

Fourth Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
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 Garri	N.D.P.
JENNISSEN, 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.
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.
McFADYEN, Hugh	Fort Whyte	P.C.
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

Monday, March 6, 2006

The House met at 1:30 p.m.

PRAYER

ROUTINE PROCEEDINGS

Introduction of New Member

Mr. Speaker: I am pleased to inform the Assembly that the Clerk of the Legislative Assembly has received from the Chief Electoral Officer a letter indicating the election of Hugh McFadyen as member for the constituency of Fort Whyte. I hereby table the Notice of Return of the member elected.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I have the honour to present to you Mr. Hugh McFadyen, member for the constituency of Fort Whyte, who has taken the oath, signed the roll and now claims his right to take his seat.

Mr. Speaker: On behalf of all honourable members, I wish to welcome you to the Legislative Assembly of Manitoba and to wish you well in your parliamentary career.

MATTER OF PRIVILEGE

Mr. Leonard Derkach (Official Opposition House Leader): Mr. Speaker, on a matter of privilege.

Mr. Speaker: The honourable Official Opposition House Leader, on a matter of privilege.

Mr. Derkach: Mr. Speaker, I rise on a question of privilege this afternoon. One of the collective privileges of the House is the ability of independent officers of the House such as the Auditor General, the Chief Electoral Officer and others to report to the members of the Legislature without interference in their duties. As members representing the people of Manitoba, we must always have the assurance that these offices remain independent and free from interference.

So you can imagine our surprise when I read in the media the details of the Auditor General's report prior to him making it public on January 17, 2006. I know that this view is not only shared on this side of the House but by the government side as well and indeed by you, Mr. Speaker.

*(13:35)

In your letter to the Auditor General of January 18, 2006, you indicate and I quote: "It has come to my attention that an article by Martin Cash in the *Winnipeg Free Press* dated the 17th of January 2006, stated that the *Winnipeg Free Press* obtained the report prior to its scheduled release. In addition, various media outlets also had extensive coverage of the report and its contents on January 17, which would suggest the media had access to the report and the information obtained in the report prior to the report being provided to the Speaker and members of the Legislative Assembly."

We know, Mr. Speaker, that the Auditor General is reviewing this matter. However, it is also a matter which we, as legislators, must also review and reassure the people of Manitoba that these independent offices can fulfill their mandate, that, indeed, this contempt of the House is being taken seriously and if need be that new processes to deal with these types of reports will be put in place.

Maingot, in the Second Edition, reminds us that contempt of the House is an offence against the authority or dignity of the House. The events which led to this early release of the Auditor General's report is, Mr. Speaker, in my view, a contempt of the House and we need to address it.

Therefore, I move, seconded by the Member for Ste. Rose (Mr. Cummings), that the matter of how the media obtained the report *Review of the Workers' Compensation Board* prior to its appropriate release by the Auditor General on January 17, 2006, to the members of the Legislative Assembly and the people of Manitoba, be referred to the Standing Committee on Legislative Affairs.

Mr. Speaker: Before recognizing any other members to speak, I would remind the House that contributions at this time by honourable members are to be limited to strictly relevant comments as to whether the alleged matter of privilege has been raised at the earliest opportunity and whether a prima facie case has been established.

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, we certainly have no qualms with the view that this was raised at the earliest opportunity. In terms of whether this is a prima facie matter of privilege, it would be our view that it

certainly is an affront to the House, is an affront to the members. Whether it is contempt or a matter of privilege, I will defer to you, but we have some questions as to whether it would meet that threshold test.

Nonetheless, in light of our concern that it certainly was an affront to members of the House and certainly an issue of very serious concern to all members, and indeed we wrote to you, Mr. Speaker, once we had learned of this leak and asked for some remedy to be provided at the earliest opportunity, it is my understanding that you most diligently and in the interest of the members of this House asked the Auditor General to provide a reply to the allegations of leak and get back to your office on an expeditious basis to make sure that information came to our attention that could then be addressed.

We have no qualms of this going to the Standing Committee or to LAMC for that matter, but it may be premature at this time. I will again defer to your office, Mr. Speaker, given that you have asked for what the investigation discovers done by the Auditor General. I do not think, in any event, that everything should end with the Auditor General's report, but I think that what is in that report may indeed deal with many of the questions that members of this House have.

I would defer to you, recognizing that on this side of the House we do not mind this is at all being reviewed, and I think whether it is LAMC or the standing committee, Mr. Speaker, I look forward to your ruling.

Mr. Speaker: I think I have probably heard sufficient argument. If the honourable member is rising because he or she feels there is some point that has been not touched upon, I will hear the honourable member very briefly.

* (13:40)

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I rise in support of the motion that has been put forward from the Opposition House Leader. The essence of what he has explained is something which we, too, are concerned about, and I would suggest that the most appropriate forum for this to be raised is in fact in a standing committee.

I think the public, along with the members, have a right to know in terms of what has taken place. That cannot be assured if this goes to LAMC. I believe, Mr. Speaker, that all MLAs should be able to participate because all of our rights have been

called into question because of this leak, so all of us should have the opportunity to be able to address the issue in standing committee.

So, therefore, we support, in terms of what the Opposition House Leader (Mr. Derkach) is suggesting as a remedy to this particular issue. We recognize, Mr. Speaker, the value that the provincial auditor's office has played here in the province of Manitoba, right from a multitude of different issues, and we do not want it to sidetrack the actual report itself, which is fairly condemning of the government or the government's inaction.

So we do want to get to the bottom of what took place. I was under the understanding that it might have had something to do with the Web site, Mr. Speaker, so I think that we do need to get to the bottom of it, the sooner the better, and I would recommend that we go through a standing committee.

Mr. Speaker: A matter of privilege is of serious concern. I am going to take this matter under advisement to consult the authorities and I will return back to the House with a ruling.

PETITIONS

Crocus Investment Fund

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, a petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Manitoba government was made aware of serious problems involving the Crocus Fund back in 2001.

Manitoba's provincial auditor stated "We believe the department was aware of red flags at Crocus and failed to follow up on those in a timely way."

As a direct result of the government not acting on what it knew, over 33,000 Crocus investors have lost tens of millions of dollars.

The relationship between some union leaders, the Premier (Mr. Doer) and the NDP seems to be the primary reason as for why the government ignored the red flags.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider the need to seek clarification on why the government did not act on fixing the Crocus Fund back in 2001.

To urge the Premier and his government to cooperate in making public what really did happen.

Signed by J.L. Bennie, L.E. Kirton and J. Ziegler and many, many more.

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

Highway 10

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I wish to present the following petition and these are the reasons for this petition:

A number of head-on collisions, as well as fatal accidents, have occurred on Highway 10.

Manitobans have expressed increasing concern about the safety of Highway 10, particularly near the two schools in Forrest where there are no road crossing safety devices to ensure student safety.

Manitobans have indicated that the deplorable road condition and road width is a factor in driver and vehicle safety.

It is anticipated that there will be an increased flow of traffic on this highway in the future.

We petition the Manitoba Legislative Assembly as follows:

To request the Minister of Transportation and Government Services (Mr. Lemieux) to consider providing sufficient resources to enhance driver and vehicle safety on Highway 10.

To request the Minister of Transportation and Government Services to consider upgrading Highway 10.

This petition is signed by W. Mansell, C. Mansell, C. Mansell and many, many others.

COMMITTEE REPORTS

Standing Committee on Justice

Third Report

Ms. Marilyn Brick (Chairperson): Mr. Speaker, I wish to present the Third Report of the Standing Committee on Justice.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Justice presents the following as its Third Report.

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Your Standing Committee on Justice presents the following as its Third Report.

Meetings:

Your committee met on Thursday, January 26, 2006, at 1 p.m. in Room 255 of the Legislative Building.

Matters Under Consideration:

Bill 13 – The Conservation Districts Amendment Act/Loi modifiant la Loi sur les districts de conservation

Committee Membership:

Committee Membership for the January 26, 2006, meeting:

Ms. Brick, Chairperson

Mr. Cullen

Mr. Dewar

Mr. Faurischou

Ms. Korzeniowski

Mr. Maguire

Mrs. Rowat

Mr. Santos

Mr. Schellenberg

Mr. Swan

Hon. Mr. Struthers

Your committee elected Mr. Schellenberg as Vice-Chairperson.

Written Submissions:

Your committee received one written submission on Bill 13 – The Conservation Districts Amendment Act/Loi modifiant la Loi sur les districts de conservation, from the following organization:

Ron Bell, Association of Manitoba Municipalities

Bills Considered and Reported:

Bill 13 – The Conservation Districts Amendment Act/Loi modifiant la Loi sur les districts de conservation

Your committee agreed to report this bill without amendment.

Ms. Brick: Mr. Speaker, I move, seconded by the honourable Member for Rossmere (Mr. Schellenberg), that the report of the committee be received.

Motion agreed to.

* (13:45)

Standing Committee on Justice

Fourth Report

Ms. Brick: Mr. Speaker, I wish to present the Fourth Report of the Standing Committee on Justice.

Madam Clerk: Your Standing Committee on Justice presents the following as its Fourth Report.

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Your Standing Committee on Justice presents the following as its Fourth Report.

Meetings:

Your committee met on Wednesday, March 1, 2006, at 6 p.m. in Room 255 of the Legislative Building.

Matters Under Consideration:

Bill 16 – The Corporations Amendment Act/Loi modifiant la Loi sur les corporations

Committee Membership:

Committee Membership for the March 1, 2006, meeting:

Ms. Brick, Chairperson

Mr. Dewar

Mr. Dyck

Mr. Faurschou

Mr. Goertzen

Ms. Korzeniowski

Mr. Maloway

Mr. Santos

Mr. Schellenberg, Vice-Chairperson

Hon. Mr. Selinger

Mrs. Taillieu

Public Presentations:

Your committee heard two presentations on Bill 16 – The Corporations Amendment Act/Loi modifiant la Loi sur les corporations, from the following individual and organization:

Bruce King, Private Citizen

Dave Angus, Winnipeg Chamber of Commerce

Written Submission:

Your committee received one written submission on Bill 16 – The Corporations Amendment Act/Loi modifiant la Loi sur les corporations, from the following organization:

Dan Sherbo, Business Law Section – Manitoba Branch of the Canadian Bar Association

Bills Considered and Reported:

Bill 16 – The Corporations Amendment Act/Loi modifiant la Loi sur les corporations

Your committee agreed to report this bill without amendment.

Ms. Brick: I move, seconded by the honourable Member for Rossmere (Mr. Schellenberg), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Hydro Act): I am pleased to table the Quarterly Report for nine months ended December 31, 2005, for the Manitoba Hydro-Electric Board, copies of which have been distributed.

MINISTERIAL STATEMENTS

Military Casualties (Afghanistan)

Hon. Gary Doer (Premier): I have a statement for the House, Mr. Speaker.

I rise today to mark the passing of two brave Canadian soldiers, Corporal Paul Davis and Master Corporal Timothy Wilson. Their armoured vehicle was involved in a serious collision near Kandahar last Thursday. Corporal Davis died shortly thereafter from his injuries while Master Corporal Wilson succumbed only yesterday.

These men were members of the Bravo Company from the Second Battalion, 2-PPCLI stationed in Shilo, Manitoba, and both were veterans of the Canadian Armed Forces. Five other Canadian soldiers, including Private Nathan Justice of Dauphin, Manitoba, as well as Afghan interpreters were also injured in this incident. Through their actions and their insistence on joining this mission, Corporal Davis and Master Corporal Wilson displayed a level of commitment to their fellow soldiers and a level of bravery rarely seen.

On behalf of the people of Manitoba and this House, I extend our deepest condolences to the families and friends and, as well, to indicate to the families of all Canadian servicemen and women Manitoba's gratitude for their efforts. Mr. Speaker, after other leaders have made their statements, I would ask that this House join in a moment of

silence to recognize Corporal Paul Davis and Master Corporal Timothy Wilson.

* (13:50)

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I join the Premier in rising today to pay tribute to two fallen comrades, Corporal Paul Davis and Master Corporal Timothy Wilson, as well as to recognize another injured member from Canada, Private Nathan Justice of Dauphin.

Mr. Speaker, it is very fitting that our flags are at half-mast today to honour and recognize those people that choose to serve in the military do so and go into theatres that put them in harm's way from time to time. I know that there are those of us who watch these events unfold on television, and try as we might to understand the difficulty that these families and loved ones go through when somebody's life is taken, as it was as we saw with Master Corporal Timothy Wilson and Corporal Paul Davis.

Mr. Speaker, I think I speak on behalf of all Manitobans who say we are honoured that we have men and women in our armed forces who stand for freedom in very, very dangerous places on behalf of all Canadians. We, on this side of the House, would very much like to send our condolences both to the Davis and Wilson families, and, as well, we wish a speedy recovery of hope to the Justice family of Dauphin and all of the loved ones who are serving abroad. We wish them Godspeed back to Canada for safekeeping. Thank you.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to speak to the Premier's statement.

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

Mr. Gerrard: Mr. Speaker, on behalf of the members of the Liberal Party, I want to extend condolences, as the others have in the House, to the families of Master Corporal Timothy Wilson and Corporal Paul Davis who lost their lives in the Canadian effort in Afghanistan. It was clearly a tragedy, but we have soldiers who are prepared to work very hard for global peace and to improve things in Afghanistan. It is fitting that we pay tribute to their efforts.

Interestingly, I was in Israel in early February visiting the tank museum at Latrun, and found that they had a very similar accident where there was an open turret and one of the soldiers standing exposed

at the top of the vehicle had flipped over and the Israeli soldier had died. It may be that there are some issues of design which could be looked at in terms of improving to prevent problems with accidents like this, but, nevertheless, we are where we are and it is fitting that we pay tribute to the brave men who have died and wish the very best to those who have been injured for a speedy recovery. Thank you.

Mr. Speaker: Would all members please rise for a moment of silence.

A moment of silence was observed.

* (13:55)

2006 Winter Olympians

Hon. Eric Robinson (Minister responsible for Sport): It gives me great pleasure as the Minister responsible for Sport to rise before the House to recognize those Manitobans who were selected and competed in the 2006 Winter Olympics in Turin, Italy, this February. Today we recognize Manitoba athletes Clara Hughes, Cindy Klassen, Jennifer Botterill, Mike Ireland, Shannon Rempel, Brittany Schussler, Sami Jo Small and Delaney Collins.

Manitoba now has the honour of having the only Canadian to win medals in both Summer and Winter Olympics, Clara Hughes; and, another Manitoban, Cindy Klassen, who won one gold, two silver and two bronze, the most decorated Canadian Olympian ever in a single Olympics. Cindy has a career record of six medals, which is the most ever for a Canadian Olympic athlete, and just this weekend added to her collection with a World Cup title. She has won three of the five 3000-metre races this season to earn the World Cup title.

Jennifer Botterill, a member of the gold-medal winning women's hockey team was named the 2001 Manitoba Female Athlete of the Year. She carries on a family tradition of sport started by her parents. She was also a member of the 2002 gold-medal winning and 1998 silver-medal winning Canadian Olympic hockey teams and was named Most Valuable Player of the 2001 World Championships.

Regardless of medals, our athletes have to be recognized for the incredible achievement it is to compete in the Olympics. Every Canadian that has reached this pinnacle is a hero for all of us at home. Manitobans are extremely proud to have these world-class athletes who represented our province and our country at the 2006 Olympic games in Turin, Italy. Many athletes participate in sport in Manitoba and

across Canada, but only a select few earn the right to take on the world at the Olympics. On behalf of all Manitobans, I recognize and applaud the sacrifice, commitment and discipline required to reach this level of achievement. As a province, we all share great respect and admiration for these individuals who are very dedicated.

Thank you must also be given to the parents of these athletes for their dedication and commitment, the early morning practices and minus 30 weather and the effort it takes to encourage and nurture the talent that so many of our young athletes have. A special thank you to Helga and Jake Klassen, Maureen and Ken Hughes, Doreen and Cal Botterill, who are with us here today in the gallery, Mr. Speaker, and also to Rodney and Linda Collins, Pat and Rod Small, Darla and Robert Ireland, Shirley and Rick Rempel, Norine and Grant Schussler.

Athletes in Manitoba benefit from some of the best coaches, technical support and high performance assistance in the country. The depth of expertise is reflected in the roles of Manitobans as coaches and support staff in Turin. Manitoba is proud of our sports delivery system which develops many well respected high performance athletes. These sports and the athletes that excel in them provide role models that encourage and motivate participation of young boys and girls at the grass-roots level.

I would like to ask all members, Mr. Speaker, to join me in recognizing the achievements of these fine Manitobans and in extending well earned congratulations.

Thank you, Mr. Speaker.

Mr. Leonard Derkach (Russell): I would like to join the minister this afternoon, and on behalf of the members of this side of the House, and I would say on behalf of all of us in this Legislature, Mr. Speaker, to extend our most sincere congratulations to these wonderful athletes, these champions, these Olympians who did Manitoba extremely proud in the Olympics. When we saw our athletes compete at the Olympics, as we watched on television, one could not help but feel that sense of pride that we have in our young people in this province and in our athletes. When we saw how well Canada did in an overall sense of the Olympics, we, as Canadians, stood up very proud as well.

Manitoba athletes have always done us proud, Mr. Speaker, and our programs throughout this province reflect the dedication of many people who

take their volunteer time to spend with our youth to train them and to ensure that we can achieve the highest levels. Today we give respect to the high achievements of our winning athletes, the people who brought back gold, bronze, silver to our province, and, indeed, to all of the athletes who made it to the level of the Olympics because that, in itself, is an accomplishment, just to be able to compete in the Winter Olympics.

So, Mr. Speaker, on this side of the House, we join the government to congratulate not only the athletes but their parents who I know have dedicated many, many hours because any of us who have ever had children in sports know how many hours of dedication it takes to see these young people achieve. So to the parents and to the coaches, our sincere congratulations from this side of the House. Thank you.

* (14:00)

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

Mr. Speaker: Does the honourable member have leave?

Some Honourable Members: Leave.

Mr. Speaker: Leave has been granted.

Mr. Gerrard: Mr. Speaker, I rise to join my colleagues in congratulating our athletes at the Winter Olympics in Turin. We had incredible success with the medals with Clara Hughes, Cindy Klassen and Jennifer Botterill, but, of course, it is also very important to remember that it is not just about winning medals, it is about competing. It is about going to Turin. It is about learning the many things which are important in sports from discipline, ethics and many other facets.

So we congratulate Mike Ireland, Shannon Rempel, Brittany Schussler, Sami Jo Small, Delaney Collins and others from other provinces who participated. I think it is particularly noteworthy the contribution that coaches and parents have made to this effort for without them none of this would have been possible. Let us congratulate all of them and wish them well in their athletic efforts in the future.

ORAL QUESTIONS

Government Fiscal Record

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, since 1999, this Premier

has refused to be accountable to Manitobans for the overspending and mismanagement of his government. Manitoba is the only have-not province in western Canada. Manitoba families are the highest taxed in Canada. Under this NDP government our health care system is dead last in the country, and a black cloud looms over venture capital investment in Manitoba.

Under this Premier, Manitoba has the stigma of failure. The Premier continues to manage the province by crisis, refusing to accept responsibility for his failures even when faced with last-place rankings and scathing reports from the Auditor General.

Manitobans deserve better. When will this Premier be accountable for his failures and stop settling for last place?

Hon. Gary Doer (Premier): There are a number of factual errors in the question, and I know members opposite are having a retention problem across the way. *[interjection]*

Well, the Member for Charleswood (Mrs. Driedger) is a big speaker in this House, but we note lack of action from her words over the last number of years.

I would point out that I just noted last Friday that a vice-president from the Bank of Nova Scotia was saying that Manitoba is going right by Ontario in terms of economic performance. People in this province know what we do and are proud of what we are doing, Mr. Speaker.

Mr. Murray: Well, Mr. Speaker, the Premier is right. Manitoba is blowing by every other province in Canada by being the highest taxed. That is how we are blowing by.

Mr. Speaker, accountability is a foreign concept to this Premier and his NDP government. The only concept that this Premier seems to understand is spend more and get less. In times of unprecedented revenues Manitoba's debt has grown to nearly \$21 billion.

In times of unprecedented revenues Manitoba's health care system has been ranked last in the country. In times of unprecedented revenues this Premier has overspent his budget, last year's budget, by some \$275 million. The Premier continues to spend with no accountability to show where the money is going and very little to show for it.

Mr. Speaker, when will this Premier stop striving for mediocrity and be accountable to Manitobans for his failure to make us competitive?

Mr. Doer: Mr. Speaker, I would point out that the member again contradicts himself from one question to the other. Let me just give one specific example of where he is factually incorrect. He is correct to say that we had the highest corporate taxes in Canada. When we came into office the 17 percent corporate income tax was the highest in Canada. He would also note that we not only reduced that tax, but we advanced the timing of the reduction of the tax in the Speech from the Throne. We actually advanced some of the corporate tax reduction and we—*[interjection]*

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, we did something that members opposite would find foreign. They raised taxes on farmers; we lowered taxes on farmers.

Crocus Investment Fund Public Inquiry

Mr. Stuart Murray (Leader of the Official Opposition): Well, Mr. Speaker, this is what the Premier does not get. He talks about factual. He said that factually when they came into office they had the highest corporate taxes. Then he goes on to try to tell Manitobans of all the things that they have done to lower those taxes. Factually—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Mr. Speaker, only trained monkeys would applaud the fact that they are still the highest taxed in Canada.

Mr. Speaker, this Premier refuses to be accountable for ignoring the red flags that led to the collapse of the Crocus Investment Fund. That resulted in some 33,000 Manitobans losing over \$60 million. The Premier also refuses to be accountable for ignoring the red flags that were raised about the Workers Compensation Board. The Premier ignored these red flags and refused to act.

As a result Manitoba has been left with a black eye that could only be cleared by calling an independent public inquiry. Mr. Speaker, we on this side of the House have called for an independent public inquiry. Manitobans want an independent public inquiry. The media have called for an independent public inquiry. The only person in Manitoba that does not want an independent public

inquiry is that Premier. What has he got to hide? Do the right thing and call for an independent public inquiry.

* (14:10)

Hon. Gary Doer (Premier): Well, Mr. Speaker, in that diatribe I want to go back to the fundamental first sentence that the member opposite raised. He said that when we came into office, he has now confirmed when we came into office, the corporate income tax was at 17 percent. I will challenge him to do some investigation. The tired gang across the way, when they left the office of government—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. I will encourage members opposite, maybe they are too tired to look at the budget, but I will encourage members opposite to look at the budget today, even look at the one last year. You will find that the corporate income tax is no longer last place in Canada. The Tories are out. There is a new era in this province.

Workers Compensation Board Auditor General's Report

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, Manitobans are looking for truth and honesty in government. The most recent Auditor General's report on the Workers Compensation Board clearly questions the moral authority of this government.

In 2001, the chief executive officer, Pat Jacobsen, brought forward serious concerns regarding the chairman of the board, governance issues and investment issues. These concerns were raised to Becky Barrett, the Minister responsible for WCB at the time. Instead of dealing with these allegations, Ms. Barrett passed them back to the chairman of the board.

Mr. Speaker, the current Minister responsible for Workers Comp has made the following statement, and I quote: We believe the previous minister who received the letter from Pat Jacobsen did the right thing.

Mr. Speaker, does this minister still stand by that statement?

Hon. Nancy Allan (Minister of Labour and Immigration): Yes, Mr. Speaker, I still stand by that statement. The previous Minister of Labour received a letter from the former CEO of the Workers Compensation Board and she treated that letter as a

letter that had concerns in regard to personnel issues. She forwarded that letter to the board of directors of the Workers Compensation Board. She followed the law, and I do believe she did what was reasonable and practical in absence of guidelines.

Mr. Cullen: Clearly, the eight-page letter sent to the minister by Pat Jacobsen should have raised a red flag with the minister at the time. The minister, of course, decided not to act on the allegations and sent it back to the chairman. The Auditor General questions the accountability of this government in his report.

Mr. Speaker, in his report, and I quote: This was inappropriate as several of the concerns raised dealt specifically with the former chairman.

Does this minister still stand by her statement that the previous minister did the right thing by passing the buck?

Ms. Allan: Mr. Speaker, I am glad that the MLA has had time to read the Auditor General's report because I, too, would like to quote from the report. "In Manitoba, there is little guidance available to ministers and chairs of public sector boards of directors to assist them in determining an appropriate response when situations like this arise."

I made a commitment in this Legislature, Mr. Speaker, that we would have a serious look at any recommendations that the Auditor General made in regard to the Workers Compensation Board. The governance structure that the Auditor General is so critical of in the report is the governance structure that was in place throughout your entire term as government.

Mr. Cullen: Mr. Speaker, I now remind the member opposite that there were no concerns brought forward when we were in government. The allegations were brought forward in 2001. The whole issue speaks to the moral accountability of this government. We need some government with some leadership on that side of the House. The Auditor General stated that this NDP government acted inappropriately and Manitobans believe the Auditor General.

Will this minister now admit that her government acted inappropriately and, in fact, did the wrong thing when dealing with these serious allegations that came forward?

Ms. Allan: We have accepted the recommendations that the Auditor General has made in his report, Mr. Speaker. We showed leadership when we introduced

Bill 25 in this House that was supported unanimously. We improved the governance structure of the WCB. It is now the most accountable and transparent governance structure of any jurisdiction in Canada.

We look forward to once again showing leadership in Manitoba and implementing guidelines to make sure this kind of thing does not occur again.

Thank you, Mr. Speaker.

Crocus Investment Fund Accountability

Mr. Glen Cummings (Ste. Rose): Leadership on the part of this government is to fire anybody who wants to act on behalf of the public interest. That is what they do.

Mr. Speaker, my question is to the minister responsible for the Crocus Fund. Accountability is sorely lacking on that side of the House. Thousands of RRSP holders along with the teachers' pension fund will have lost millions of dollars. They will have lost retirement funds and peace of mind as they go forward into the future.

I ask this minister responsible for the Crocus Fund: What responsibility is he prepared to take for the losses at that fund?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, the member opposite should stand corrected. Firstly, I am not the minister responsible for the Crocus Fund. I am responsible for investment in the Crocus act. The board of directors is responsible for the fund, and I would like to quote to the member opposite since the report of the Auditor General came down. He said he would be hard pressed to see or think of what could have been done in the last few months that has not been done to respond to a very complex and difficult situation.

We have sent this to the RCMP for investigation. It has gone to the Manitoba Securities Commission. It has gone to Canada Customs and Revenue association. Now there is a trustee that is looking out for the shareholders. We are looking out for the shareholders. We are looking out for those investors and it is the appropriate thing to do.

Mr. Cummings: Well, sadly, Mr. Speaker, this minister was not looking out for the shareholders when he should have been. This government participated in a fraud when Crocus continued to sell

shares, continued to sell shares right up to the cease trade dates.

Are the taxpayers now on the hook because this government was so fixated on trying to protect its friends?

Mr. Rondeau: Mr. Speaker, the member opposite should know that we are not responsible for the operation of the fund. I would like to quote very strongly from Al Rosen, a forensic accountant who is working on the class action suit, and what he said was: This situation should have been caught first by the officers of the company, then by the board of directors of the company, then by the auditors and then by the Manitoba Securities Commission.

This fund was not directly managed by the government. What we do is we set the parameters and what we do is we make sure that the law is followed and, if it is not followed, that the appropriate regulatory organizations take action.

Thank you, Mr. Speaker.

Public Inquiry

Mr. Glen Cummings (Ste. Rose): Well, Mr. Speaker, this minister neatly avoids the fact that there was a government appointee on the board.

Mr. Speaker, if there is nothing wrong, then the people of this province deserve an inquiry. Who knew there were losses coming? Who knew that the warnings were being ignored? Someone over there knew.

Nobody wants to take responsibility. If there is nothing to hide, call an inquiry.

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, the member opposite has an interesting case of history. Most of the losses that happened with the Crocus Fund happened under the former government's watch. If you look at Westsun, Westsun was an investment made while the former members were in government. That was a \$21-million loss.

You have Isobord which was invested under the former government. That is where the loss occurred. You also have Winnport Logistics, another investment made when the former government was in charge and that was a loss.

What we have done is we have assured that there is appropriate governance. The board member never reported to the government. That was stated by the Auditor General. I hope that you take the time to

read his report and also the discussion at our hearing. We have had transparency—[interjection]

Mr. Speaker: Order.

* (14:20)

Government Fiscal Record

Mr. Gerald Hawranik (Lac du Bonnet): The third quarter financial report indicated that this overspending, underperforming NDP government will again overspend its budget this time to the tune of \$275 million. What has this overspending produced? It has produced crumbling roads all across this province.

Why does the Minister of Finance (Mr. Selinger) refuse to demand positive results for all of this overspending?

Hon. Tim Sale (Acting Minister of Finance): Mr. Speaker, I have a distinct memory of members opposite saying to us, why are you not helping our farmers? We did, \$50.5-million unbudgeted. I have a distinct memory of them saying to us, why are you not fixing our roads in this bad winter when we have got over-expenditures in roads? We did, \$12.1 million additional spending. I have memories of this side of the House saying to us, where are the doctors in Manitoba? We put \$44 million into new salaries to recruit and retain doctors. They cannot even recruit and retain leaders.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I want to remind all honourable members, when the Speaker is standing the Speaker should be heard in silence and all members should be seated. I am asking the co-operation of all honourable members.

Mr. Hawranik: Mr. Speaker, the only thing that this government is good at is spending more and getting less. This overspending, underperforming NDP government will not only overspend the budget this year by \$275 million, but it overspent budgets in each of the years 2000, 2002, 2003, 2004 and 2005 by a whopping total of \$835 million. What did we get for all of this overspending? We have got the worst health care system in Canada; dead last. Overspending with no results is an indicator of bad management.

I ask the Minister of Finance, is he a bad manager or is it just that he cannot control his spending habit?

Mr. Sale: Mr. Speaker, each and every year that this government has been in power we have balanced under balanced budget legislation as attested to by the provincial Auditor General.

In the last two years that this party opposite was in power they took \$365 million out of the rainy day fund. In two years, \$365 million. The rainy day fund today is higher than it was when we formed government. As for getting more, we have 1400 more nurses, we have 200 more doctors, we have three times the number of MRIs. We are getting more because we are spending smarter, and we are balancing the budget every year.

Mr. Hawranik: Mr. Speaker, this government took \$203 million out of Hydro in one year. This year's budget provides the Minister of Finance with an opportunity to finally get it right. With a new fiscal year the minister can resolve to get value for his massive spending habits.

I ask the Minister of Finance: Will he guarantee that he will not mindlessly overspend the budget?

Mr. Sale: Mr. Speaker, the benches over there have been filled with critics about agriculture asking us to spend more. The Member for Emerson (Mr. Penner) even told us to go into deficit to spend more. Now, today, it is spend less.

We have balanced the budget every year. We have a Fiscal Stabilization Fund that is higher than when we formed government and, Mr. Speaker, we still own Manitoba Hydro. We do not own Manitoba Telecom.

Infrastructure Renewal Government Commitment

Mr. Hugh McFadyen (Fort Whyte): Mr. Speaker, first of all, I want to thank the honourable members from this side of the House for the warm welcome today into the House. I note an absence of applause on my standing to ask this question, but I know we have much to look forward to as we go forward.

I just want to say before asking my question that I very much look forward to the debates and deliberations that I will be part of as we go forward, and I know that all members, regardless of party, are working toward the betterment of this great province.

My question today, Mr. Speaker, is for the Minister of Intergovernmental Affairs and Trade. I, like all residents of Fort Whyte, daily navigate our city's and province's crumbling roads and I share the frustrations of the residents of my constituency that

government can be spending so much more while our basic services continue to decline.

Whether it be the need for a new high school, better roads or investment in our community clubs, the people of Fort Whyte and others like them seem to be paying more and getting less in return. My question to the minister is: When will the minister end this government's policy of neglect and start taking some initiative to rebuild our communities?

Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade): Mr. Speaker, as this side of the House, I as well welcome the Member for Fort Whyte. Certainly, the last time I saw him wandering the halls he had a "For Sale" sign for MTS, so it is nice to see him inside.

Mr. Speaker, certainly as we look forward to our work with the City of Winnipeg, and as the member would know going back a period of time, our commitment to the City of Winnipeg has increased year over year. Last year, the City of Winnipeg's increase was 8 percent year over year.

Mr. Speaker, again this year as the member sits and watches the budget unfold, I am sure he will see our support for the City of Winnipeg and the infrastructure here that we have in the city of Winnipeg. We have an excellent relationship with the municipalities and the City of Winnipeg. We have seen constant increases year over year that have been far above the average of the rate of inflation. We will continue that relationship.

Mr. McFadyen: Mr. Speaker, the minister says wait for the budget. Manitobans have been waiting seven long years to see some action from this minister and this government and while they wait our province is being dragged down.

Mr. Speaker, when are the people of Fort Whyte and other Manitobans like them going to see some benefits in terms of roads and other basic community needs in return for all of the money that they are putting into this wasteful government?

Mr. Smith: Mr. Speaker, certainly as we have balanced the budget over the last seven years and increased the rainy day fund year over year, it comes as no surprise that we did not sell any of our Crown corporations to do that.

Mr. Speaker, the members opposite would not have had a rainy day fund if they had not sold off Manitoba's assets. We have continually built up that rainy day fund year over year. As I mentioned before

and as the member gets time to adjust and get into his seat, now I know the member in front of him may be a little bit nervous, but certainly the City of Winnipeg has recognized the substantial historic increases year over year for their needs and their priorities.

Mr. Speaker, the Minister of Intergovernmental Affairs is not just for the city of Winnipeg. It is for all Manitobans, something they should pay attention to.

Mr. McFadyen: Well, Mr. Speaker, we are all well aware that this government has managed to increase spending by \$2 billion annually since it came to power, and the result, the worst health care system in Canada, roads that are crumbling around us and young people fleeing Manitoba for opportunities elsewhere.

Your government is not even attempting to compete with Saskatchewan, never mind the other provinces and states in our continent. Even if today's budget increases spending yet again, what assurances can the minister give this House that we will actually see results for a change?

Mr. Smith: Mr. Speaker, I know as he did research for the former Premier, Mr. Filmon, I am sure he would have prepared much better notes than he received today.

Mr. Speaker, I can tell you certainly over the last number of years, when we look at the members opposite that rant and they rave and they talk about competitiveness, the corporate income tax in Manitoba was sitting at 17 percent. They did nothing in a period of 11 years.

Mr. Speaker, since we have come in we have reduced the corporate income tax, we have cut the small business income tax by half, we have reduced personal income taxes and, as the member may look outside the Perimeter, we have reduced the cost for our producers and our farmers, substantially reducing 50 percent of the educational tax paid by farmers outside the city of Winnipeg while they raised the portioning for farmers. It is nonsense.

* (14:30)

Health Care Fiscal Record

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, a Conference Board of Canada report released in January 2006 ranked Manitoba dead last in terms of overall health performance in comparison to other

provinces despite being ranked as one of the highest per capita spenders in health care in the country.

Mr. Speaker, when will this NDP government wake up and realize that their spend more, get less management strategy is forcing Manitobans to continue waiting in pain?

Hon. Tim Sale (Minister of Health): Mr. Speaker, I am really troubled by the member opposite insulting nurses, doctors and caregivers in Manitoba because what the report that she quotes from said was that the Manitoba system ranked third in Canada behind B.C. and Alberta in terms of its performance as a health care system.

I am proud of the fact that today we have a maximum waiting time for diagnostics that is half of what it was a few years ago, Mr. Speaker. I am proud that today there were a thousand more procedures for hips and knees being done this year in Manitoba, in Winnipeg, specifically, than there were a few years ago under this previous government. I am proud of the performance of our system, and I will continue to support the doctors and nurses and not attack them as she does.

Mrs. Stefanson: Mr. Speaker, only members opposite would applaud being dead last in Canada for something. That is shameful.

Mr. Speaker, a Freedom of Information request filed by my office requesting a breakdown of the total cost of performing certain surgical procedures was denied, citing the non-existence of the requested information. If this NDP government has no idea where they are spending their money within our health care system, how can they set targets and be truly accountable for health care spending and delivery in our province? Perhaps that is why we are dead last.

Mr. Sale: Mr. Speaker, we are very accountable for the money that is being spent. The information that the member asked is available at year-end and not in the middle of the year.

We are spending \$22 million so that we have three times the number of MRIs that we had when we formed government. We are spending \$56 million to shorten the wait list for hip and knee surgeries so that today about half of those needing their surgery are now getting it under the federal benchmarks. We are attacking the long-waiters within a very short period of time and I expect to see that long waiting list substantially reduced.

Mr. Speaker, when we announced our waiting times for MRIs, CTs, bone density scanning, if the members would take the time to look they would find that the times today are approximately half the waiting list times that they were in the past. We are spending and we are getting results.

Mrs. Stefanson: Mr. Speaker, we have no doubt in our minds how much more this government is spending, but what are we getting for it? Nothing. We are getting increased wait lists, and so on, and it is unacceptable. Throwing more money at a health care system that lacks accountability and transparency will not help to reduce wait lists.

A recent Health Council of Canada report stated, and I quote: The Health Council believes that the biggest road block is general reluctance among governments and health care leaders to set targets and be accountable for change.

Mr. Speaker, when will this government recognize that their spend more, get less management strategy is not working in the best interest of Manitoba patients?

Mr. Sale: Mr. Speaker, what Manitobans have is a new hospital in Brandon. What they have are new operating rooms at \$130 million in the Health Sciences Centre. What they have are four new MRIs and another one to be announced shortly. What they have is the shortest cancer care waiting lists in the country, less than one week for access to radiation therapy.

Mr. Speaker, they have 160 new ambulances on the road. We inherited a system that was decrepit. We have 1400 more nurses practising today than in 1999, more than 200 more doctors practising today than in 1999. We have work to do, but we delivered on all our commitments in health care and will continue to deliver on the ones that will be made shortly in our budget today.

Crocus Investment Fund Public Inquiry

Hon. Jon Gerrard (River Heights): Mr. Speaker, it is sad that the Premier (Mr. Doer) and his NDP government are so full of fluff and stuff and spin and so lacking in substance. The Conference Board of Canada, done very seriously with many different indices, showed that health care is the worst in Manitoba of every province in Canada. Waiting lists continue and yet nothing is done. The Premier and his NDP government have also done everything they can to cover up the Crocus Investment Fund fiasco to

the detriment of more than 30,000 Manitobans who have been hurt badly.

I ask the Premier: When will the Premier set up a public inquiry into the Crocus Investment Fund, the scandal of the Crocus Investment Fund, so that Manitobans will know what really happened?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): I urge the member opposite to read a 245-page report as done in public by the Auditor General. The Auditor General came up with 120 public recommendations, some of which were to our government. We have acted, in Bill 51 and the implementation team, on all those recommendations.

There is a public Auditor General's report that I urge you to read. There is a public court case going on now. The Manitoba Securities Commission will issue its information publicly. Canada Customs and Revenue is going through an investigation and the RCMP is going through an investigation. These are public bodies. I urge the member to read the newspaper, look at what is happening. It is out there.

Mr. Gerrard: Mr. Speaker, the fact is that the Auditor General's report raises so many questions. When did the Crocus board realize that the fund was in trouble? Who was in the inner circle and knew what was going on? Who was involved in making this secret loan from the Québec fund? Did the Québec fund actually know what they were getting into? Which board members knew the truth and approved misleading the public about the purpose of the loan? What discussions were held about taking money from Manitobans who were being misled about the health of their funds? When did the government and the public's representative on the board know? What did he know and when? What did he tell his political masters? When did the Premier (Mr. Doer) know? When will the Premier call a public inquiry so that we can know what really happened?

Mr. Rondeau: I urge the member opposite to read the Auditor General's report. What he said is that the board had certain requirements, fiduciary responsibilities, and there is a Manitoba Securities Commission investigation to ensure that all those questions, the 35 questions you just asked, are being responded to by the Manitoba Securities Commission. That is the group that is responsible, and that is the group that has the mandate to conduct the investigation without political interference and come up with the appropriate remedies to that issue.

The other thing that has to happen is you have to have it without political influence. I know the Liberal Party might not understand the term "without political influence," but our government knows where the responsibility lies and how to let the people do their job that they are qualified to do.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I am calling on the government to take its collective head out of the sand and recognize that Manitobans deserve and want a public inquiry regarding the Crocus Fund. Over 33,000 Manitobans have lost in excess of \$60 million because of government incompetence and their ability to turn a blind eye to protect their union friends.

The shareholders want a public inquiry. Opposition parties want a public inquiry. Independent media want a public inquiry. Even Ed Schreyer wants a public inquiry. Even former NDP Premier Ed Schreyer wants a public inquiry. When is this Premier going to do the right thing, stand on his feet and do for once what is right in Manitoba and call for a public inquiry? By staying and sitting and doing nothing, by ignoring the issue, the issue is not going to go away.

* (14:40)

Mr. Rondeau: Mr. Speaker, the member opposite might not have been listening to the last answer. The Manitoba Securities Commission, an independent body, is going on an investigation. We have had an Auditor General's Report. The Auditor General had unfettered access when he went to the Minister of Finance and said, do I have access to the information that I am allowed? Yes, he was given access. I gave him access as an authorized person to get information, any information he wanted, from the Crocus Investment Fund.

The Auditor General had access. He used that access to find out the information and create a 245-page report. We are acting upon all those recommendations and we are following his recommendations. If you had attended the financial accounts hearing what you would have found out is that the Auditor General said that we are taking action. We are taking all action that is prudent, and we are doing it in a very timely manner.

Health Care System Wait List Reduction

Mr. Bidhu Jha (Radisson): Mr. Speaker, in November of last year, the Minister of Health

announced a number of initiatives to reduce wait lists.

Can the minister inform the House the progress made to address the need of pediatric dental surgeries.

Hon. Tim Sale (Minister of Health): Mr. Speaker, I am very proud that Manitoba is served by health professionals who rank third in this country behind two very wealthy provinces, in particular, Alberta, delivering excellent health care.

Last year we challenged the Winnipeg Regional Health Authority to reduce the unacceptably long pediatric dental wait lists, Mr. Speaker. We announced that Misericordia hospital would have a target of an additional 600 surgeries during the next 12-month period.

Mr. Speaker, during the last nine months, we have reduced the pediatric dental wait list from 1400 to 557. Misericordia hospital and the fine health professionals that put us third in this country have performed admirably, and by the first of April they will have completed not 600, but 750 more dental procedures. Kudos to the people of Misericordia and WRHA.

The Water Protection Act Regulations

Mr. Ralph Eichler (Lakeside): Mr. Speaker, Manitoba farm families and producers fear that their very viability for their operations is threatened by the open seed regulations of The Water Protection Act.

Mr. Speaker, can the Minister of Agriculture tell this House what direct input she and her department had in drafting these ridiculous regulations?

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, unlike members opposite, the member opposite may not realize that this government works collectively. This government and all Manitobans want to ensure that we are taking the proper steps to ensure that we work in a sustainable way. This government has created the Department of Water Stewardship, and the Department of Water Stewardship, Department of Agriculture, Department of Conservation and other members of this government take very seriously the challenges that we are faced particularly with Lake Winnipeg.

I can assure the member that, as the Minister responsible for Agriculture, I have had many discussions with people in the industry, Mr. Speaker.

I have had many discussions with my colleagues with regard to the regulations that are being put in place to ensure that we have a long-term sustainable industry in this province and that we put in place rules that will be in the best interests of all Manitobans.

Mr. Speaker: Time for Oral Questions has expired.

Introduction of Guests

Mr. Speaker: Order.

I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today the parents of the Olympic gold medal athletes. We have Mr. Jake Klassen and Mrs. Helga Klassen. Also, we have Mr. Ken Hughes and Mrs. Maureen Hughes and Mr. Cal Botterill. These are the parents of Cindy Klassen, Clara Hughes and Jennifer Botterill.

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

MEMBERS' STATEMENTS

Ms. Kerri Irvin-Ross (Fort Garry): Mr. Speaker, in light of the budget today, I waive my member's statement.

Oscar Awards

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, I rise today to pay tribute to a Manitoba success story. Yesterday, at the Oscar Awards, *Capote* was honoured for cinematic excellence. Members of this Legislature know that the film was shot right here in Manitoba and all those involved in the production deserve credit, as well as the previous Conservative government, for seeing the vision of a Hollywood right here in Manitoba.

Not to be outdone, Mr. Speaker, even in this Legislature, we have efforts that are worth an Oscar. In a few minutes time, I am sure the Minister of Finance (Mr. Selinger) will make himself a leading candidate for best work of fiction when he introduces the next budget. We have seen from past budgets where the spending was underestimated over and over, and the minister knows how to craft a good work of fiction.

In the role of supporting actor in fiction is the Minister of Justice (Mr. Mackintosh), who has promised for seven years to get tough on gangs, and yet he has refused to do it.

For supporting actress, we have the Minister of Agriculture (Ms. Wowchuk), who has been nominated by Manitobans because she has failed for seven years to look after the farmers here in Manitoba and now is trying to regulate them off of the farm.

Mr. Speaker, when it comes to not delivering on its promises the Oscar goes to the Doer government.

Mr. Andrew Swan (Minto): Mr. Speaker, in light of this being budget day, I also waive my member's statement today.

Military Casualties (Afghanistan)

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I rise in the House today to honour the service and courage of the Company Bravo, 2-PPCLI battle group from Shilo. The Canadian flag is flying at half-mast as we all band together to lend support to the families of the local soldiers involved in the fatal collision near Kandahar, Afghanistan.

Military families are a very close and tightknit unit. While their loved ones are worlds away, our Canadian soldiers are diffusing hostile situations and attempting to maintain peacekeeping duties. It is with great sadness we learned of Corporal Paul Davis and Master Corporal Timothy Wilson's deaths and the serious injuries of the five other soldiers, including Dauphin resident Private Nathan Justice, wounded in the collision.

While many of us will never know what it is like serving overseas in conflict, we are all well aware of the important work that our peacekeepers do. On behalf of the PC caucus of Manitoba, and all honourable members of the House, I offer my sincere condolences to the Davis and Wilson families on their loss and to the families of all the soldiers involved in the collision from Company B of the 2-PPCLI battle group.

When a tragedy like this occurs, it forces all of us to pause and take notice of the sacrifices made by our Canadian peacekeepers and their families. I know we are all wishing the safe return for not only the injured men from CFB Shilo, but all Canadian soldiers. Our thoughts and prayers are with the military community and their families during this very difficult time. Thank you, Mr. Speaker.

Mr. Rob Altemeyer (Wolseley): Mr. Speaker, in light of the budget, I, too, wish to waive my member's statement.

* (14:50)

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Leonard Derkach (Official Opposition House Leader): In accordance with Rule 36(1), Mr. Speaker, I move, seconded by the Member for Turtle Mountain (Mr. Cullen), that the regularly scheduled business of the House be set aside in order to consider this government's lack of attention, accountability and poor judgment respecting the Auditor General's review of the Workers Compensation Board which was made public on January 17, 2006, and which contains over 50 recommendations, nine of which are specifically for the government.

Mr. Speaker: Before recognizing the honourable Member for Russell, I believe I should remind all members that under Rule 36(2), the mover of a motion on a matter of urgent public importance and one member for the other parties in the House is allowed not more than 10 minutes to explain their urgency of debating the matter immediately.

As stated in *Beauchesne* Citation 390, urgency in this context means the urgency of immediate debate, not of the subject matter of the motion. In their remarks, members should focus exclusively on whether or not there is urgency of debate and whether or not the ordinary opportunities for debate will enable the House to consider the matter early enough to ensure that the public interest will not suffer.

Mr. Derkach: I thank you, Mr. Speaker. I know how unusual it is for a matter of this nature to be raised on a budget day. In accordance with our rules, there are two conditions that must be satisfied for this matter to proceed. The first requirement is to file the motion with the Speaker's office at least 90 minutes prior to Routine Proceedings, and I believe that this requirement was met. The second condition is that this matter is of an urgent nature. Indeed, this report is of an urgent nature since it speaks to the lack of accountability and the moral authority of the current government. Clearly, there are serious questions about the actions, the judgment and the scruples of this government in its dealings with Manitobans. In fact, these issues are fundamental to the healthy functioning and effective democracy.

Mr. Speaker, Manitobans want us to raise issues of this kind. Under the rules of this House, we have to raise these matters at the earliest possible time, and the earliest possible time is now because, as everybody knows, this report was filed in the intersession period when the House was not sitting.

Manitobans want and deserve to have a government that is honest, forthright and will act in their best interests. The Auditor General's report outlines in a number of ways how the government has not been conducting its business in a matter befitting Manitobans.

We are concerned because of the serious allegations about investment decisions, board governance issues, and the professional conduct of the Workers Compensation Board chair that were raised back in 2001 by a very credible source, then WCB president and CEO, Pat Jacobsen. Instead of acting on her serious concerns about issues regarding the Workers Compensation Board, its investments and its chair, this NDP government referred the matter back to the WCB Board, the subject of her complaints. In addition to this, Ms. Jacobsen was fired three days after raising her concerns. The Auditor General's WCB report verifies Ms. Jacobsen's 2001 claims and chastises this government for failing to act appropriately when the matter was raised in 2001. All of these issues raise the fact that, had this government listened to Ms. Jacobsen, 33,000 Manitobans may have not lost those enormous funds, those \$66 million of funds that were lost as a result of this government ignoring those red flags, those warning signs, in fact, a direct letter to the minister.

Mr. Speaker, although there are going to be protests from members opposite, the fact remains that the WCB review became public during a time when this Assembly was not in session and, as such, this, as I said before, is my first opportunity to bring this matter forward. Clearly, the government is trying to deflect attention away from this issue, away from the information and the recommendations of the Auditor General and remove itself from the spotlight of the record of no accountability and focus the public attention on what we expect to be another overspending and underachieving budget and turn the attention away from the pressing issues at hand, issues such as the Workers Compensation report

Mr. Speaker, because of these reasons and the many more that I do not have time to list right now, I could go on on this subject for hours, but I prefer that we deal with this matter as effectively and urgently as we can and allow for this debate to carry on because it is of such urgent nature. Manitobans are losing money. Manitobans have lost their investments because of this government's ignoring of the red flags and the warning signals.

So, therefore, I urge this House to move ahead with this urgent public matter.

Hon. Gord Mackintosh (Government House Leader): Well, very briefly, when it comes to the Workers Compensation Board, Mr. Speaker, I note that there has been a 20-percent reduction in the time loss injury rate from 2000 to 2004. I also note that the Auditor General stated that the Workers Compensation Board is in a good financial position, maintaining an overall surplus, and my understanding is that on December 31, '04, had a surplus of \$70.5 million. Interestingly as well, the Gomery report, I recall, recommended that government actually have less influence in the management of Crown corporations, not more.

Mr. Speaker, the reason that the member opposite said that MUIs are rarely raised on budget day is because there is one very important matter of public importance today, and that is the budget for Manitobans. I say shame on them. I think they are ill-advised in bringing in a MUI today. Clearly, in my view, in light of the long-standing rules in this House, it is no more than a stunt because rule after rule after rule from the Speaker's chair has concluded that, because the budget debate is so all-encompassing, MUIs are just out of order today.

They have plenty of time if they want to debate this matter, and we are more than happy to do that. Today is budget day, and I conclude by referring to the ruling of Speaker Dacquay, March 1998. It is the same as every other ruling I think I have ever heard on this topic. Manitoba precedent from past rulings of speakers shows that the scope of the budget speech debate which is underway today is wide enough to encompass the discussion of most subjects.

Mr. Speaker, clearly, this is not a matter of urgent public importance whatsoever in terms of it having to be debated today. It is a matter, if members think it is urgent, to talk about it every day during the budget speech debate. There is plenty of latitude. It is unfortunate they raise it and take up the time of Manitobans. People are waiting to hear the budgetary address. That is what is of public importance today.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I would ask just for two minutes to add comment to the MUI—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Does the honourable member have leave?

An Honourable Member: No.

An Honourable Member: Absolutely.

Mr. Speaker: Does the honourable member have leave?

An Honourable Member: Yes.

An Honourable Member: No.

Mr. Speaker: No? Did I hear a no? I heard a no. The honourable member does not have leave.

I thank the honourable members for their advice—

An Honourable Member: I think that says it all—

Mr. Speaker: Order. I thank the honourable members for their advice to the Chair on whether the motion proposed by the honourable Official Opposition House Leader (Mr. Derkach) should be debated today.

The notice required by Rule 36(1) was provided. Under our rules and practices, the subject matter requiring urgent consideration must be so pressing that the public interest will suffer if the matter is not immediately given attention. There must also be no other reasonable opportunities to raise the matter.

I do not doubt that this matter is one that is of serious concern to some members in the House, and I also have listened very carefully to the arguments put forward. However, I was not persuaded that the ordinary business of the House should be set aside to deal with this issue today. Although undoubtedly this is a very serious issue that the member has brought forward, I do not believe that the public interest will be harmed if the business of the House is not set aside to debate the motion today.

* (15:00)

Additionally, I would like to note that there are other avenues for members to raise this issue, including questions in Question Period, raising the item under Members' Statements and also Grievances, and raising the issue during the upcoming budget debate.

Therefore, with the greatest of respect, I must rule that this matter does not meet the criteria set by our rules and precedents. I rule the motion out of order as a matter of urgent public importance.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, this is to request just a five-minute recess, and no more, to allow those holding budget passes to come into the galleries. Would you please ring the bell for one minute to ensure that members are here at the end of the five minutes.

Mr. Speaker: Is there a willingness in this House to recess for five minutes? Is there a willingness? *[Agreed]*

Okay. *[interjection]* Order. Before I recess the House, I would like to announce that anyone in the public gallery without a blue pass must leave the visitors' gallery prior to the budget speech.

So we will now recess for five minutes, and, prior to the expiration of that time, the bells will ring for one minute.

The House recessed at 3:01 p.m.

The House resumed at 3:08 p.m.

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.

Mr. Speaker: Before moving the motion, I would just like to remind our guests in the gallery that there is to be no participation by our guests. That includes applauding that I just saw earlier. So I just want to remind all guests.

Motion presented.

* (15:10)

Mr. Selinger: Mr. Speaker, it gives me great satisfaction today to present Budget 2006: Meeting Commitments, Building Opportunities.

Budget 2006 meets and exceeds important commitments our government made to Manitobans. Today's budget makes our province more affordable, more competitive. It improves our quality of life and builds opportunities for long-term growth and prosperity. We are building on Manitobans' accomplishments and taking actions on Manitobans' priorities.

Nous sommes conscients des formidables avantages qu'offre le Manitoba ainsi que des qualités exceptionnelles de sa population. Dans notre province, le taux de bénévolat figure parmi les plus élevés du pays, et la proportion de dons de charité par personne est la plus forte de toutes les provinces.

Translation

We recognize the great advantages that Manitoba has to offer and the extraordinary quality of our people. In Manitoba, rates of volunteerism are among the highest in the country, and Manitobans have the highest proportion of charitable giving of any province.

English

Manitobans watched with tremendous pride as Manitoban after Manitoban won Olympic medals on behalf of their country at the 2006 Winter Olympics. Mr. Speaker, I am pleased to announce that on behalf of all Manitobans, Budget 2006 pledges \$100,000 in the winning spirit of Manitoba Olympians: \$50,000 for KidSport to increase sport opportunities for children in Manitoba and \$50,000 for Right to Play, to promote sport and play for children in the most disadvantaged parts of the world.

Building on our success in hosting the 2005 Canadian Juno Awards, Manitoba will host the Canadian Aboriginal Music Awards this year and the Women's World Hockey Championships in 2007 at the MTS Centre, our world-class entertainment, sports and performing arts centre. Last year, the MTS Centre was the third busiest arena in all of Canada and set a new provincial record for gross revenues from a single arena show, topping \$1 million for Aerosmith and Lenny Kravitz.

Mr. Speaker, this year brought great honour when *BusinessWeek* magazine named Manitoba as the best in the world for taking action on climate change. Manitoba's climate change strategy was also ranked No. 1 in Canada by the David Suzuki Foundation. These are honours we can all be proud of, representing the actions Manitobans have taken to protect our environment, to develop clean energy sources like wind and hydro power and to keep our economy growing green for today and tomorrow.

Manitoba's dedicated and skilled workforce, our strong business and community leadership, our exceptionally innovative entrepreneurs are the backbone of so much of our prosperity and growth, supporting the success of Manitoba businesses at home and around the world. Our province is

expected to lead the country in the coming year in capital investment growth.

Rural Manitobans have demonstrated their resilience in dealing with challenges, such as extensive flooding brought on by record-high water levels, the lingering impacts of cross-border trade disputes and the pressure of a high Canadian dollar. We recognize the hard work of rural Manitobans and will continue to work with families, producers and industry to build strong rural communities.

Our government will continue to work with all Manitobans to capture the Olympic "can do" spirit and achieve our goals together.

Budget 2006 centres on four main building blocks:

- Growing Green, Growing Smart
- Healthy Families, Healthy Communities
- Tax Savings for Manitoba Families and Business
- Balanced Budgets

Our government has worked hard to address the challenges of the 1990s and build opportunities for the 21st century.

In 1999, Manitoba was losing doctors and nurses, signs of a seriously troubled health care system. Funding for post-secondary education was stagnant, enrollment was declining, and our education facilities were deteriorating. Manitoba had the highest corporation tax rate and the second-highest small business tax rate in the country. Education taxes were rising, while property values remained flat or were declining. Water and environmental protection was falling behind.

Since 1999, we have reversed the tides of decline. We outlined a plan to invest in Manitobans' priorities, to grow a strong economy, to deliver sustainable tax relief and to implement a sound fiscal plan. And we have delivered, Mr. Speaker:

- Nous avons apporté à l'éducation post-secondaire et à la formation professionnelle un appui sans précédent qui a contribué à augmenter d'un tiers les inscriptions dans les universités, les collèges et les programmes d'apprentissage.

Translation

We have provided record support to post-secondary education and training, supporting a one-third

increase in university and college enrollment and apprenticeships.

English

- Budget 2006 includes a major new multi-year funding commitment to universities and colleges.
- We have also invested in health professionals and rebuilding our health care system. Budget 2006 advances our Wait-time Reduction Strategy and new healthy living initiatives.
- We have worked to make our communities safer. Budget 2006 provides new resources for our Crime Fighting Action Plan, Lighthouses in our communities and our fight against crystal meth.
- We have implemented our Action Strategy for Economic Growth, resulting in continued strong economic performance. Budget 2006 advances strategies to improve competitiveness, innovation and clean energy to keep our economy growing green and growing smart.
- We have invested in cleaner water, flood protection and emergency preparedness. Budget 2006 adds resources for increasing water quality, drainage projects and pandemic planning.
- We have built roads and infrastructure. Budget 2006 advances new highways funding and resources for priority infrastructure projects.
- We have worked with Aboriginal communities in partnership to close the quality of life gap between Aboriginal and non-Aboriginal people. Budget 2006 supports our commitment to targets under the Kelowna Accord.
- We have provided increased funding to municipalities tied to growth revenues. Budget 2006 includes a \$7.9-million increase in the Building Manitoba Fund for municipalities for 2006.

Today's budget reduces education taxes, personal income taxes, small business taxes and corporate taxes. Mr. Speaker, taxes are lower today than they were in 1999, more affordable for families, more competitive for business. We have met or

exceeded every tax reduction promise we have made to Manitobans.

And we are delivering on our commitments within a responsible, balanced fiscal framework. Mr. Speaker, I am pleased to announce that Budget 2006 is our seventh consecutive balanced budget under balanced budget legislation. Furthermore, Budget 2006 anticipates a surplus of \$148 million on a summary basis.

Aujourd'hui, un nouveau vent d'optimisme et de confiance souffle sur le Manitoba. Nous avons encore du travail à faire, mais les résultats montrent que nous sommes sur la bonne voie.

Translation

Today, there is renewed optimism and confidence in Manitoba. We have more work to do, but results show that we are on the right path.

English

Our economy is performing well, with the second-lowest unemployment rate in the country and economic growth of 2.9 percent in 2005. A growing confidence is reflected in rising consumer spending and business investment. Over the past five years, Manitoba has experienced:

- 33 percent growth in retail sales;
- 85 percent growth in housing starts; and
- 30 percent growth in real investment in machinery and equipment, almost double the rate for Canada.

The Government of Canada has signed a number of important federal-provincial agreements with Manitoba. These agreements were undertaken on behalf of the people of Manitoba to advance their priorities on child care, the Kelowna Accord on Aboriginal issues, the Floodway Expansion Project, immigration and training. Our government will work diligently to uphold our responsibilities and meet our obligations under these agreements in the interest of all Manitobans.

Recent meetings of the Council of the Federation focussed on the critical need for new federal support for post-secondary education and skills training. Continuing strong provincial investment and renewed federal resources are needed to improve productivity and address skill shortages in Manitoba's booming construction industry and other growth sectors.

We are delivering on our commitments: investing in Manitobans' priorities for health care; education; cleaner water and roads; building a strong, leading-edge, sustainable economy; making taxes more affordable and competitive; and keeping to a sound fiscal strategy and debt repayment plan. We will continue to build opportunities for all Manitobans.

Manitoba's Action Strategy for Economic Growth, built on recommendations of the Premier's Economic Advisory Council, is a blueprint for investing in our strengths for sustained economic growth.

A sound education strategy is at the heart of a solid economic strategy.

In support of education excellence, we have made major investments in post-secondary capital. Our \$50-million investment helped kick-start a successful \$237-million University of Manitoba capital campaign. Provincial investments have supported the new Engineering and Information Technology Complex at the University of Manitoba, the restoration of the University of Winnipeg's Wesley Hall and the new Red River College Princess Street Campus.

Le Budget 2006 maintient la réduction des frais de scolarité de 10 pour cent pour les étudiants, qui a entraîné une hausse d'un tiers dans les inscriptions.

Translation

Budget 2006 retains the 10 percent tuition reduction for students, which has supported a one-third increase in enrollment.

English

As we have done every year, we are providing fully offsetting revenue to universities and colleges to compensate for the tuition reduction, tied directly to the number of students enrolled. Our annual compensation for the tuition reduction has grown from \$8 million in 2000 to \$13.8 million with today's budget for a cumulative total of \$81 million since 2000. Thanks to increased enrollment, universities and colleges are also benefiting from a 38 percent increase in tuition income.

Mr. Speaker, Budget 2006 builds on our record of strong support with a major new three-year funding commitment of \$60 million for universities and colleges. This is the largest commitment of its kind in Manitoba's history. Provincial operating grants to universities and colleges will increase by

5.8 percent in the coming year. In addition, the elimination of all property taxes for universities is equivalent to an additional 1.2 percent increase, taken together, a 7 percent operating boost. Colleges and universities will receive a 5 percent increase in each of the following two years. New multi-year funding will better enable our post-secondary institutions to plan and grow. We are making this new commitment at a time when the federal share of provincial funding for post-secondary education is 7 percent, down from 15 percent in the 1990s.

*(15:20)

In addition, Mr. Speaker, Manitoba is working with other provinces and the federal government to establish a new pan-Canadian partnership on post-secondary education and skills training. We are committed to investing additional dollars if new federal resources are provided to support education excellence, comprehensiveness, lifelong learning, affordability and accessibility.

Today's budget increases resources for:

- the College Expansion Initiative;
- Adult Learning Centres;
- ACCESS programs; and
- training partnerships with industry to address skills gaps in growth industries.

Mr. Speaker, Budget 2006 expands the Graduate Scholarship and Hope Bursary programs established by our government to encourage bright and talented students to stay in Manitoba.

Through a new federal-provincial Labour Market Partnership Agreement, targeting workers outside the post-secondary system, new funding will support apprenticeship, literacy and essential skills, workplace skills development and enhanced work force participation of Aboriginal people, immigrants and persons with disabilities.

Mr. Speaker, for the seventh year in a row, we are keeping our government's commitment to public schools by increasing funding by the rate of economic growth. This year's increase brings total provincial operating funding to \$926 million.

Increased funding is also being provided for English as an Additional Language for students who have refugee and war-affected backgrounds.

Today's budget provides resources to respond to the Public Libraries Review, which will enhance

public library service, including to underserved First Nations.

Over the last five years, Manitoba has experienced strong population growth, an increase of more than 30,000 people, up from an increase of 18,700 people during the previous five years. This year, we expect our population to continue growing but at a reduced rate, a trend common to most provinces. Our government is taking action to increase immigration to our province and to encourage young people to make Manitoba their home.

Budget 2006 extends our successful Co-operative Education Tax Credit to a broader range of employers. In addition, Mr. Speaker, I am pleased to announce the introduction of a new Co-op Graduate Hiring Incentive to support the employment of Manitoba co-op education students and graduates at home in our province.

Expanding the number of new immigrants coming to Manitoba is an important element in our growth strategy. Mr. Speaker, for the first time in almost 40 years, more than 8,000 immigrants made Manitoba their home in 2005. Manitoba's Provincial Nominee Program, a leader in Canada, is responsible for 80 percent of economic immigration to Manitoba.

Grâce à un nouveau soutien du gouvernement fédéral, le Budget 2006 prévoit une augmentation de financement de 20 pour cent pour renforcer les services d'intégration des immigrants.

Translation

With new federal support, Budget 2006 provides 20 percent more funding to strengthen immigration integration services.

English

Today's budget expands support for Manitoba's rich network of ethnocultural community organizations.

Investments in research and innovation are investments in productivity, new product development, competitiveness and scientific discoveries.

Building on last year's 33 percent increase in the Research and Development Tax Credit, today's budget increases our support for the Manitoba Centres of Excellence Fund, increasing investment in world-class research being performed right here in Manitoba.

Budget 2006 makes a new investment in the Industrial Technology Centre to assist small- and medium-sized businesses to develop and grow. Recognizing the unique opportunities that exist in the digital media industry, today's budget also doubles the capacity of the Manitoba Interactive Media Fund.

Manitoba's biotech sector continues to be among the fastest growing in Canada with more than 40 active companies and close to 30 research and development establishments. Mr. Speaker, one in 10 Canadian biotech companies are located in Manitoba, and over 4,000 people are employed by the life sciences industry in the province.

Just this past January, based on private-public partnerships, new state of the art biotech facilities were opened at Red River College, offering the most complete biotech and pharmaceutical training programs in Canada.

Since 1999, private investment in Manitoba has increased by \$1.2 billion, up 30 percent. Mr. Speaker, a recent Stats Canada survey shows that private investment in Manitoba is expected to grow by twice the national growth rate.

Sustaining this strong growth in investment is essential for continued expansion of our research and innovation capacity, productivity and competitiveness of local business. Our government is committed to doing its part by improving services, implementing regulatory efficiencies, reducing red tape and making taxes more competitive.

According to a recent study by the Canadian Federation of Independent Business, Manitoba is tied with Alberta for the second-lowest overall cost of regulation relative to GDP. Our government will take further action in consultation with the Premier's Economic Advisory Council to improve our competitive advantage.

Over the next year, our government will put in place the infrastructure necessary to support a significant expansion of e-commerce capability.

We are also working to:

- expand the Canada-Manitoba Biz Gateway;
- extend use of the common business identifier; and
- establish BizPal service to streamline information about business requirements to make compliance easier and less expensive.

Manufacturing is one of the most important sectors of Manitoba's economy. Mr. Speaker, manufacturing investment is expected to grow by a remarkable 61 percent this year, the best in the country.

Last year, to encourage more investment by the manufacturing sector, our government made used equipment, machinery and buildings eligible for the Manufacturing Investment Tax Credit. Mr. Speaker, I am pleased to announce that our government is renewing the Manufacturing Investment Tax Credit and increasing the refundable portion of the credit from 20 percent to 35 percent.

Growing entrepreneurship is key to Manitoba's ability to increase investment, create jobs, innovate and generate wealth. Budget 2006 makes a new investment in BizCoach Manitoba to connect successful business leaders to act as mentors to new entrepreneurs, improving their chances of success.

Mr. Speaker, Manitoba has a dynamic and diversified \$42-billion economy. Over the past decade, the value of Manitoba's exports relative to GDP has risen to 65 percent from 53 percent. Our government is working in partnership with Manitoba business leaders to market Manitoba as a gateway for trade and investment in North America.

We have worked to diversify the international markets in which our small- to medium-sized companies do business. Our non-U.S. bound exports have increased from 19 percent to 24 percent of total exports over the last four years. Last month, our Premier led a trade mission to India, the largest trade mission in Manitoba history, including more than 45 business participants. Tapping into emerging markets like India and China where our companies have opportunities for strategic joint ventures is a key part of our international strategy.

The actions taken by Manitobans have made our province a world leader in developing clean energy and addressing climate change.

Notre avantage en termes d'énergie propre place le Manitoba dans une situation privilégiée qui nous permet de préserver et de protéger notre environnement tout en favorisant une forte économie verte

Translation

With our clean energy advantage, Manitoba is uniquely placed to preserve and protect our environment, while at the same time developing a strong, green economy.

English

Manitoba residential and business users are fortunate to enjoy among the lowest electricity costs in the world. Budget 2006 expands resources for clean energy development.

Hydro exports have increased from \$363 million in 1999 to an all-time high of \$818 million in 2005. That is a growth of 125 percent. With the potential to double our existing capacity, Manitoba Hydro is well positioned to take advantage of growing export markets to the east, west and south.

Manitoba Hydro and Nish-āwā-shik Cree Nation are proposing to develop the 200-megawatt Wuskwatim hydro dam in full partnership. Advancing the development of Conawapa to capture export markets will provide enormous community and economic benefits for northern Manitoba and the province as a whole.

Manitoba is leading the push for an expanded east-west energy grid to increase interprovincial energy sales and to improve national energy security.

We are also moving forward on our hydrogen strategy. Winnipeg, North America's "Bus Manufacturing Capital," hosted the first on-road trial of a hydrogen-engine-powered bus in Canada, an accomplishment made possible through a broad public-private education partnership.

Manitoba is a leader in ground-source heat pumps. The number of home heat pumps has quadrupled over the past four years in Manitoba, more than anywhere else in Canada. Manitoba is working to make ground-source heat pumps a prime feature of our new Waverley West housing development.

Manitoba Hydro has launched expanded Power Smart programs promoting customer savings through more efficient use of energy. Over 23,000 residential customer loans totalling over \$78 million have been approved to date, proof, Mr. Speaker, that Manitobans are saving money by becoming "power smart."

* (15:30)

Through our new Green Manitoba office we are rolling out new eco-solutions that work for Manitobans around energy efficiency, water conservation and waste reduction activities.

So much of what we are building today begins with water. Clean water is at the heart of our ecosystems, our communities and our economy.

Le budget d'aujourd'hui accorde une grande priorité à la protection de notre eau potable, de notre eau souterraine et de notre réseau unique de lacs et de rivières.

Translation

Today's budget puts high priority on protecting our drinking water, our ground water and our unique network of lakes and rivers.

English

Budget 2006 expands resources for improved drinking water safety initiatives.

Protecting Lake Winnipeg is a responsibility that we all share. Our government is taking further steps this year to protect our lakes and waterways from excess nutrient loading with a focus on improving Lake Winnipeg water quality and reducing algae blooms on the lake. New staff will be added to support the implementation of The Water Protection Act to better protect ground and surface water.

Budget 2006 provides a new incentive for farmers to adopt beneficial water-related practices.

Today's budget expands resources for:

- more Conservation Districts;
- the Canada-Manitoba Hydrometric program for flood forecasting;
- the Manitoba Water Services Board; and
- the Environmental Livestock Program.

Budget 2006 provides a new intake under the enhanced Riparian Tax Credit program that helps protect sensitive lands bordering waterways.

Today's budget provides resources for a made-in-Manitoba parks reservation system, with bookings to be offered through a call centre or the Internet and now on-site at campgrounds. To enhance public safety, we are also extending 911 emergency services to five major provincial parks.

Our initiative to make 1,000 cottage lots available has sparked significant interest from Manitoba families. More than 600 cottage lots have been newly offered through draws. Budget 2006 provides additional resources for campground upgrades, including more yurts as well as expanded electrical, washroom and shower facilities.

Since 1999, we have designated new provincial parks and added to our network of protected areas, including the recent addition of Tall Grass Prairie Preserve, made possible in partnership with the Manitoba Naturalist Society. Over the last two years, we have established five new ecological reserves, offering the highest level of protection.

Mr. Speaker, Budget 2006 provides additional resources to advance the First Nations-Manitoba-Ontario UNESCO World Heritage site nomination and doubles our grant to the Nature Conservancy of Canada's National Campaign for Conservation to \$200,000.

In recognition of the unique communities, ecosystems and circumstances on the east side of Lake Winnipeg, our government launched the East Side Planning Process, engaging First Nations on an ongoing basis in building for their future. Today's budget increases resources for the land planning process as well as sustainable resource management priorities.

Mr. Speaker, our government is taking seriously the risk of a global pandemic. Manitoba has a strong pandemic response plan. We have worked with regional health authorities and municipalities to ensure that their emergency action plans are fully up to date. We are also working with schools, businesses and community and professional organizations to strengthen their capacity to plan and prepare for the possibility of an influenza pandemic.

Budget 2006 expands Manitoba's Emergency Measures Organization to support planning for business continuity in all areas of government service in the case of an emergency. Today's budget also provides new resources for foreign animal disease surveillance, early warning diagnosis and enhanced rapid response capacity overseen by Manitoba's new Chief Veterinarian.

Supported by a federal partnership, Budget 2006 advances construction of the floodway expansion project. Renewing a federal partnership for completion of the floodway expansion is a top priority.

Mr. Speaker, since 1999, we have been rebuilding our health care system. We have invested in training and expanding the number of health care professionals, in medical innovation, technology and health care capital, in expanded healthy living and prevention initiatives and in delivering care sooner and closer to home.

Our top health care priority is reducing wait times, not only for critical life and death treatments where we have made some important gains but also for key quality-of-life procedures where we are dramatically increasing the number of hip and knee procedures.

Since 1999,

- the average wait time for cancer radiation treatment has been reduced from six weeks to one week; and
- the wait time for cardiac surgery has been reduced by more than one third.

Monsieur le Président, le Budget 2006 investit dans la réalisation d'un nouveau centre d'excellence en chirurgie cardiaque ultramoderne à l'Hôpital général de Saint-Boniface.

Translation

Mr. Speaker, Budget 2006 invests in creating a new, state of the art, centre of excellence in cardiac surgery at St. Boniface General Hospital.

English

With expanded capacity at Concordia, Brandon and Boundary Trails hospitals, we are on pace to complete more than 3,500 hip and knee surgeries this year, an increase of more than 800 from last year.

Budget 2006 continues our investment in increasing diagnostic testing and bringing health care services closer to home.

Our public health care system has more than quadrupled the annual number of MRIs since 1999, with the addition of new MRI machines, including the first MRI located outside of Winnipeg, at the Brandon Regional Health Centre and the first community-based MRI at the Pan Am Clinic. Mr. Speaker, I am pleased to announce that we are adding a new MRI machine to Boundary Trails Hospital in Winkler-Morden.

More than 20,000 additional MRI tests will be performed at the Health Sciences Centre, St. Boniface General Hospital and the Pan Am Clinic over the next three years.

Since 1999, the number of CT scans has almost doubled. CT scanners are now available in Steinbach, Selkirk, Portage la Prairie, The Pas and Thompson and are being upgraded in Brandon and Dauphin.

More than 15,000 additional CT scans will be performed over the next three years.

Mr. Speaker, Budget 2006 completes the replacement of our entire 160 ambulance fleet. This year, we will be opening a new transportation and communication centre in Brandon to co-ordinate medical dispatch and emergency response.

Our wait-time reduction strategy goes above and beyond national priorities. Budget 2006 invests in:

- more pediatric dental surgeries;
- increased testing for sleep disorders;
- pain clinic expansion at the Pan Am Clinic; and
- expanded community mental health programs.

In addition to the new St. Boniface cardiac centre, we are supporting the massive reconstruction of the Health Sciences Centre to serve all of Manitoba. Concordia Hospital's centre of excellence in hip and knee surgery has completed 400 more surgeries this year than last.

Budget 2006 invests in the redevelopment of the Selkirk Mental Health Centre to meet the needs of Manitobans living with acquired brain injury and mental illness. In addition, we are expanding assertive treatment for people who are ready to live in the community but need support to achieve their goals.

In 1999, we were faced with a declining number of health care professionals. We have taken action. The number of doctors in training has increased by 21 percent, from 591 to 712. Our program to increase the number of nursing education seats has more than tripled the number of graduates.

Mr. Speaker, Budget 2006 fulfills our commitments to:

- increase the number of medical spaces at the University of Manitoba to 100;
- l'augmentation à 25 du nombre de places d'accueil des diplômés internationaux en médecine;

Translation

- *increase the intake for international medical graduates to 25 spaces;*

English

- increase enrollment in nursing training to 3,000; and
- increase technologist training to 57 seats, exceeding our commitment.

We continue to work with regional health authorities on recruitment and retention of physicians through our new Physician Resource Co-ordination Office. We are also offering new opportunities to expand nursing roles within our health care system.

With our First Nations and Métis partners, we continue to work with the federal government to meet the unique health needs of Aboriginal communities. Budget 2006 expands the federal-provincial Chronic Disease Prevention Initiative to 40 communities throughout Manitoba, an initiative singled out by the Assembly of First Nations as a model for delivering health services in Aboriginal communities.

The Canadian Diabetes Association has recognized the low out-of-pocket costs for diabetes drugs in Manitoba. Mr. Speaker, I am pleased to announce that we are increasing affordability by eliminating the retail sales tax on lancets and blood glucose monitors purchased by diabetics.

Our Pharmacare program has adopted best practices and expanded the use of generic drugs to control costs. Nonetheless, the cost of this important program continues to grow, underscoring the need for a national Pharmacare system. This year, Pharmacare deductibles will increase by \$3 to \$6 per month for most Pharmacare families. We are improving the program this year with new flexible payment options.

In establishing our Healthy Living Ministry, we are expanding opportunities for Manitobans to live healthier lifestyles.

Manitoba was the first province to introduce a province-wide indoor smoking ban. Statistics Canada recently reported that the first half of 2005 saw a reduction in the smoking rate for 15- to 19-year-olds in Manitoba from 21 percent to 16 percent.

* (15:40)

Mr. Speaker, we know that healthy active children are more likely to become healthy active adults. The federal government has announced its intention to introduce a Children's Physical Activity Tax Credit, and I am pleased to announce that

Manitoba will complement this worthwhile effort with a parallel credit to encourage greater participation by children in sports, recreation and other physical activity.

Our government is moving forward on the recommendations of the Healthy Kids, Healthy Futures Task Force. Budget 2006 provides resources to expand the number of "in motion" communities to encourage kids to get active and stay healthy.

This year, we will be introducing new healthy food and nutrition guidelines for schools, as well as extending and strengthening curriculum for health and physical education. Mr. Speaker, we are also kick-starting a new bicycle safety program by purchasing 1,000 bike helmets to be made available to Manitoba kids in partnership with KidSport.

Mr. Speaker, through Healthy Child Manitoba, Budget 2006 provides new resources to expand:

- the Healthy Baby program;
- Centres de la petite enfance et de la famille into more Francophone schools; and
- the school-based teen clinic initiative.

Our government, working in co-operation with pharmacists and retailers, is implementing a comprehensive strategy to combat the dangerous street drug, crystal meth, including restricting the sale of products that can be used to make crystal meth as well as a far-reaching public education campaign about the dangers of the drug. Mr. Speaker, today's budget commits \$2 million in new annual funding for our strategy on crystal meth and addictions.

Mr. Speaker, our government continues to support children and families and to combat poverty on many fronts.

Manitoba has been a strong voice on Aboriginal issues. The Kelowna agreement, reached last fall, identifies key priorities and makes important commitments to close the quality of life gap between Aboriginal and non-Aboriginal people. Manitoba will continue to work with Aboriginal people to champion the Kelowna Accord to ensure that promised investments are made.

In 2002, in advance of a federal-provincial partnership on child care, our government launched a major five-year plan focussed on expanding the number of child care spaces and investing in early childhood educators.

Au mois d'avril de l'année dernière, le gouvernement du Canada a signé des accords avec le Manitoba, l'Ontario et le Québec prévoyant le versement sur plusieurs années de nouveaux fonds fédéraux pour l'apprentissage et la garde des jeunes enfants.

Translation

In April of last year, the Government of Canada signed agreements with Manitoba, Ontario and Québec providing new multi-year federal funding for child care and early learning.

English

Building on our five-year plan, our quality public child-care system would be enhanced with new and expanded choices for Manitoba families including:

- 1,650 newly funded child-care spaces for Winnipeg, 700 for rural communities and 68 for the North; and
- new training spaces and wage increases for early childhood educators.

We will work with the Government of Canada and other provinces to find a positive balance between the promises made by the federal government and the investments we are making to expand child-care choices for children and families throughout Manitoba.

Under the federal-provincial Affordable Housing Initiative and other housing programs, we have invested in the repair, renovation and construction of 3,000 housing units in Winnipeg, Brandon and Thompson. Our government will also be introducing legislation to dedicate profits from our Waverley West and other suburban housing developments to inner-city housing and community development.

Our government is also undertaking a major restructuring and enhancement of Manitoba's existing shelter allowance system, an important step in our strategy to reduce poverty. Mr. Speaker, we are providing \$7.8 million in support to assist low-income Manitobans to deal with rising shelter costs. More than three times as many individuals and families will qualify for support under our new program, including many more persons with disabilities who will qualify for a new benefit of up to \$2,400 a year.

Today's budget invests in:

- supported living for persons with mental disabilities;
- creates a new active training and employment assistance program for people on income assistance; and
- expands community-based services and community living support for seniors.

Mr. Speaker, our record of investment in infrastructure priorities is evident all across the province. Since 1999, we have focussed on overdue investments in capital for health care, public schools, post-secondary education, highways and vital water and municipal projects.

In 1999, a promised new hospital for Brandon remained unbuilt and the Health Sciences Centre continued to deteriorate. Mr. Speaker, we have delivered a new hospital for Brandon and the largest ever health care capital project to reconstruct the Health Sciences Centre.

With our seven budgets, we have provided capital support of more than \$200 million for universities and colleges and \$378 million for public schools.

Manitoba's construction industry is poised for accelerated growth supported by major capital projects such as the floodway expansion, the new hydro generating stations, and our government is making Aboriginal training and employment a priority.

Mr. Speaker, Budget 2006 provides more than \$29 million in additional highways expenditures for new construction, winter roads and maintenance, bringing our record support to \$257 million with this budget.

Un nouveau financement appuiera des investissements importants pour répondre aux nouveaux besoins relatifs à la route n° 1 à l'est de Winnipeg et à la route n° 75 au sud.

Translation

New funding will support significant investments to address emerging needs on Highway 1 east of Winnipeg and Highway 75 to the south.

English

Mr. Speaker, Budget 2006 provides for a 30 percent increase in water infrastructure projects, and funding specifically for drainage is more than doubling.

We are providing \$32 million under cost-shared agreements so that municipalities can advance infrastructure and other priorities, such as the Kenaston underpass, Winnipeg's waste water and treatment upgrade, Brandon's Keystone Centre, the Parklands telecommunications network and Broadband Communications North.

Manitoba continues to be a leader in support for municipalities in Canada.

Our last budget established the Building Manitoba Fund, providing \$119 million to support Manitoba municipal infrastructure and services. The Building Manitoba Fund expanded Manitoba's income and corporation tax revenue sharing arrangement to include fuel tax revenue sharing, providing municipalities with three sources of growth revenue.

The Building Manitoba Fund is working the way it was intended, growing by \$7.9 million in 2006.

Mr. Speaker, the City of Winnipeg will receive increased funding of \$4.5 million, or 5.7 percent, in 2006 through the Building Manitoba Fund, including more funding for transit. This is the second year in a row that funding for transit is increasing by over 15 percent.

The Building Manitoba Fund will also provide an additional \$3.4 million for outside of Winnipeg in 2006, including increased payments to all municipalities and a dedicated fund for municipal recreation and library facilities. Over the next two years, Manitoba will provide \$7 million through the Building Manitoba Fund for municipalities to invest in recreation and library facilities.

In keeping with our commitment, Budget 2006 provides for a new grant to the City of Winnipeg to assist with property assessment costs, giving the City new financial flexibility to meet city budget priorities, such as investments in roads. We are also increasing casino revenue sharing from 5 percent to 10 percent in 2006.

A partnership approach to working with the City of Winnipeg is showing impressive results. Winnipeggers can see the signs of downtown revitalization in projects like:

- the MTS Centre;
- the Millennium Library;
- construction of the Manitoba Hydro headquarters; and

- new residential redevelopment along Waterfront Drive.

According to a new study by the Downtown BIZ, Winnipeggers' visits to the downtown are up 50 percent since 2003.

Monsieur le Président, l'année dernière notre gouvernement a élargi le programme efficace Quartiers vivants pour inclure sept quartiers additionnels de Winnipeg.

Translation

Mr. Speaker, last year our government expanded our successful Neighbourhoods Alive! program to include seven new areas in Winnipeg.

English

Budget 2006 provides second-year funding to support this expansion.

This year, our government will extend our support for community economic development to a new innovative Community Financial Service Centre pilot project in the North End of Winnipeg, helping to address the declining presence of mainstream financial providers and the expansion of payday lenders.

The city of Brandon is also undergoing significant renewal, Mr. Speaker.

Our government has supported the \$15-million redevelopment of Brandon's Keystone Centre.

The Province has also committed to a substantial relocation of the Assiniboine Community College campus to the former Brandon Mental Health Centre site.

The development of the new national Curling Hall of Fame will provide yet another attraction for the city of Brandon.

Neighbourhoods Alive! has contributed \$1.8 million to date for revitalization activities in Brandon, including almost half a million in downtown projects.

* (15:50)

Mr. Speaker, agricultural producers faced a number of challenges over the past year, including significant overland flooding, the lingering impact of the border closure and weather-related weakness in crop production. Rural Manitobans have once again demonstrated their dedication and hard work in addressing these challenges. The partial reopening of

the U.S. border to cattle and improvements in livestock cash receipts are positive developments. Our government remains committed to working with farm families, producers and industry to build a strong and diversified rural economy.

Manitoba has provided for a doubling of relief for farm families for 2005-06 through a \$104-million provincial contribution to the Canadian Agricultural Income Stabilization program. Manitoba farmers have received over \$500 million in production insurance payments for lost crops over the last two years, the largest two-year payout on record in Manitoba. Today's budget provides a further enhancement to our excess moisture support program, providing farmers with new options to increase their coverage.

Our government's Growing Opportunities initiative is helping to meet the changing needs of today's farmers and their families and to expand rural economic development opportunities, jobs, slaughter capacity, and value-added processing.

Provincial investments are supporting a unique international calibre cluster in research and development and commercialization of functional foods and natural health products including:

- the new Richardson Centre for Functional Foods and Nutraceuticals;
- the Canadian Centre for Agricultural Research in Medicine; and
- the newly expanded Food Development Centre in Portage la Prairie.

Mr. Speaker, there is growing excitement in rural Manitoba today about harvesting Manitoba's new clean energy crops: wind, ethanol and biodiesel.

La première centrale éolienne du Manitoba, un projet de 210 millions de dollars situé à Saint-Léon, tournera à plein régime cette année.

Translation

Manitoba's first wind farm, a \$210 million project in St. Leon, will be in full production this year.

English

Proposals for wind developments of up to 1,000 megawatts over 10 years are presently being reviewed. Our wind strategy is expected to generate \$2 billion in investment and \$100 million in wind-rights payments to landowners.

Manitoba's legislation to mandate the use of ethanol, along with federal funding, is supporting Husky Oil's \$145-million investment to expand Minnedosa's ethanol plant. This will provide the possibility of an additional \$80 million per year in income for farmers who sell their crops for the manufacture of this cleaner fuel.

Our government is partnering with the federal government to deliver a \$1.5-million Biodiesel Production Program to promote the development of smaller community-based biodiesel production facilities. Mr. Speaker, we will be providing further support to grow the biodiesel industry across Manitoba.

Budget 2006 provides new resources to pursue a federal partnership to double the number of Manitoba soil survey teams. The work of these new teams will enhance mapping for the implementation of the new water protection and planning acts, ensuring water quality protection in planning for new developments.

Today's budget also establishes a new loan program to assist farmers in making economic and environmental improvements to their farm operations, complementing existing incentives under the Agricultural Policy Framework.

Our government has made a significant investment in the future of northern Manitoba in establishing the University College of the North, which now has over 2,000 registered students in over 40 programs in 12 locations throughout the North.

Over 800 trainees have already benefited from the \$60-million pre-project training partnership between Canada, Manitoba and Manitoba Hydro for northern hydro developments. Our Aboriginal partners are building community capacity through planning and delivery of community-based training.

At the Kelowna meetings, leaders set important targets to extend broadband Internet access to remote and Aboriginal communities. Our government is committed to advancing the extension of broadband access to remote and Aboriginal communities, expanding opportunities for education, health care and economic development. Mr. Speaker, working in partnership with the federal government and the private sector, our government is targeting to provide broadband access to 60 remote and Aboriginal communities over the next two years.

Today's budget provides new funding to engage Aboriginal communities in mineral resource activities.

A growing number of northern Manitoba communities are promoting traditional harvesting, gardening and food self-sufficiency. Our Northern Healthy Foods Initiative is supporting projects in this area as positive alternatives to the high cost of commercial foods in remote communities.

Today's budget continues our multi-year commitment to the Churchill Gateway Initiative, helping to market Churchill's shipping advantages to the world.

With Budget 2006, our government, in partnership with the federal government, is supporting the conversion of the community of South Indian Lake into a reserve for Manitoba's newest First Nation, O – pèpon – na – pee-win Cree Nation. It is a major accomplishment, Mr. Speaker. Manitoba is committed to working with the federal government and First Nations to fast-track Treaty Land Entitlement settlements.

In leading up to meetings in Kelowna last fall, Manitoba issued a challenge to Ottawa: We will invest in modernizing water and sewer systems in northern communities; the federal government should invest in modernizing water and sewer systems on reserves. Budget 2006 advances water treatment projects in Sherridon, Duck Bay, Dawson Bay and Mallard, as well as waste water projects in Cormorant and Matheson Island, part of a multi-year strategy for modernizing all Northern Affairs communities.

Arts and culture are an integral part of Manitoba communities and our economy.

Successful films like *Capote* and the *Falcon Beach* movie-drama turned TV series are promoting Manitoba's reputation as a prime location for movie productions. Since 1999, the film industry in Manitoba has grown from \$37 million to its present level of \$100 million, almost tripling in size in seven years. Manitoba will continue to offer a competitive environment for film production.

Budget 2006 increases support for major cultural organizations. Funding for the Community Festivals program is also growing, expanding support for more rural and northern festivals, and provides new resources to work with the Aboriginal community to establish a new annual Aboriginal cultural festival.

Budget 2006 continues our commitment to increase funding for Sport Manitoba and supports hosting the 94th CFL Grey Cup Championship Game in Winnipeg this year.

Monsieur le Président, il est important de réduire la criminalité et d'améliorer la sécurité si l'on veut bâtir des collectivités saines.

Translation

Mr. Speaker, reducing crime and improving community safety are important aspects of building healthy communities.

English

Our government's approach to justice has always been: Tough on crime, tough on the root causes of crime.

Last year, funding for 54 new police positions was provided, the largest funding increase for police in our province's history. Budget 2006 commits 31 additional police positions: 23 for Winnipeg, two for Brandon and six to enhance policing in Aboriginal communities.

Today's budget doubles the size of the Gang Prosecutions Unit which has supported over 280 gang convictions since it was established. This specialized team will be expanded to 16 positions, including five new prosecutors, to target gang activity.

We are also expanding our strategy to combat gangs with a focus on community mobilization and intensive supervision and supports for youth at risk. This will complement successful programs already underway, such as the provincially supported Integrated Organized Crime Task Force with the RCMP and Winnipeg and Brandon Police which is achieving positive results, tackling organized crime at the leadership level.

More than 150 drug dens and gang and prostitution houses have already been shut down under The Safer Communities Act and The Neighbourhoods and Fortified Buildings Act.

Manitoba's anti-auto-theft initiative and Manitoba Public Insurance's popular incentive program for immobilizers resulted in 1,680 fewer auto thefts last year. Through a partnership with MPI, Budget 2006 provides funding of \$1 million to reduce auto theft.

Lighthouses are an innovative initiative of our government, serving as beacons of hope for

Manitoba's youth, providing after-school recreation, education and social opportunities. Budget 2006 expands the number of Lighthouses throughout Manitoba to 45.

Manitoba has gained national recognition for tackling domestic violence. The Chief Judge-led Front End Project has successfully fast-tracked domestic violence cases through the justice system. Our government has passed legislation to protect a wider range of victims of violence, including persons in dating relationships, and to enforce protection orders granted by courts in other provinces.

Budget 2006 increases support for community-based family violence prevention initiatives, for crisis accommodations for vulnerable adults and the Victim Services Intervention Unit to work with police in assisting families at risk in situations where formal charges are not laid.

Mr. Speaker, we will be adding a fifth Provincial Court Judge located in the North to serve Aboriginal communities.

Our government established a special consultative committee to provide guidance on the location and type of facility needed for a new correctional centre to replace the aging women's jail. Our government will be releasing the committee's report and taking action to implement its recommendations.

In addition, new funding is provided to increase capacity and security at the Dauphin, Headingley and Milner Ridge correctional facilities.

* (16:00)

Mr. Speaker, safety in our communities includes safety in our workplaces. Healthy and safe workplaces are good for workers, good for families and good for business. We are making progress in reducing time loss due to injury. A 20 percent reduction has already been achieved. In partnership with the Workers Compensation Board and building on the success of the SafeWork campaign, Budget 2006 expands resources for workplace safety and health initiatives.

Budget 2006 is providing tax savings to make Manitoba more affordable for families and more competitive for business.

Manitoba's bottom-line benefits and quality of life advantage make it the ideal place to live, work and raise a family.

Manitobans enjoy:

- among the lowest auto insurance rates and the lowest electricity rates;
- a quality, affordable higher education system;
- a healthy, attractive natural environment; and
- world-class, affordable arts and cultural activities.
- And even with improving housing values, Manitoba still remains one of the least expensive places to purchase a quality home.

Our province boasts a competitive business environment. KPMG's recent study of competitive business costs ranks Winnipeg ahead of Calgary, Vancouver, Montreal, Ottawa and Toronto.

Our competitive business advantage is rooted in a unique combination of factors, such as:

- a productive, well-educated and multi-lingual labour force;
- quality, public health care and education systems;
- competitive land, office and construction costs;
- strong research and development capabilities combined with generous tax incentives; and
- a strategic mid-continent trade corridor location.

Monsieur le Président, pendant sept ans, nous avons tenu chaque promesse de réduction d'impôt et de taxe que nous avons faite, et dans certains cas nous avons même été plus loin.

Translation

Mr. Speaker, for seven years, we have kept or exceeded every tax promise we have made.

English

Our government is committed to doing our part to keep Manitoba affordable and competitive.

Budget 2006 delivers on our commitment to eliminate the residential Education Support Levy, ESL, saving Manitobans an additional \$34 million this year. This will save Manitobans an additional \$34 million this year. This is an annual saving of \$163 on a \$150,000 home. Mr. Speaker, there is now one less tax in Manitoba.

After 11 years of rising residential property taxes, each of our seven budgets have reduced

provincial education taxes for homeowners. We are committed to making further progress on education taxes for homeowners with future budgets.

In 2003, we promised to reduce farmland education taxes by 20 percent. We exceeded our promise with a 50 percent reduction. For 2006, we are going beyond our previous commitment to farmers by increasing the reduction on farmland education taxes to 60 percent. Mr. Speaker, this additional reduction will provide new tax savings of \$4.6 million for Manitoba farmers.

Budget 2006 also builds on our record of providing steady reductions in personal income taxes. It is my pleasure today to announce that Budget 2006 delivers on our commitment to reduce the middle income tax rate to 13 percent, effective January 1, 2007, for a total reduction of 20 percent since 2000. In addition, the basic personal amount will be increased by another \$100. Mr. Speaker, these new measures will provide Manitobans with additional savings of \$32.3 million in annual tax relief and remove 2,000 low-income earners from the tax rolls.

In 1999, Manitoba had the second-highest small business tax rate in the country. Our government has cut the small business tax rate by half and doubled the small business tax threshold by 100 percent. More than 90 percent of all taxable corporations in Manitoba now benefit from the small business tax rate.

Mr. Speaker, I am pleased to announce today that we are exceeding our promise to small business. The tax rate for small business will be reduced to 3 percent on January 1, 2007. This will make it the second-lowest rate in Canada. This additional reduction brings our cumulative reduction in the small business tax rate to 63 percent since 1999.

In 1999, Manitoba had the highest corporation income tax rate in the country at 17 percent. The corporation income tax rate has been reduced to 14.5 percent and is falling to 14 percent on January 1, 2007, reductions unprecedented in our province's history. Mr. Speaker, I am pleased to announce today that the corporation income tax rate will be reduced to 13 percent effective July 1, 2008, subject to balanced budget requirements.

I am also pleased to announce that, effective January 1, 2007, Budget 2006 doubles the corporation capital tax deduction from \$5 million to \$10 million, reducing the number of firms paying

this tax by 19 percent; 90 percent of firms will no longer be covered by the capital tax. In addition, our government will begin to phase out the general corporate capital tax with a 20 percent rate reduction to take effect on July 1, 2008, subject to balanced budget requirements.

Changes made by our government to improve the competitiveness of Manitoba's oil and gas exploration tax regime have increased interest in our oil and gas prospects, helping to generate record exploration and development activity in the province. Annual oil production is up 25 percent since 2004.

Mr. Speaker, our government will further support the record-breaking growth of this industry by providing a retail sales tax exemption for drilling rigs and other equipment used for oil and gas exploration.

Mr. Speaker, by 2007, Manitobans will enjoy annual savings in personal, property and business taxes of \$618 million compared to 1999.

This is significant tax relief for Manitoba families and Manitoba business, savings that exceed our commitments, savings that we have delivered within a fiscally responsible framework, without compromising important public investments in health care and education and without ceasing our debt repayment plan.

Last year, we made a commitment to implement full summary budgeting by 2007-08, a comprehensive reporting of all government and government-controlled entities, using generally accepted accounting principles, GAAP.

Nos progrès sont constants et nous sommes sur la bonne voie pour respecter cet engagement.

Translation

We are making steady progress and are on track to meet this commitment.

English

Last fall, we tabled the March 31, 2005, Public Accounts, the first ever Public Accounts in Manitoba history to be fully GAAP-compliant. Next year, as recommended by the Auditor General, the summary budget will become Manitoba's primary budget presentation and reporting tool.

Budget 2006 is balanced on a summary basis, forecasting a surplus of \$148 million.

In 1999-2000, the net debt to GDP ratio stood at 31.4 percent. We have made progress in reducing this rate and forecast that it will decline to 24.5 percent in 2006-07. Over the medium term, our projections indicate summary surpluses will continue.

For the seventh straight year we are balanced under Manitoba's balanced budget legislation, with a positive balance of \$3 million.

The balance in Manitoba's Fiscal Stabilization Fund, FSF, is forecast to be \$414 million at March 31 this year.

Our prudent management of the government's finances has been rewarded with two credit rating upgrades since we took office.

Budget 2006 provides for 3.4 percent growth in expenditures, the same rate as last year.

One of our first tasks after coming to office in 1999 was to develop a comprehensive plan to address Manitoba's pension liability, a liability that was allowed to grow unfunded for 40 years. We have implemented the first ever plan to address this major liability. Mr. Speaker, I am pleased to announce that Budget 2006 provides for a \$110-million payment toward the general purpose debt and pension liabilities, bringing our total contribution over seven years to \$704 million.

Mr. Speaker, Budget 2006 meets our commitments to take action on Manitobans' priorities and builds opportunities for today and tomorrow.

Measures we advance today will:

- increase investment in education at all levels;
- improve health care for all Manitobans;
- invest in key infrastructure for highways, water and drainage, health care, and education;
- provide vital support for children, families and communities; and
- make taxes more affordable for families and more competitive for business.

And all this is accomplished while projecting a summary budget surplus and a positive balance for the operating fund.

Manitobans can take pride in their province.

Nous avons tant accompli et nous pouvons aller encore plus loin.

Translation

We have accomplished so much, and we can do so much more.

English

We are proud to present Budget 2006 to the people of our province.

Thank you, Mr. Speaker.

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

Motion agreed to.

Messages

Mr. Selinger: 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 rise 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 the fiscal year ending March 31 of 2007 and recommends these Estimates to the Legislative Assembly.

Also, 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.

Please be seated.

These Estimates have been tabled.

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, an invitation is extended to everyone in attendance for refreshments in Room 200 on adjournment.

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

Mr. Speaker: It has been announced that an invitation has been extended to the public, in Room 200, by the Minister of Finance.

It has been moved by the honourable Government House Leader, seconded by the honourable Minister of Finance, the House do now adjourn. Agreed? [*Agreed*]

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 6, 2006

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