre.

### **Rural and Northern Manitoba**

Continuing our commitment to better roads, Budget 2005 invests over \$145 million in the expansion, improvement and preservation of highways, a \$16 million increase in provincial spending from Budget 2004. This investment will result in almost \$700 million of highways infrastructure and preservation investments throughout the province since we came into office.

Nous sommes heureux de constater que le gouvernement fédéral commencera à partager une part des taxes sur l'essence avec les municipalités. Malheureusement, il n'y a aucun investissement semblable des taxes sur l'essence pour l'amélioration des liens avec les collectivités et les marchés d'exportation à l'aide des infrastructures routières.

### **Translation**

*We are pleased the federal government will begin to share a portion of gas tax with municipalities. Unfortunately, there are no similar gas tax investments to improve links with communities and export markets through highway infrastructure.*

### **English**

Highway infrastructure is important to Northern Manitoba. Since 1999, we have more than doubled the budget for winter roads. Budget 2005 continues the budget for winter roads. Budget 2005 continues to emphasize our northern strategy with major project work on Highway 6, Provincial Road 391 and Highway 10 in Flin Flon.

Housing and transportation needs are a priority across Manitoba. Budget 2005 will support an expansion of ongoing programs to build, renovate and repair homes, with a particular emphasis on increasing affordable housing in our central urban neighbourhoods, rural Manitoba and the North. To date, some of our housing projects include: two supportive housing projects recently opened in Brandon and Winnipeg to provide affordable housing and to meet the care needs of low income Manitobans with a disability; providing funding for 24 of 51 units of affordable housing for low-income seniors currently under construction by the St. James Kiwanis; committing funding under the Affordable Housing Initiative for approximately 90 units of new infill housing in Winnipeg; helping Kinkora Developments to renovate a derelict building in Winnipeg's North Portage neighbourhood to provide 28 units of affordable housing for new immigrants; and beginning construction of 10 units of panellized housing in northern communities.

### **Balancing Health Care Priorities**

In September 2004, Canada's First Ministers unanimously signed a health care funding agreement which puts our health care system on a more sustainable and predictable path.

Le rétablissement du financement fédéral prévu au cours de l'entente représente une augmentation d'aide qui correspond à 3 pour cent des dépenses de santé de notre gouvernement.

### **Translation**

*Over the course of the agreement, the reinstated federal funding means an increase in support equivalent to 3 percent of our government's health expenses.*

### **English**

Mr. Speaker, since 1999, we have been working to rebuild a seriously troubled health care system. We have reduced wait times for life-saving treatments, provided services closer to home, implemented new prevention initiatives and trained more health professionals.

Our efforts have attracted national attention. The Health Council of Canada's January 2005 report noted Manitoba's innovative ideas in health care,

highlighting the Aboriginal midwifery program under development at University College of the North, our Telehealth network and our community health care facilities such as the Women's Health Clinic.

Reducing wait lists remains our No. 1 health care priority. Over the past five years, Manitoba has seen a significant decrease in key wait times and increases in diagnostic testing. Since 1999, the wait list for cancer radiation treatment has gone from six weeks to one week, the number of Manitobans waiting for cardiac surgery has been cut in half and the number of CT scans in Manitoba has more than doubled while the number of MRI tests has more than tripled.

The reductions in wait times have been a result of focussing on the health care priorities of Manitobans. Budget 2005 will continue to build on our wait-list strategy by investing in an ambitious plan for hip and knee surgery.

Our vision for improved health care includes all of Manitoba. We opened the first MRI outside Winnipeg in Brandon last year. This Budget will fund further expansion of MRIs outside Winnipeg. Construction is underway for a new CT scanner in Portage la Prairie and the new dialysis treatment unit in Garden Hill is now operating.

\* (15:00)

Mr. Speaker, since 2001, we have purchased 120 ambulances, and I am pleased to note that Budget 2005 invests in 20 more new ambulances.

Budget 2005 will continue investing resources to move health care closer to home, including: new and expanded community cancer care programs in Deloraine, Pinawa and Steinbach; an expanded surgical program at Selkirk General Hospital; orthopedic surgery at Boundary Trails Health Centre; cataract surgery at Portage Hospital and the Pan Am Clinic; pediatric dental surgery at Misericordia and the Beausejour Hospital

Monsieur le Président, le nouveau financement est une partie de la solution pour les soins de santé. L'innovation et l'efficacité font également partie de la solution.

### **Translation**

*Mr. Speaker, new funding is one part of the solution for health care. Innovation and efficiencies are also part of the solution.*

**English**

We have begun creating centres of excellence, bringing together the top professionals and the latest medical technologies.

Our innovations include: the new state-of-the-art operating rooms at Concordia Hospital, Winnipeg's new centre of excellence in knee and hip surgery; the largest health care capital project in Manitoba's history, modernizing the emergency and operating rooms at the Health Sciences Centre, the new prostate cancer centre which focusses on treatment and prevention and fulfills a commitment we made to Manitobans in 1999, as well as providing funding for the Institute for Advanced Medicine, focussing on "surgeries of the future" such as computer-assisted surgery.

Budget 2005 will increase the number of medical school spaces, nursing education, training for health care technologists and cross-training for technologists who work in rural communities and support for home care.

In the Speech from the Throne, our government launched a Diabetes Prevention Strategy, applying community health and prevention principles to fight a disease that is growing to epidemic proportions.

Monsieur le Président, il faut avoir des communautés en santé pour avoir une population en santé. Les initiatives tels le nouveau programme de prévention du diabète et des maladies chroniques, et le groupe de travail Des enfants en santé, pour un avenir en santé, permettent de promouvoir un mode de vie sain.

**Translation**

*Mr. Speaker, healthy communities mean healthy citizens. Initiatives such as the new diabetes and chronic disease and prevention program and the Healthy Kids, Healthy Futures Task Force promote healthy living.*

**English**

Budget 2005 provides \$3.6 million to support healthy living initiatives.

Prescription drugs continue to be one of the fastest-growing costs in the health care system. In the

absence of a national strategy, drug costs continue to outpace all other areas of health spending. Budget 2005 supports an increase of 16 percent in Pharmacare spending, and also increases deductibles between \$1 and \$5 per month for most Manitoba families. Since 1999, provincial funding for Pharmacare has more than doubled.

**Quality Education**

Our government has made education a top priority. To have a successful economic strategy, you first need an education strategy.

We have supported an aggressive capital campaign to spur private investment for our universities, funded public education at the rate of economic growth and continued to phase out taxes on university property.

Mr. Speaker, in the last decade, the federal share of provincial spending on post-secondary education is roughly half what it used to be, declining from 15 percent in 1995-1996 to just over 7 percent in 2004-2005. Manitoba will work with other provinces to reverse these cuts in federal spending.

Budget 2005 reflects the commitments our government has made to increase post-secondary enrolment, increase apprenticeship training, provide specialized training in key knowledge-based sectors and keep post-secondary education accessible and affordable for Manitobans no matter where they live.

There are over 13 000 more students enrolled in Manitoba colleges and universities compared to 1999. This is a one-third increase. Projects like the completed Red River downtown campus, the Campus Manitoba program directed from Brandon and the two campuses and 10 regional centres of the new University College of the North will work to expand post-secondary options, moving them closer to home.

Education and training initiatives for Aboriginal and northern residents are critical components of the Northern Development Strategy. We are making a major reinvestment to upgrade the Duke of Marlborough School in Churchill.

Le Budget 2005 prévoit l'amélioration du Programme de prêts-étudiants du gouvernement du Manitoba, l'expansion du programme de bourses du

Manitoba et le doublement de l'investissement dans le programme manitobain de bourses d'études supérieures. Le Budget maintient aussi la réduction des droits de scolarité.

### **Translation**

*Budget 2005 enhances the Manitoba Student Loan Program, expands the Manitoba Bursary Program and doubles investment in the Manitoba Graduate Scholarship Program. Budget 2005 also maintains the tuition reduction.*

### **English**

In 2004, we provided \$4.5 million over three years to strengthen technical-vocational education in Manitoba. Budget 2005 builds on our commitment by increasing funding for apprenticeship training and for the College Expansion Initiative.

Mr. Speaker, providing stable and predictable funding for Manitoba's public schools is an important investment in our children and youth.

Public school funding levels in 2005-2006 will increase 2.8 percent. Since 1999, funding levels have increased by \$130 million.

Mr. Speaker, we are dedicating \$135 million over three years to school capital infrastructure. This brings our total funding to \$333 million since 2000, double the previous five-year period.

Budget 2005 commits new resources to support a community school initiative.

### **Safer Communities**

Mr. Speaker, reducing crime and increasing community involvement are important parts of keeping our communities safe and secure.

Feeling safe no matter where you live is important to all our citizens. That is why policing throughout Manitoba will be strengthened through the new and ongoing funding of 40 additional police officers to serve Winnipeg, Brandon, rural Manitoba and the North.

Partnerships with communities across the province have provided recreational, educational and social opportunities for youth at risk. Since 2000, we

have supported the establishment of 34 after-school Lighthouses across Manitoba and will expand this successful program by investing in four more Lighthouse locations in Budget 2005.

La stratégie provinciale de lutte contre le crime organisé sera renforcée de façon significative dans des domaines comme les mesures législatives antigang innovatrices, les poursuites judiciaires contre les gangs, et les renseignements de sécurité.

### **Translation**

*The province's strategy against organized crime is being significantly strengthened in areas such as innovative anti-gang legislation, gang prosecutions and security intelligence.*

### **English**

For example, legislation passed by our government has resulted in the closure of more than 90 drug dens, sniff and prostitution houses.

Budget 2005 provides a continuing commitment to supporting prosecution services. We will work with downtown organizations and agencies to proactively deal with street crime and dangerous offenders.

Manitobans can expect enhanced safety initiatives such as new resources to combat domestic violence; the development of a strategy to deal with illicit drug manufacturing; an expansion of Aboriginal justice through Aboriginal policing, courts and probation services; new resources to protect Manitobans from sexual predators and dangerous offenders; and a renewed focus on preventing auto theft.

Manitoba's costs for delivering justice services including legal aid, corrections and court services continue to climb. To help offset these costs, the justice services fee will be increased beginning April 1, 2005.

### **Water Protection, Natural Areas and Climate Change**

Water is one of the most important natural resources. Water stewardship is a priority for Manitobans.

Budget 2005 builds on our commitment to Manitoba's water strategy. We are investing in several major initiatives, including increased funding for promoting new standards under the new Water Protection Act, flood proofing and protection, ice jam and shoreline erosion mitigation, sewer and water projects and provincial drainage system maintenance and rehabilitation.

The extension of the Riparian Tax Credit, sewage and septic field regulations, and a critical cross-border agreement with North Dakota and Minnesota to reduce nutrient loading by 10 percent will contribute to our efforts to protect Lake Winnipeg and safeguard the integrity of all Manitoba waterways.

Partnering with communities across Manitoba has helped build sustainable environmental projects from the grassroots level. Since 1999, we have increased conservation districts in Manitoba from nine to sixteen. Budget 2005 will also invest more in conservation districts and watershed planning.

Mr. Speaker, following a decision by the Clean Environment Commission, we have supported the expansion and upgrading of sewage treatment facilities in Portage la Prairie and Lac du Bonnet, with current upgrades for Garson/Tyndall, Winnipeg and Gimli. Acting on the recommendations of the Clean Environment Commission has resulted in higher standards for sewage treatment in Brandon and Portage la Prairie.

Since 1999, we have invested in water projects totalling over \$80 million, with clean water projects in 81 different communities and waste water treatment projects in 43 different communities.

La stratégie verte du Manitoba rassemble toutes nos nouvelles initiatives environnementales. Il nous aidera à travailler de concert avec les Manitobains et Manitobaines afin de mettre sur pied des initiatives de protection de notre environnement.

#### **Translation**

*Manitoba's Green Strategy is an umbrella for all our new green initiatives. It will help us work together with Manitobans on initiatives that protect our environment.*

#### **English**

Manitobans have always enjoyed the outdoors and the opportunities our beautiful province has to offer. Budget 2005 gives Manitobans more opportunities for outdoor living by offering more cottage lots for sale and improving campgrounds. To accommodate a larger number of visitors, Budget 2005 increases funding for one of Manitoba's favourite parks, Birds Hill Provincial Park.

\* (15:10)

This past year, we designated Manigotagan River as the province's newest provincial park; nous avons créé une réserve écologique pour préserver une forêt de plaine alluvionnaire unique, au sud de Saint-Adolphe; nous avons pris des mesures pour préserver près de 80 acres sur lesquelles s'étend le Bois des Esprits, dans le sud-est de Winnipeg.

#### **Translation**

*We created an ecological reserve for a rare river-bottom forest south of St. Adolphe and took action to protect and preserve almost 80 acres of the Bois des Esprits in southeast Winnipeg.*

#### **English**

We committed to a proposal for a boreal forest region on the east side of Lake Winnipeg as a UNESCO World Heritage Site and protected four new areas and added land to two existing parks as well as providing \$600,000 for sustainable forest management and renewal.

#### **The Clean Energy Province**

Manitoba continues to lead the way in developing clean and renewable energy.

We have a 99-megawatt wind turbine facility, one of the largest in Canada, now under construction at St. Leon.

Cette opération injecte 187 millions de dollars dans l'économie rurale de la province et rapporte 10 millions de dollars de revenu à des propriétaires fonciers de la région.

#### **Translation**

*This project is injecting \$187 million into rural Manitoba and \$10 million in earnings to local landowners.*

**English**

And this is only a beginning. Our government is examining plans that could see up to 1000 megawatts of wind power developed over the next decade.

In 2005, we will see the final stages of pre-development for the Wuskwatim dam. This project is the first of its kind, based on a full partnership with Nisichawayasihk First Nation.

Mr. Speaker, we were pleased to see that our strong statement of Manitoba's case has resulted in the federal government's commitment, in its 2005 budget, to invest in a national grid linking clean energy markets to the east and west. We will move quickly to seize this opportunity which lays the foundation for the future development of Conawapa.

While we are working on new power generation options, our government, along with Manitoba Hydro, continues to free up power for export through energy efficiency measures.

Since 2000, Manitoba Hydro's Power Smart program has saved more than 240 megawatts, enough energy to power Steinbach, Dauphin, Carman, Neepawa and Morden. Manitoba Hydro offers the best energy efficiency programming in Canada, according to the Canadian Energy Efficiency Alliance.

Efficiency Manitoba is a new agency that will co-ordinate the energy efficiency activities of Manitoba Hydro with the province's waste reduction programs, such as recycling.

**Research and Innovation**

Knowledge-based industries are at the forefront of future economic growth in Manitoba. Investments in research and innovation lead directly to productivity increases, resource conservation and a higher standard of living.

Through the Manitoba Research and Innovation Fund and its partners, projects like the Richardson Centre for Functional Foods and Nutraceuticals and Manitoba Breast Cancer Research Centre are now operating. Budget 2005 builds on this success by increasing funding to Manitoba Research and Innovation Fund.

Mr. Speaker, since 2002, revenues from Manitoba's biotechnology industry have grown by 76 percent. Ernst & Young's *Global Biotechnology Report 2004* stated that Manitoba has the fastest growing biotechnology sector in Canada.

Canada West's February 2005 *The Best Places to do Business* stated that Winnipeg has 27 percent lower costs than Minneapolis in biomedical research and development.

The life sciences sector is one of the most intensive research and development sectors in Manitoba. An estimated 4200 people are employed in this sector.

In 2004, we became home to the Canadian Centre for Disease Control and the new home to Canada's first Chief Public Health Officer.

**Putting People First**

Mr. Speaker, today is International Women's Day. It is appropriate, therefore, that Budget 2005 includes new resources to address many of the barriers that prevent women from achieving full equality. This year, increased resources will be devoted to family violence programs, maintenance enforcement, midwifery and critical family supports such as child care.

Manitoba's most valuable resource is its people. We have continued to make the kinds of investments that promote the safety, health, education and well-being of Manitobans.

Over the past five years, we have worked hard to forge strong partnerships among business, labour and government. Since changes were made in 2000 to The Labour Relations Act, the number of days lost to strikes and lockouts declined 60 percent and the injury rate has declined by 19 percent.

Since taking office, we have increased the minimum wage by 21 percent. The latest increase, to \$7.25, will take effect April 1, and we are one of the few provinces that does not have a lower minimum wage for our young people.

Regular increases to the minimum wage are one way to support Manitoba families. Other initiatives include a low-tuition policy and new bursaries; full restoration of the National Child Benefit

Supplement; community economic development initiatives such as SEED Winnipeg; a targeted training strategy; increased income assistance rates for the first time since 1992; and restoring funding for parent-child resource centres and coalitions across Manitoba.

Selon Statistique Canada, il y a eu une diminution de 32 pour cent du nombre d'assistés sociaux en 2003 par rapport à la période des cinq années précédentes, le nombre le plus bas en plus d'une décennie.

### **Translation**

*According to Statistics Canada, there were 32 percent fewer Manitobans on social assistance in 2003 than in the last five years, the lowest number in over a decade.*

### **English**

To protect thousands of Manitobans, we are preparing to introduce legislation in 2005 to address issues in the payday lending industry.

Our government has made Aboriginal participation in Manitoba's economy a priority. That is why programs are underway to ensure as many Aboriginal and Northern Manitobans as possible are qualified to work on planned capital projects such as the expansion of the Red River Floodway and northern generating stations.

The Premier's Economic Advisory Council sponsored a summit on Aboriginal economic development in Manitoba. The summit was a success and resulted in the creation of a new Aboriginal Chamber of Commerce, the first of its kind in Canada.

Mr. Speaker, quality child care is an integral part of supporting families.

In 2002 we announced the Five-Year Plan for Child Care, a made-in-Manitoba plan, developed in consultation with over 24 000 Manitobans. That plan commits to 5000 funded spaces, increased wages and training opportunities and increased subsidies.

The recent federal budget announced that Ottawa will join Manitoba in its strong commitment to child

care, committing \$5 billion nationally over the next five years.

Although this budget does not reflect the federal contribution, once an agreement is reached we will be committing all additional federal money for child care to the fulfillment of the five-year plan. This further investment will build upon one of the best child care systems in the country.

By prepaying support for Manitoba's child care system, we have made tremendous progress. Child care funding is up 64 percent, with an additional 3500 funded spaces since 1999.

It has long been recognized that effective parenting is the single most important factor in laying a strong foundation during the early years of a child's life.

Mr. Speaker, Budget 2005 provides new funding for an internationally recognized program in support of parenting that we will unveil in the next few weeks.

This continues to build on our groundbreaking Healthy Child program with its focus on early childhood development.

Providing for our most vulnerable citizens, children and seniors, is an important part of Budget 2005.

In keeping with our government's goal of improving supported living for adults with mental disabilities, we have invested over \$17 million in Budget 2005 to expand community living supports. Since we came into office, the budget for the Supported Living Program has more than doubled, increasing by \$80 million.

Expansion of home care services and the construction of new personal care homes have increased residential options for those in need of care. New laws have been passed to prevent fraud and elder abuse.

In 2005, legislative changes will be introduced to improve consumer protection for life-lease and condominium owners.

An important challenge for a growing province is making certain that all citizens can take advantage

of what a vibrant economy offers. That is why we continue to address poverty in Manitoba.

For Manitobans, especially for those on lower and moderate incomes, our auto insurance, child care and utility rates, provide some of the lowest cost of living in Canada.

To make certain that everyone receives fair and equal access to our low hydro rates, we passed legislation to equalize northern, rural and urban electricity rates throughout Manitoba.

Les propriétaires et les locataires à faible revenu ont tiré parti de notre décision d'augmenter le crédit d'impôt foncier en matière d'éducation. Par ailleurs, les nouvelles majorations de crédit d'impôt et le nouvel allègement fiscal au profit des familles ont eu pour résultat d'exonérer plus de 15 000 Manitobains et Manitobaines à faible revenu de l'impôt sur le revenu.

*Translation*

*Low-income homeowners and renters have benefited from our increase in the Education Property Tax Credit, while our new family tax reduction and tax credit increases have resulted in more than 15 000 low-income Manitobans paying no income tax.*

**English**

Budget 2005 continues these efforts with \$3 million for a new Integrated Shelter Benefit Program and a 20% increase to the northern income assistance allowance to offset the high cost of healthy foods for northern residents.

We are also pleased to integrate BabyFirst and Early Start into a new and expanded Families First program. This new model recognizes challenges such as poverty, isolation and language barriers.

\* (15:20)

Families First will improve access to home visiting services, strengthen parent-child relationships and improve outcomes for children.

**Keeping Manitoba Competitive**

The third pillar of Budget 2005 is keeping Manitoba competitive by supporting our businesses and industries through ongoing tax reductions.

Mr. Speaker, our economy is strong. Manitoba boasts a proud work ethic, a spirit of co-operation, a deep pool of entrepreneurial talent and outstanding business leadership. This combination helps create the wealth that is the basis of our social and economic prosperity.

Balancing the priorities of Manitobans, building opportunities and investing in tomorrow all require an economic plan, a plan that is sustainable, equitable and long term.

We are continuing our seven-point Action Strategy for Economic Growth as recommended by the Premier's Economic Advisory Council. It is a vital framework that builds on our success, and is our guide to keeping our province strong and competitive.

One important component of our economic plan is the continued expansion of Manitoba's unique Provincial Nominee Program in reaching our goal of 10 000 new immigrants per year by 2006.

With input from the new Manitoba Immigration Council, we are working to expand the recognition of foreign credentials and degrees to enable more Canadians to work in their trained professions.

Mr. Speaker as the second-highest funder per capita of culture in Canada, we continue our commitment to this sector with a half-million-dollar increase for the Manitoba Arts Council.

De plus, notre province sera l'hôtesse en avril des prix Juno, un honneur dont nous nous réjouissons.

*Translation*

*Manitoba is proud to be hosting the Canadian Juno Awards in April of this year.*

**English**

Our economic growth strategy is working. We achieved new record-high levels of employment and investment last year, and virtually all industries posted gains. There are other positive signs. Our population growth, including both international and interprovincial net migration, is the strongest in more than 20 years. More young people are making Manitoba home, with net youth migration of over

1100 in 2004. Through aggressive promotion of Manitoba's many advantages, international immigration has been doubled since 1999. The number of jobs has grown on average 7200 per year, twice the average of the previous decade. Housing starts are up 73 percent since 2000. Housing values are up 36 percent since 2000, and private capital investment has grown by \$1 billion since 1999 and is expected to increase further in 2005.

Mr. Speaker, low commodity prices and cross-border trade issues have continued to have a negative effect on Manitoba producers and the rural economy. One important measure we took to help our producers remain competitive was accelerating the farmland school tax rebate. Since December 2004, 23 000 cheques have been issued to Manitoba farmers.

In response to the continued closure of the U.S. border to our cattle and ruminant producers, in addition to existing programs, Budget 2005 provides \$3 million more from Rural Economic Development Initiatives to support capital investments in the processing sector.

Budget 2005 continues to support our entire farm industry with a \$2.2 million increase to the Canadian Agricultural Income Stabilization Program. While continuing support to the agri-food industry, we will also be increasing our activities in value-added production, including the organic food market. Budget 2005 will provide new crop insurance for organic crops such as oats, flax and all wheat; resources to develop an organic industry strategy; and an organic industry marketing specialist.

To help continuously improve services in rural Manitoba, we are proposing legislation to amalgamate the Manitoba Agricultural Credit Corporation and the Manitoba Crop Insurance Corporation to create the Manitoba Agriculture Services Corporation.

For 2004, the Manitoba Crop Insurance Corporation will pay Manitoba farmers between \$175 million and \$200 million in insured claims for lost crop income. We will draw down \$90 million from a \$320-million reserve in the crop insurance corporation to offset these record crop insurance payments.

Mr. Speaker, we believe investing in Manitoba's North benefits the entire province. Our Northern Development Strategy promotes growth in the northern economy while providing a greater quality of life for Northerners.

Programs like the Manitoba-Forintek partnership encourage forestry development as well as job creation and business development.

Mining in northern Manitoba remains a major catalyst for northern economic development. Mr. Speaker, applications under the Mineral Exploration Assistance Program show that over \$47 million in mineral exploration expenditures were proposed for 2004-2005, an all-time high.

### **Our Business Advantage**

Budget 2005 recognizes Manitoba's strong entrepreneurial spirit. Our diverse economy, the ability of businesses and individuals to innovate, and our general can-do attitude make our province an attractive place to do business.

Mr. Speaker, there are many reasons businesses come here: a well-educated labour force; excellent transportation linkages; leading-edge telecommunications and information infrastructure; and, probably one of our greatest assets, the lowest electricity rates in North America. Our health care system also gives us a distinct business advantage.

A recent KPMG study concluded Manitoba is one of the best places to do business in North America. In fact, the study on comparative business costs rated Winnipeg as the third-best city in the Midwest, ahead of Calgary, Houston, Salt Lake City, and Phoenix.

Monsieur le Président, nous savons qu'il nous faut continuer de prendre toute mesure que nous pouvons nous permettre si nous voulons que le Manitoba continue d'être un milieu intéressant pour les entreprises.

### **Translation**

*Mr. Speaker, we know that we must continue to take affordable steps to keep Manitoba attractive to business.*

**English**

Since 1999, we have reduced business taxes by \$75 million. Today I am pleased to announce new tax reductions for Manitoba businesses. When fully implemented, today's changes will mean an additional \$54 million in tax reductions for Manitoba businesses.

In 1999, Manitoba had the highest corporation income tax rate in Canada at 17 percent. We have reduced this rate in four stages to 15 percent, and we are announcing further rate cuts to 14.5 percent in 2006 and 14 percent in 2007. This is an 18% reduction since 1999 and a continuation of the first staged reduction of this tax since the Second World War.

The small business rate will also be reduced again. In 1999, this rate was 8 percent and the threshold was only \$200,000 in taxable income. Today, this rate is 5 percent and the income threshold is \$400,000.

Budget 2005 extends our five-year tax plan for small business. In 2006, the small business rate will fall to 4.5 percent and again to 4 percent in 2007. We will have doubled the small business threshold and cut the tax rate by half. There has never been a better time for a small business to prosper in Manitoba.

Mr. Speaker, I am pleased to announce three new measures to assist export and research-focussed businesses in Manitoba. Budget 2005 extends the Manufacturing Investment Tax Credit to include used equipment and property. It enhances the credit so that manufacturers can receive a portion of their investment back sooner through a refundable portion. It increases the Research and Development Tax Credit from 15 to 20 percent.

Budget 2005 will also extend, for another three years, the Co-operative Education Tax Credit, the Community Enterprise Development Tax Credit and the Equity Tax Credit. In addition, the Film and Video Production Tax Credit will be enhanced.

**Lower Taxes for Manitoba Families**

Mr. Speaker, we are committed to doing our part to keep Manitoba affordable for families.

One key focus has been tackling property taxes. In the 1990s, property taxes rose significantly, while

the property tax credit was reduced and the Education Support Levy on residential property remained untouched.

We reversed this trend in Budget 2000 when we began increasing the Education Property Tax Credit, a two-stage approach that now saves taxpayers \$53 million annually.

Our next target was the Education Support Levy on residential property, one of two school taxes on homeowners. We promised to phase out this tax, and we continue to keep that promise today with a further \$30-million reduction.

Mr. Speaker, this is significant property tax relief for homeowners. Today's new \$30-million reduction in ESL will save the average family with a \$125,000 home \$120 per year. In total, our annual reductions and credit increases mean the average family with this type of a home has saved \$1,425 in property taxes since 2001.

And, Mr. Speaker, our action on property taxes does not end there. While agricultural producers have benefited from the increased credit as well as the reduction in the ESL, we also took three additional steps that exceeded our promises in tax reductions, including lowering the taxable portion of farm property's assessed value, saving farmers \$7 million annually; cutting school taxes on farmland by 33 percent by launching a rebate program in 2004; and by reducing farmland education property taxes by 50 percent for 2005.

\* (15:30)

In total, Manitoba families will pay \$142 million less in property taxes in 2005 than they would have had we remained on the path pursued in the 1990s.

Today I am pleased to announce further reductions in personal income taxes. Since Budget 2000, we have exceeded our promises on reducing income taxes, and we are continuing with a plan of affordable reductions.

I am pleased to announce that January 1, 2006, the middle-income bracket will fall from 14 percent to 13.5 percent, saving Manitobans \$24 million per year. This is a 19% reduction in the middle tax rate since 1999.

In addition, beginning January 1, 2006, the basic personal amount will rise by \$100. This measure will

save Manitobans \$6 million and remove 2000 low-income earners from the tax rolls.

In total, Budget 2005 will save Manitobans \$80 million annually through the additional personal and property tax reductions I have announced today, and when fully rolled out they will be worth more than \$140 million.

Mr. Speaker, since 2000, personal income taxes have been reduced by \$249 million and property taxes by \$142 million, for a combined total of \$391 million. Business taxes have been cut by a further \$129 million.

Il s'agit là de la réduction d'impôt la plus importante de l'histoire du Manitoba.

### ***Translation***

*These are the largest tax reductions in Manitoba history.*

### ***English***

#### **Saving for Manitoba's Future**

Our balanced fiscal plan that focusses on making strategic investments, keeping our promises on taxes and reducing debt and pension liabilities includes a fourth pillar, saving for the future.

Mr. Speaker, today we are saving for our future, forecasting an historic \$314 million deposit into Manitoba's Fiscal Stabilization Fund. We anticipate this deposit will bring the fund's balance to \$395 million as of March 31, 2005.

I am also pleased to announce that today's budget projects no draw from the fund for 2005-2006.

Mr. Speaker, this fund is Manitoba's savings account, a safeguard for the future that has been used in recent years to help deal with such unforeseen events as the economic slowdown following September 11, 2001. The fund has also been used to ensure Manitoba's debt and pension liability payments continue during challenging budget years.

The replenishment of our rainy day fund is a priority. It was made possible in part due to an increase in equalization payments for 2004-2005.

It is also important to note the \$314-million deposit to the Fiscal Stabilization Fund includes funding to reduce wait times for specific health care services, as committed at the September First Ministers' meeting. The multiyear funding was provided by the federal government from its 2004-2005 surplus. Under Manitoba's accounting rules, this multi-year funding must be deposited in the fund in 2004-2005. As always, we will be accountable for every dollar received for health care from the federal government. Manitoba will ensure this funding is used for its intended purpose.

Mr. Speaker, the \$314-million deposit is the second largest in the 10-year history of the fund, surpassed only in 1996-1997 when the government of the day sold the Manitoba Telephone System and deposited the proceeds in the fund.

The 2004-2005 deposit will be achieved without selling a Crown corporation, without imposing health care premiums or cancelling promised tax cuts or debt repayments, measures that have been used in the past and by other jurisdictions in order to balance the operating budget .

It is clear that increased federal transfers have helped us replenish this fund. However, with the equalization program currently under review, we must prudently manage this fund in a way that saves for the future and provides resources for priorities such as health care.

#### **Our Fiscal Plan**

Today's budget projects a positive balance of \$3 million with no draw from the Fiscal Stabilization Fund. One hundred and ten million dollars was dedicated to the repayment of debt and pension liabilities.

Our medium-term framework is now consolidated on a summary basis. It records not only that the province projects a summary budget surplus of \$417 million for 2004-2005 but also anticipates balanced budget legislation compliance and summary budget balance compliance over the medium term.

For 2005-2006, our budget reflects the higher levels of federal transfers for health care and equalization. The federal support is reflected in

higher levels of spending for health and other vital programs than in previous years.

Overall, this budget's expenditures are 3.5 percent higher than the 2004-2005 current forecast. Over the past five years, total expenditures have increased an average 3.7 percent annually, compared to 3.6 percent annually in the previous five years.

Budget 2005 begins our program of fully implementing Generally Accepted Accounting Principles, moves to full summary budgeting and reporting in 2007-2008. We have given increased prominence to our summary budget projections in the documents that accompany today's budget speech.

### Conclusion

In conclusion, Budget 2005 is a budget for all Manitobans.

Mr. Speaker, Manitobans have told us what their priorities are: accessible health care, cleaner water, quality education, better roads and more opportunities and support for Manitobans and their families, and Budget 2005 has delivered. We have done all this while cutting taxes, paying down our debt and ensuring that Manitoba's future is secure by saving for tomorrow.

Les quatre piliers du Budget 2005 représentent un fondement sûr et solide, symbole pour le Manitoba de croissance, de compétitivité et d'inclusion.

### Translation

*The four pillars of Budget 2005 are a solid, secure foundation that represents growth, inclusion and competitiveness for Manitobans.*

### English

By balancing priorities, building opportunities and investing in tomorrow, Manitobans can feel confident and optimistic about their future.

Thank you, Mr. Speaker.

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I move, seconded by the Member for Lac du Bonnet (Mr. Hawranik), that debate be adjourned.

*Motion agreed to.*

### Messages

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor as well as the budget documents which I would like to table.

**Mr. Speaker:** Please stand for the reading of the messages.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of sums required for the services of the Province for capital expenditures and recommends these Estimates to the Legislative Assembly.

The second message is the Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of sums required for the services of the Province for the fiscal year ending the 31st day of March, 2006, and recommends these Estimates to the Legislative Assembly.

You may be seated.

\*\*\*

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, before moving adjournment, I would like to invite all of those in attendance, on behalf of the Minister of Finance (Mr. Selinger), to Room 200 for refreshments.

Mr. Speaker, I move, seconded by the Minister of Finance, that this House do now adjourn.

\* (15:40)

**Mr. Speaker:** For the advisement of all invited guests, you are all invited to Room 200.

It has been moved by the honourable Government House Leader, seconded by the honourable Minister of Finance, that this House do now adjourn.

Is it the pleasure of the House to adopt the motion? *[Agreed]*

The House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).



# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 8, 2005

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