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PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



A

Speaker: Hon. Kathleen M. Casey

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The Legislature sat at 10:00 a.m.

Matters of Privilege and Recognition of  
Guests

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you very much, Madam Speaker.

What a beautiful day out there in Prince Edward Island today. We know now that we've got farmers on the land, we've got the fishers that are getting ready to head out. I can hear the construction going on across the street. We know that the golf courses are opening up. It's a wonderful day to be an Islander, to be able to enjoy all the great things that we have here in Prince Edward Island.

I'd like to welcome people to the gallery today. I understand that we have the grade 7 social studies class from Vernon River Consolidated School with their teacher, Melissa MacIssac. I also see, probably with them, and I think one of their students, could be actually a former member's daughter, and that would be Ross Young. Great to see Ross here in the gallery today. Also we have the grade 6 class from L.M. Montgomery Elementary, and their teacher, Shane Dunn who could be a nephew, I think, of one of the members in the Legislature here, and a former schoolmate of mine growing up.

We also have in the gallery Reg Affleck and his daughter Carla, and a great adviser of mine up there, George Larter's here as well. So it's great to see Reg Affleck and his daughter and George here today and I would like to take this opportunity to welcome everyone else to the gallery today.

Of course, today's going to be a big day. The provincial treasurer's not here. He's putting the final touches on the budget, and

God willing, let's hope it will be a good budget.

Thank you very much, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Leader of the Opposition.

**Leader of the Opposition:** Thank you, Madam Speaker.

I'd like to rise today and welcome first my mother-in-law who's with us today, Shirley Affleck, and my aunt, Janice Crane. I also have to welcome my niece, Taylor Tremere, that's here with us today with her school from Lucy Maud, and her teacher Shane Dunn. Of course, I have to welcome the students from Vernon River and my good friend Ross Young and his son. It's not his daughter that's with us, it's his son that's here today, Johnny Ross Young, and what a great hockey player this young man is. I've been watching him all winter.

It is a beautiful day. Farmers are out there working and our fishers are getting ready to get on the water full time May 1<sup>st</sup>, and hopefully everybody will have a wonderful weekend.

Thank you very much.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Minister of Tourism and Culture.

**Mr. Vessey:** Thank you, Madam Speaker.

I, too, would like to rise today to welcome everyone to the gallery. It's great to see such a large crowd. A special hello to the grade 6 class at Lucy Maud Montgomery that is in the 9<sup>th</sup> district, and teacher Shane Dunn, for coming in today.

As well, I would like to say hello to Wayne MacMillan. I see there Ross Young and an adviser of mine as well, Reg Affleck and his daughter Carla. Good to see you two here today. I'd also like to say hello to Ross Young up there. Ross and I have some conversations from time to time.

I'd also like to say hello to Paul Horne, watching us home today, recovering from a massive heart attack - he's home now and he's coming along quite nicely - and his father Rollie that watches us every day. I'd like just to say hi to those people.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you very much, Madam Speaker.

I rise today to welcome all guests in the gallery. The sun's shining, and we're off to a good start with the budget coming out hopefully it'll be a much more positive day.

I'd like to acknowledge some special guests in the gallery. We have Alice Taylor and Sonny Corrigan who have provided tremendous leadership in the early childhood sector. Welcome them to the gallery today. I know they're anxiously awaiting the budget. I'd like to acknowledge Carolyn Simpson from my department, who I know has done tremendous work in respect to her commitment to the sector as well. So, welcome to the gallery today.

**Speaker:** The hon. Member from Vernon River-Stratford.

**Mr. McIsaac:** Thank you very much, Madam Speaker.

I'd like to welcome everyone to the gallery. The two classes, Mr. Dunn's from Lucy Maud, and a special hello to Vernon River. Great friends of mine from the great District of Vernon River-Stratford. I want to say hello to Ross Young, Eddie Lund, and as well, all those who may be watching the proceedings from the great District of Vernon River-Stratford.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from Charlottetown-Sherwood.

**Mr. Mitchell:** Thank you, Madam Speaker.

I, too, would like to acknowledge and recognize everybody in the gallery today. We have a very large group, and I'm not going to name everybody, but a lot of regulars are here today. But I do want to make special mention to some visitors.

As the Premier mentioned earlier, my nephew Shane Dunn and his class from L. M. Montgomery are here today. I would be very surprised if Shane Dunn wasn't sitting in one of these chairs into the future down here, as I think he's had some political aspirations again. He may do that. He may follow in my steps, in my very own chair.

Too, I'd also like to say hello to all the residents in Sherwood, but especially to a good friend of mine, Eric Dawson. Eric missed the first few viewings of the House but he's going to watch avidly today to listen to the good budget. So a big hello to all Sherwood residents.

Thank you, Madam Speaker.

**Speaker:** The hon. Minister of Innovation and Advanced Learning.

**Mr. Campbell:** Thank you very much, Madam Speaker.

It's great to see such a good crowd out here on a beautiful Friday morning for budget day. It's great to see the Leader of the Opposition heaping praise on Ross Young and his son. I don't know, maybe she's trying to woo him across to the other side -

**An Hon. Member:** (Indistinct).

**Mr. Campbell:** I think she's probably got her hands full with that one. Also, I see some wonderful educators from the early childhood sector from the 1<sup>st</sup> district joining us again today. I see Anne Miller up there, and I see Lorraine McIntosh. I think Karen Picot's in the back row there, too. I want to welcome them here.

I just want to remind everyone that the 2010 PEI Provincial Powerlifting Championships are happening in Souris today, and anybody that has a chance to drop in, I'm going to do that myself this afternoon. It's a great day in the 1<sup>st</sup> district.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Stratford-Kinlock.

**Ms. Dunsford:** Thank you, Madam Speaker.

Welcome to everyone in the gallery this morning. Great to see a Stratford supporter, George Larter, and not just him here, but I know his entire family are great supporters. His two boys, Daniel and Brad, are great young fellows. Good to see you here, George.

As well, to congratulate all of the children, the students from Glen Stewart Elementary School, who recently competed in the provincial badminton championships, especially 1<sup>st</sup> place in his division, Connor

Jinks, who did very well.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from O'Leary-Inverness.

**Mr. Henderson:** Thank you, Madam Speaker.

I, too want to welcome everybody in the gallery, especially Ross Young, and also wanted to get ahead of the hon. Member from Tracadie-Hillsborough Park, but the bus driver for Lucy Maud Montgomery, Judy MacKay. Judy grew up just down the road from me and a great person. It's great to see her here today.

As well, I want to welcome everybody to the PEI Guitar Festival that's playing this weekend, in Tyne Valley tonight and at the Guild tomorrow night. I've been asked to emcee that. One special performer there is going to be John McAllar who's a good friend of both the Clerk's and mine back in our music days. Hope everything will go well.

I also want to recognize Verna Shea, she's a regular watcher at Margaret Stewart Ellis wing at the O'Leary hospital, and I want to wish her a welcome in watching us today.

Thank you.

**Speaker:** The hon. Member from Alberton-Roseville.

**Mr. Murphy:** Thank you, Madam Speaker.

I, too, would like to welcome all those out in the gallery, Ross Young, and all the students there. It's certainly great to see them here taking an interest in the proceedings today.

I'd also like to mention that I had the pleasure of attending a public information

session meeting yesterday at Maplewood Manor in Alberton where the new manor was unveiled. Folks in Alberton-Roseville are certainly excited about this new manor. I'd just like to say it was a great undertaking by this government to do such a thing.

**Speaker:** That would make a great member's statement, hon. member.

**Mr. Murphy:** Staff and residents, I'd like to say hello to all the staff and residents there. I'd also like to say hello to all the folks in Alberton-Roseville that may be watching today, but I'd especially like to mention my wife Karen and her friend Jeannie who are watching the proceedings here today.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from Summerside-St. Eleanors.

**Mr. Greenan:** Thank you, Madam Speaker.

It's great to rise in the House today and welcome all our visitors to the gallery, especially the students and teachers that are here.

Also, I would like to acknowledge some people that I got to know in the last three years who are very good supporters of early childhood here in the province: Anne Miller, Alice Taylor, Sonia Corrigan and Carolyn Simpson.

Also to the good residents of District 22, Summerside-St. Eleanors, all those watching on television and through the Internet, especially those at Andrews Lodge and Wedgewood Manor, and a special hello to Eleanor Barlow, a great supporter in Summerside.

Everyone have a great weekend.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Tracadie-Hillsborough Park.

**Mr. Watts:** Thank you, Madam Speaker.

I, too, would like to welcome everybody here today, especially the grade 7 class from Vernon River Consolidated School and their teacher, Melissa MacIsaac. Also, the class from Lucy Maud Montgomery Elementary School and their teacher Shane Dunn. A lot of students from my district, District 8, go to the Lucy Maud Montgomery Elementary School.

I also just want to welcome a few people that I recognize up here, and I made a list: Don Beairsto, Shirley Affleck, Sonia Corrigan, Eddie Lund, Judy MacKay - of course Judy, as the member here mentioned, is the bus driver and bus drivers are a very important part of the education system in this Island. Also to Ross Young and Reg Affleck, and I'd be remiss if I didn't mention Wes 'the Cat' is here and Wes is here every day, and budget day, because he's very interested in the budget.

So thank you very much, Madam Speaker.

**Some Hon. Members:** Hear, hear!

#### Statements by Members

**Speaker:** The hon. Member from Tracadie-Hillsborough Park.

#### **Ashley Jadis-2010 John J. Sark Memorial Scholarship Recipient**

**Mr. Watts:** Thank you, Madam Speaker.

It is with great pleasure that I rise today to recognize Scotchfort resident Ashley Jadis who was recently awarded one of three John J. Sark Memorial Scholarships. The scholarships, valued at \$1,000, were established in the name of distinguished

Mi'kmaq Islander John James Sark. John James Sark earned a post-secondary education at St. Dunstan's University, and was Prince Edward Island's first Mi'kmaq teacher.

Madam Speaker, and fellow members, the John J. Sark Memorial Scholarship is awarded to Aboriginal students who have made a contribution to their First Nations, Inuit or Metis community, commitment to their field of study, strong academic performance and financial need.

The province is pleased to support Ashley Jadis, a fourth-year nursing student, as she pursues her post-secondary education at the University of Prince Edward Island. Education plays a crucial role in helping Aboriginal youth. Knowing where you come from and knowing your culture is always an integral part of who you are.

In closing, I would like us to take this opportunity to once again congratulate Ashley for her strong commitment to both her education and her community. All the best, Ashley.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Vernon River-Stratford.

### **Fresh From the Farm at Riverview Country Market**

**Mr. McIsaac:** Thank you, Madam Speaker.

I rise today to applaud the efforts of Riverview Country Market. The driving force behind the farmer-owned, farmer-operated Riverview Country Market on Riverside Drive in Charlottetown has been to bring fresh products directly from Prince Edward Island farmers to consumers.

Madam Speaker, and fellow members, Rose Viaene and her husband David, 25-year veterans of farming, operate House of Peppers in Belfast. Their vegetables, and those of other Island producers, fill one-half of Riverview Country Market.

The Viaenes have partnered with KJL Select Meats shop crew which includes meat and poultry producers' Kenny and Ann Mutch of Vernon River-Stratford, also John and Aukje Annema and Lammert and Sharon Wolters. Located on the other side of the market, KJL Select Meats offer antibiotic and growth hormone-free pork, beef, lamb and chicken raised on one of their three farms. There is also an onsite smoker that turns out antibiotic and growth hormone-free sausage, bacon, ham, corned beef, roast beef and more.

Other items are gradually being added to the availability list at the Riverview Country Market. Viaene's fresh homemade chicken and roast beef sandwiches are quick grabs for lunchers on the go. They also prepare serving tins of cabbage rolls and are working on adding shepherd's pies and chicken pot pies to the take-home menu. Smoothies are made fresh onsite and becoming popular with the customers.

Riverview Country Market currently buys products from more than 60 farmers from all over PEI. This definitely exemplifies the buy local concept.

In closing, Madam Speaker, I would like to take this opportunity to recognize the accomplishments and successes of Riverview Country Market and to wish them all the best well into the future.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Leader of the Opposition.

**Recognition of Theresa Peters**

**Leader of the Opposition:** Madam Speaker, it is indeed an honour to rise today and recognize Theresa Peters.

Theresa has recently announced her retirement as an admin assistant in Souris' Access PEI. She had served there for an impressive 26 years. Every day for 26 years, Theresa was friendly, courteous and kind to everyone that came in her direction.

Recognizing her commitment to the people, there was an open house in Souris last week in celebration of all her hard work. Today, we have the MC of that evening, Ross Young, with us. It was a wonderful evening, and the funny way we do politics in the country is the hon. Lawrence MacAulay and I are actually taking Theresa Peters to lunch when the session ends, and we'll actually invite you, Ross, to join us.

The people of Souris recognize that Theresa's boots are indeed hard to fill. She's known for her kindness and her willingness to help people. Theresa's dedicated her civil service work and her life and the work has not gone unnoticed. Her dedication to putting people first made her a staple at Access PEI.

Before working at Access PEI Theresa owned a trucking business with her late husband Joey. She has been working at Access PEI for the bulk of her adult life. She worked with government when it was a service centre to the changeover to Access PEI. She's got five children, 12 grandchildren and three great-grandchildren. It speaks to Theresa, she exemplifies hard working. She's a great woman. Her character and her community recognizes all her accomplishments and wishes her all the best in her retirement. We encourage the rest of the Chamber to congratulate her as well.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

Responses to Questions Taken As Notice

Questions by Members

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Idle Wheels Trailer Park**

**Mr. M. Currie:** Thank you, Madam Speaker.

My first question today is for the Premier. Premier, I received a number of calls from the families of the Idle Wheels Trailer Park here in Charlottetown indicating their local MLA has abandoned them and cut and run and left.

Mr. Premier, I'm just wondering, can you step in and help these families with this serious situation?

**Speaker:** The hon. Premier.

The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you, Madam Speaker.

For clarification, I am the MLA in the District of Charlottetown-Parkdale, and had worked very closely with the residents of Idle Wheels Trailer Park. Just the jurisdiction and responsibility for the zoning issue with the Idle Wheels Trailer Park was a municipal issue and fell under the responsibility of the City of Charlottetown.

I held individual meetings and I had a public meeting with the residents to hear their concerns and to look at ways that we could

work with the city, but it was a city responsibility and it fell under their responsibility. Also I did have a number of residents in when I was the minister responsible for housing in the province to look at options and possibilities for those residents in respect to the transition.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Madam Speaker, this minister's getting nearly as good as the Premier.

The only thing he didn't mention was he didn't blame it on the previous government. He blames it on the municipality. But a question for the minister of education. I believe that there has to be some compassion played here on the part of government. These are 20 families with a serious situation. You can't just take these homes and move them everywhere. There are bylaws in some areas that restrict them from going there. They pay taxes, they're supposed to be part of your One Island Community, and they're voters. So, minister, will you please step up and assist these families with a move?

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you very much, Madam Speaker.

As I indicated to the member from Georgetown, the responsibility with the zoning bylaws falls in the jurisdiction of the City of Charlottetown. Just to clarify for the member from Georgetown, there was a vote at City Hall in the fall in respect to the opportunity for the City of Charlottetown to challenge IRAC on their decision, and the

vote was really clear by city council that they were not prepared to take legal action against the developer in respect to his decision to develop the property.

As I indicated in my earlier statement, I made it very clear to the residents that in respect to, as the MLA, I was very supportive to them. I made it very clear that we actually had them into the department, we looked at communicating to them the options that we had as far as to accommodate through housing opportunities, but this is a responsibility that falls into the responsibility of the City of Charlottetown. As the MLA I'm not about to start interfering with the municipalities in this province, particularly in the City of Charlottetown.

Thank you.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Thank you, Madam Speaker.

Maybe then I'll go to another city cabinet minister, the Minister of Environment, Energy and Forestry. Minister, you have a reputation as a caring individual. Would you step in and assist these families?

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you very much, Madam Speaker.

The hon. Minister of Education and Early Childhood Development and Attorney General is absolutely correct in this. I met with some of the residents in my office and I was totally honest with them. I said we have no jurisdiction, really, to overrule IRAC here or overrule the City of Charlottetown. I think they asked me if I could help them out legally, and I think we looked into it as a

province to see if we had any legal jurisdiction. Unfortunately, we didn't.

We respect our municipalities in this province. I suggest that perhaps the Member from Georgetown-St. Peters should get in touch with one of his - perhaps someone who's running for their leadership, I don't know, Clifford Lee at Charlottetown City Hall, that would be the more appropriate avenue to take.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Madam Speaker, it's very clear that the Premier certainly likes to deflect and not take responsibility.

As the Premier of the province you're supposed to provide leadership and be compassionate.

Three years ago in this House I remember a statement by the minister of energy at one time indicating that it's always the case when you're going up the ladder you forget the people behind you. In this case, I hope that the minister of energy does not forget those people behind me. They're looking for a champion, they're looking for somebody to find a solution. Minister of energy, will you please step up and be that champion for these families?

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you very much, Madam Speaker.

As I indicated twice since this line of questioning started, I sat down with the residents, I had a public meeting with them, I do know a number of the residents personally, and we certainly did, myself and my staff, everything we could to facilitate

discussions with the City of Charlottetown.

The development in question is owned by a gentleman and he has the legal right to develop his property. We worked very closely. As I indicated, I had the residents in to work with them in respect to an opportunity to look at housing opportunities. As an MLA I feel very comfortable that I spent the time to hear their voice, but I was not prepared to interfere with the municipal bylaws in the City of Charlottetown. I worked very closely with the councillor, Councillor Tweel, on the issue. There is right now, I believe, in the City of Charlottetown there is a development clause right now that they're working through, in the final stages, to address any concerns or issues regarding the residents that were residents of Charlottetown-Parkdale.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** A question for the hon. Minister of Education and Early Childhood Development and Attorney General. You had no problem interfering with the Eastern School Board, but you don't want to assist these people.

To the minister of education. I'm sure you're aware, as a Cabinet minister, that you can acquire land. There's all kinds of surplus lands on the outskirts of Charlottetown that you can dispose of to a development corporation who can probably leverage money to put in sewer and water. So, minister, would you look at that as a possible solution and see if you can assist these 20 families? They certainly don't have the means to pick up and move. These are ordinary Islanders and I don't want to see them be left behind.

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you very much, Madam Speaker.

As I indicated, the residents of Idle Wheels Trailer Park were and are constituents and I was very genuine and very compassionate in respect to their challenges. I worked very closely with the councillor in the area and we looked at all possibilities to look at ways. The City of Charlottetown made a decision not to overrule IRAC's decision and challenge them in the courts. I, as an MLA and as a minister, don't have the responsibility nor would I interfere with the processes that IRAC has in place.

We respect the autonomy of IRAC very much. Since coming into government I respect the autonomy of the Eastern School Board, just like we have with all the other boards across the Province of Prince Edward Island.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

### **Island products in hospital and manors**

**Mr. Bagnall:** Thank you, Madam Speaker.

My first question will be to the Minister of Agriculture and Deputy Premier. Do you believe that all our Island institutions, our schools, our hospitals or manors, should be using Island products?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, there are a lot of institutions within PEI buying from our local abattoirs and our local system.

Absolutely, certainly, we support buy local

program through the Department of Agriculture, and anything that we can produce on Prince Edward Island, consume it on Prince Edward Island would be good for Islanders, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you. To the same minister. Then why is it that our Island institutions are buying products off-Island and not from our Island institutions? Why are they going and not buying them locally?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** We always encourage, Madam Speaker, institutions within local Prince Edward Island to buy local, and I believe most of them are.

We still have to respect national trade. We signed an AIT agreement, or are in the process of signing that, in full discussions. We have to ship our product to Ontario, the rest of Atlantic Canada, and so on, and we have to have some level of trade across Prince Edward Island and Canada, for that matter.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** To the same minister. Last year, Mr. Minister, your government invested 500,000 in a buy local program, and I congratulate you for that. That's a great initiative.

**Some Hon. Members:** Hear, hear!

**Mr. Bagnall:** But by putting it in - can you explain to me this program?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** It was a program developed to encourage people and make people aware that buy local would be great, Madam Speaker.

Over and above that we have to respect the fact that we ship a lot more product out of Prince Edward Island than we import, so we have to have national trade respected, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Mr. Minister - to the same minister, Madam Speaker - can you tell us how do you rate the success of hour program?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** We are getting a lot of attention to buy local. It's a matter of convincing Islanders that the products that we have here are very good. I've had good feedback from those people and those groups at the local farmers' market and so on, Madam Speaker.

We think it's successful. However, we have to respect the other side too, as we do, because we are large volume shippers off-Island.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

It's a question to the same minister. Minister, I'm a little confused. You spend \$500,000 for a program to buy local and then you will not buy local in your own institutions. How do you justify that? How can you justify to the people that you've set up a program to buy local and then you won't even buy local for your own

government institutions? How do you justify that?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, we encourage a lot of our institutions.

There's a lot of history out there with regards to beef and pork, red meat suppliers to institutions. We didn't want to disrupt that with regards to our Atlantic Beef Products. They came to me and said: There are seven abattoirs on Prince Edward Island that are making a living out of supplying product to our correctional facilities, to our hospitals, to other government institutions. We could have taken all that business for the Atlantic Beef Products, but that would put some other Islanders out of business. We didn't want to do that. We want to respect the people that are there that are existing and making a living. Maybe two or three families in each one of those seven organizations. That's good business for PEI.

I suggest Atlantic Beef Products go out and find national markets for their products, and that's exactly what they're doing.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

You previously stated that you're confident Islanders will buy into the program and, you know, Islanders are.

**Premier Ghiz:** (Indistinct) 100%.

**Mr. Bagnall:** So minister, why aren't you up to the challenge and dealing - set up Island products only for where we can supply them for our institutions? Why aren't you up for the challenge?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, there's a new business just started up at Riverside Drive that is a buy local operation where they buy 56 products from Island farms and they market them to Islanders right there. That's a good piece of business. We support those kinds of things.

What I'm trying to say is we just cannot stop the other part of the business. We cannot 100% say: You have to buy every product that goes on a kitchen table on Prince Edward Island from Prince Edward Island. Because we have to respect international trade.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Minister, they're doing it in other provinces.

**Ms. Dunsford:** They are?

**Mr. Bagnall:** Yes, Nova Scotia is doing it with their institutions and they've set it up. It can be done, Madam Speaker.

Mr. Minister, have you met with the hospitals, the jails, the institutions across the province and asked them if they would change the way that they contract their business? Because if they go to a monthly thing, Mr. Minister, we would - under a \$50,000 contract, they can buy anything they want from who they want. So this hasn't been done. Why hasn't it been done? Why haven't you met with them?

**Speaker:** The hon. Minister of Health and Wellness.

**Ms. Bertram:** Thank you, Madam Speaker.

I feel compelled to rise as he is speaking of

health institutions. I am pleased to say that we have directed our staff to look at Island products across the health department. We are working within the confines of the Atlantic Procurement Agreement. Being a health corporation, Health PEI, we are going to be able to look at the under \$25,000 contracts which should be to the advantage of our Island producers. But at the same time, respecting the Atlantic Procurement Agreement.

The hon. member is correct from Montague. I did my own research, and I think that's probably where he got the information, that Nova Scotia government has a similar policy within their procurement and we are going that way. I'm working with the minister of finance on that within his department.

Madam Speaker, we are working into the future with Island products for our health institutions across Prince Edward Island.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Madam Speaker, you know -

**Some Hon. Members:** (Indistinct).

**Speaker:** Order, please!

**Mr. Bagnall:** It's three years they've been in government and it's an issue that they've talked about. The member here from Charlottetown, the environment minister, he was one that spoke up and he said: PEI should buy local. There's no excuse why we're not buying local and it can be done. All we have to do is change the contracts and it can be done. That's his comments in the paper.

Back to the minister of agriculture again,

because obviously the previous minister doesn't know what she's talking about.

**Some Hon. Members:** Oh, oh!

**Mr. Bagnall:** So I'll go back to the minister of agriculture again. Will you stand in the House today and tell our Island people - the minister of agriculture - that you will implement this program immediately? Will you do that? To the minister of agriculture.

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

The hon. Minister of Health and Wellness.

**Ms. Bertram:** Thank you, Madam Speaker.

Since the hon. member is referring to me in his question, I will respond. We are working very hard. We have a protein contract within the department of health that has 96 products within that. ADL is a broker for many of the Island producers as part of that. We are working hard. We are instituting policy within our department, hon. member.

Let me assure this House that there has previously been Island-grown products as part of the procurement already. Again, we're respecting procurement, but we are instituting a policy that will allow for Island products under the 25,000 bracket within the threshold of a corporation.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Some Hon. Members:** (Indistinct).

**Speaker:** Order, please!

**Mr. Bagnall:** Thank you, Madam Speaker.

My question and it'll be - obviously, if we have to wait for that minister to get it done, we'll probably have another six years before it gets done, because she keeps working at it.

But anyway, to my next question - means that nobody's doing anything on this issue. I'll ask another question to the minister of agriculture.

### **Diesel exemption for farmers**

To the minister of agriculture. Without tax exemption on diesel fuel for Island farmers using it in their trucks and their farm vehicles, they are at a major disadvantage. Now can you tell me, minister, from the agricultural industry, have you worked forward and will we see this in the budget that the farmers will get some diesel exemption fuel for their farm trucks?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, that issue has been discussed within government.

It's got the attention of agriculture and us as a governing body, for sure. The other issue surrounding that is the roadbuilders association which are currently required to pay taxes on their fuel that they use in their excavators, bulldozers and so on, and they're not driven on the highways.

Normally the tax that's required is there to repair and build and build new highways on Prince Edward Island. Probably, in our estimation, approximately 50% of the diesel fuel is actually consumed on the farm and off-road in the field, if you like, and the other 50% then would be used on the highway. So it's very hard to determine that exact number and what's the real decision, I guess, as it comes down to making our farmers and creating a level playing field for

all our farm trade.

Absolutely, without question, we want to level the playing field in all tax categories and energy categories and so on, Madam Speaker, and we'll be looking at that as we go forward as a government.

Thank you.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

To the minister again. Minister, obviously you know the issue. Obviously you've been lobbied on the issue. Can you tell us when this is going to take place, or is it going to take place?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, we're aware of the situation.

We've been asked to investigate it and we have done that. We do not have a decision yet and I can't advise the hon. Member from Montague-Kilmuir when either. But it is on the radar, I can say that. It's an interesting piece of business to create competition or make our producers competitive on the national scene and we'll be looking at that as the months go forward.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

This has been an issue for the farmers and it's been an issue for the last three years. Definitely it's been an issue. Minister, you've had three years to look at it now.

Tell me -

**An Hon. Member:** You had 10 years, (Indistinct) 10 years to look at it.

**Mr. Bagnall:** - is it going to be another three years before we expect to see you do anything on this or can we expect to see some immediate results? Will we see it in this year's budget where you've come through for the farmers?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, as I've said before, it is on the radar, we have reviewed it, we know the issue.

When and if those two situations haven't been totally determined yet, but I do see a need. I will agree with that. It's been out there off and on for 10 years. The rural PEI, the farm trade, are asking for that primarily because they don't feel they should pay tax on fuel to drive their truck around the field. It's not on the highway, it's not using up the highway. That's their argument and it's a good argument, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** That's a pretty good answer and a very long one but you didn't answer the question. When can we expect to see it? Is it going to be in the budget this year? Are you going to stand up for farmers today or are you going to wait till they all go out of business and then stand up for them? Can you give us an answer? Will you stand up and say that you will put this into legislation and make the changes that need to be done?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, I'll advise

the hon. member and the House, we stand up for farmers all the time.

We work very hard to find profitability in agriculture. This issue is an issue that's near and dear to their hearts and it is under review, and that's where it is at the moment, Madam Speaker.

**Speaker:** The hon. Member from Summerside-St. Eleanors.

### **Update on relocation of education department**

**Mr. Greenan:** My question is for the minister of education and early childhood development.

Our government's decision to support the relocation of the department of education and early childhood development to downtown Summerside in the historic Holman Building began last fall with 26 employees working out of that location. Could the minister please update the House on the progress of the relocation?

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you very much, Madam Speaker.

Three years ago when we took government, our Premier had a vision for this province. His vision was One Island Community with One Island Future. At that point in time we made a decision to move two government departments out of the City of Charlottetown. One to Montague - that's aquaculture and fisheries and rural development - the second department was going to Summerside, which is the department of education

Right now the move is on schedule. We are

excited. A number of staff will be heading up there on May 10<sup>th</sup> for a site tour. Right now we've got approximately probably 30 staff that are working there. The City of Summerside, the mayor and the council and the community, are excited about embracing the department. In total, officially as of the first part of July, we'll have 110 staff working out of the Holman Building.

So an exciting time for the town of Summerside.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from Summerside-St. Eleanors.

**Mr. Greenan:** Thank you, Mr. Minister.

Are there any divisions of your department that won't be relocating to Summerside?

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** The only areas of the department that will be staying in Charlottetown will be departments that will be providing direct services in the Charlottetown area and every service provided east of Charlottetown to Souris. Those will be the departments that will be staying in Charlottetown and we felt that that made sense because the service to reach children in this province, in Charlottetown and east, it'd be more logical to keep that service in the Charlottetown office.

Thank you.

**Speaker:** The hon. Member from Alberton-Roseville.

### **Update on O'Leary Road and Highway 2 roundabout**

**Mr. Murphy:** Thank you, Madam Speaker.

My question is to the minister of Transportation and Infrastructure Renewal. After much lobbying and several questions here in the House on the intersection of O'Leary Road and Highway 2, the government had announced earlier on in the year that they were going to build a roundabout at this intersection that was the sight of many fatalities.

I'm just wondering if the minister could give us a time frame around when this project's going to be started?

**Speaker:** The hon. Minister of Transportation and Infrastructure Renewal.

**Mr. MacKinley:** It's no wonder the former minister of transportation had to leave, the Member from Georgetown-St. Peters. The amount of work we're doing he's probably embarrassed even to hear -

**Speaker:** Minister -

**Mr. MacKinley:** - that we're a government -

**Speaker:** Minister -

**Mr. MacKinley:** - that's putting a roundabout -

**Speaker:** Hon. minister, remember, we're not allowed to talk about people who are in and out of the House. Sometimes they have other business that takes -

**Mr. MacKinley:** Oh, he left, all right.

**Speaker:** - them away from the House.

**Mr. MacKinley:** He did leave.

The thing with the roundabout is we should be done the design work in the next

probably two to three weeks. We'll have the designs done.

**Speaker:** The hon. Member from Alberton-Roseville.

**Mr. Murphy:** Thank you, Madam Speaker.

So two to three weeks the tender's going to be going out and then could you tell us exactly when the project itself will begin?

**Speaker:** The hon. Minister of Transportation and Infrastructure Renewal.

**Mr. MacKinley:** I'm glad that the Member from Georgetown-St. Peters will be able to listen to this and find out that we don't mess up intersections the way he did.

The question goes on here is - time frame? Well, you just asked me here last week. First thing we got to do is get a design. Then we got to go up. You asked for a public meeting. We'll have to have a public meeting, let the public look at it. Maybe the public won't allow it so then we'll have to come back and do it all over again. I don't know. It depends on if the public's satisfied.

**Speaker:** The hon. Member from Montague-Kilmuir.

### **Hog transportation costs**

**Mr. Bagnall:** Thank you, Madam Speaker.

A question to the minister of agriculture. Farmers are worried that you aren't standing up for them, minister. They seem to think that there are only two industries in the agriculture sector. Minister, you've shut down the hog industry. You crippled the hog industry, I should say, not shut it down.

Minister, your department promised to offset costs to producers when you shut down NOFG on their plant. Can you tell the

House today how much your government is offering producers for transportation costs for out-of-province for their hogs?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, we certainly are very respectful of the farming community and we realize it's the backbone of the Island economy.

It has been facing challenges across Canada based on retail pricing of a lot of farm products, and I speak of potatoes and beef and pork as well. We have put enormous amounts of money into all those sectors to try to sustain them over these low prices that they are receiving. My budget's approximately \$30 million through my department. About 16 million of that goes directly to producers.

On top of that, for 2008, agriculture insurance corporation cheques - \$20 million out to Island producers in all categories. In 2009 year, another \$20 million out to Island producers in all categories. We have put a lot of taxpayers' dollars into the system to support agriculture, which we believe strongly in agriculture as an economic driver for PEI, Madam Speaker.

Thank you.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you. I guess the minister's not hearing very well so I'll repeat the question. How many dollars did you put into the hog industry for out-of-Island travel for their hogs to go out-of-province? Transportation costs.

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Four hundred thousand, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you.

Mr. Minister, we realize that the plant in Berwick is closing down. Where are our Island producers going to be sending their hogs now?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, certainly there is a market for the hogs that are produced on PEI.

Currently there's about 100,000 hogs produced here yet. There's two other plants in Nova Scotia that want to ramp up a bit. One of them is Tony's, and the other one, the name escapes me at the moment.

Then, approximately about 40% of that 100,000 is currently and has always gone to duBreton in Quebec. Over and above that, Maple Leaf own a plant in Burlington, Ontario and they have guaranteed us that they will take any surplus, if there is. We don't believe there's any surplus. The two plants in Nova Scotia and the one in Quebec will be able to handle and process all the hogs that are produced on PEI.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

That's good to hear. So minister, obviously our hog producers are going to be sending hogs at a longer distance. Have you increased the budget for them this year?

**Speaker:** The hon. Minister of Agriculture

and Deputy Premier.

**Mr. Webster:** Madam Speaker, no, we haven't.

I don't believe we used - I stand to be corrected - but I don't believe we've used all of the monies last year. Now we might be fairly close, but that business, with regards to Quebec, that's been a business that's been ongoing for many years. Some producers choose to sell to duBreton. That business certainly should continue, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

### **Regional red meat strategy**

**Mr. Bagnall:** Thank you.

Minister, last year in the House you tabled a motion on the regional red meat industry strategy in the region. Can you give us an update on how that's going?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, last fall I had the opportunity to talk with Minister Ritz in Ottawa and strongly suggested to him that we develop a made-in-Atlantic-Canada red meat strategy.

The federal government came out with about \$500,000 for help for sectors of agriculture that were struggling. The AgriFlex, I believe it is, program. We didn't want a made-in-PEI approach. We feel we're stronger if we had New Brunswick and Nova Scotia onside. I argued that point with him and he said: Yes, I think you're right, absolutely. So he basically supported that concept.

I came back to Atlantic Canada and had conversation with our neighbouring provinces, New Brunswick and Nova Scotia,

to work on this. We've had a couple of meetings. It is going rather slow. What I suggested then, to our PEI hog producers is, let's develop our strategy here within PEI. We do have a few dollars left over from a program and they agreed: let's do a strategy from within our own boundaries for now, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

It's obvious, Mr. Minister, there's a pattern. You seem to always be talking about something you're going to do, but nothing's getting done. When can we expect to see some results on our red meat strategy? What have you done here in the province on a strategy?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, we've taken \$50,000 of taxpayers' money to put it into the study about a month ago.

That process has been started. I suggest it'll be three months before we get that document back, but that should clearly state and lay out a plan for the future of the hog industry in Prince Edward Island.

**Speaker:** The hon. Member from Montague-Kilmuir.

### **Plans to help beef industry**

**Mr. Bagnall:** Thank you, Madam Speaker.

I'll move onto the next question. Mr. Minister, the farmers in the beef industry right now are in dire straits. They're losing about 50 cents a pound, minister. Are you going to shut down the beef industry like you shut down the hog industry, or what

plan do you have in place to help the beef producers in this province?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, certainly in the red meat sector, with reference to beef, there have been some challenging situations across Canada with BSE and so on.

We made a commitment as a government two years ago to try to solve the economic issues surrounding the beef plant. As a result we were able to convince New Brunswick and Nova Scotia to do a buy-in on the beef plant. Each province, including us, put in 2 million. We put in an additional 2 million after that, plus ACOA put in an additional \$6 million in loans and so on for the beef plant.

I'm proud to say the beef plant is doing significantly better than it was on election day. It was not in good shape three years ago, I can tell you that. We're making some major gains. This week we're putting in what we call a cut and grind line, which is going to diversify the plant, which should help its profitability down the road. I'll be one excited minister when that plant breaks even. I think it's going to happen soon.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

I congratulate the minister. If you've got that beef plant breaking even, I will congratulate you and shake your hand and pat you on the back and whole works. I'll believe it when I see it though, minister.

It's great for the beef plant. We've lost about 15,000 animals. We're losing animals

on a continuous basis. Minister, what are you going to do to protect the beef industry? Or there'll be no cows to support your beef plant. So minister, what plan have you got in place to help the beef industry here in this province? When are you going to come to the plate and offer them some money and help them out here? So they'll get through this downturn.

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, we do have some incentives within government to have better genetics within beef, have better breeding programs surrounding the production of beef.

We are selling beef on a world market. Break-even is about \$1.67 - I believe - per pound. The market was down as low as \$1.28. Now the numbers, as of last week, were about \$1.46. It is moving upward. It's going in the right direction.

Surrounding this whole issue is the fact that we need our producers to be as competitive as possible. We have to compete with Alberta. We have to compete with Saskatchewan. It's a world price we sell our products on. We're there to try to increase the competitiveness of Islanders and Island beef. We're there on the production side as readily as possible. Hopefully the trends will turn around, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir, final question.

**Mr. Bagnall:** Thank you. The minister didn't hear again, because I asked him what he was doing to put some money in the beef producers pockets to help them survive this downturn.

They are losing money. What are you doing? Do you have a program in for a subsidy for so much an animal? For a calf - for purchasing infant calves, or yearlings? Do you have a program in there to help the beef producers? Is there any money that they're going to put into their hands?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, we certainly have funded the beef industry in the past, for sure.

We will continue to assist them in any way we can fiscally, with government's fiscal situation. The trend is upward now on the price of beef in Canada. BSE hit us a number of years ago and it was horrible timing and it hurt all Canadian beef producers. It makes it tough to turn profits out of those national situations.

But we are here as a government to sustain the beef industry. We believe the beef industry has bottomed out on its downsizing. We think we'll stay where we are. That's at least - that's the beef producers advising me now. We've bottomed out and our production should stay consistent now.

We need beef for the beef plant. A beef plant that's profitable or breaking even is no good without beef. Producing beef without a beef plant is no good either. We have to bring the two of them along together, Madam Speaker.

**Some Hon. Members:** Hear, hear!

Statements by Ministers

**Speaker:** Starting with the hon. Minister of Environment, Energy and Forestry.

**Announcement re: climate strategy**

**Mr. Brown:** Thank you, Madam Speaker.

Later today I will be participating in a federal-provincial announcement in Cape Jourimain in New Brunswick announcing a number of projects for Atlantic Canada to help communities deal with the impact of global change.

Climate change is one of the most critical environmental issues facing Prince Edward Island. Being an island with 1,800 kilometres of exposed shoreline, we're extremely vulnerable to the sea level, storm surges, coastal erosion and flooding. As well, most of our infrastructure is located along the coast.

A recent report from the scientific community indicated that the world's combined global land and ocean surface temperatures for the month of March were the warmest on record. Preparing for and adapting to change is essential.

This regional collaboration will help advance government's climate change strategy, released in November 2008, which outlines our plans to reduce the impact of global warming.

The recommendations call on government to first improve its own performance, as well as promoting energy efficiency and conservation, renewable energy and the use of biofuels and raising public awareness.

Through a coordinated approach with our Atlantic partners, we will strengthen our ability to develop the resources and tools needed to lessen the impact of global change and create a long-term sustainability for our communities.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Minister of Innovation and Advanced Learning.

### **Trade HERizons**

**Mr. Campbell:** Thank you, Madam Speaker.

My department was pleased to have the opportunity to partner with Women's Network PEI to put on a unique program called Trade HERizons that helps women get training for trades and technology careers.

Trade HERizons is a three-year pilot project that promotes the economic well-being of women to consider trades and technology as viable career options. The goal of the program is to provide women the opportunity to upgrade their skills, complete a trade or technology college program and gain employment in their area of study.

Women have traditionally been paid less than men and this program is a way to change that. Trade HERizons will help women improve their quality of life, as well as their families' quality of life, by getting well-paying jobs. It has also been traditionally men who work in trades and technology so supporting training for women in these careers will help make Island workplaces become more gender equal.

The women in this program have been under-employed or unemployed and getting skills training will help them gain independence. The program will also benefit the Island's economy by addressing the skilled labour shortage. A similar program was offered in Nova Scotia and had great success. In the three years that they offered the program, 96% of the women involved completed their skilled training.

I would like to congratulate Women's

Network PEI for their work on this innovative project. By giving women the skills to build careers in trades and technology, Trade HERizons is going to help make the lives of these women and their families better. It is a great benefit to the entire Island community.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Minister of Fisheries, Aquaculture and Rural Development.

### **European Seafood Exposition**

**Mr. LeClair:** Thank you, Madam Speaker.

Today I am pleased to announce that a delegation of Prince Edward Island seafood companies will be attending the European Seafood Exposition in Brussels next week. This is the largest seafood fair in the world. It attracts buyers and sellers from more than 140 countries around the world and will feature some 1,600 exhibitors.

The European Seafood Exposition is an excellent opportunity to showcase and market seafood products from Prince Edward Island. It will provide an opportunity to make new contacts in the international market.

Through this event, we hope to establish new and expanded markets for our seafood products. Seafood products from this province rank among the best in the world and the exposition will enable us to demonstrate that high quality and value to markets around the world.

There is significant potential to expand into the European market as well as other markets. Already, some seafood products from this province are exported into a number of European countries. Last year we

had the opportunity of participating in a trade mission to China, where the demand for our products is growing.

We need to diversify our markets. At the present time, for example, more than 80% of our international lobster exports are to the United States. Diversifying our markets will make us less vulnerable to changing demands in traditional markets.

The overall goal is to increase the prices for our seafood products. We produce some of the best lobsters, oysters, mussels and other seafood products in the world. Increasing demand for those products and expanding markets for them will lead to increased returns for our fishers and processors.

I would like to offer my best wishes to the companies who are departing for Brussels. They include Atlantic Aqua Farms, Minigoo Fisheries, BJ Trading & Marketing, Charlottetown Metal Products and Ocean Choice International. They will be accompanied by a member of my staff who will also be meeting with key trade commissioners from the Netherlands, Belgium, Germany, France, the United Kingdom and other markets of interest.

The mission is being coordinated by Innovation PEI and I am very pleased that my department and Innovation PEI have been working closely on a number of initiatives relating to the seafood sector.

Expanding markets for our products and gaining greater returns from the marketplace is a key goal of my department. I wish those Prince Edward Island seafood companies every success in Brussels.

Thank you, Madam Speaker.

**Speaker:** The hon. Government House Leader for recognition.

**Mr. Gallant:** Thank you, Madam Speaker.

I'd like to rise today and welcome everyone to the gallery, and a special welcome to some fine folks from the wonderful district of Evangeline-Miscouche: Cedric Gallant, Ghislain Bernard, Guy Arsenault, Roger Gallant, and I see Leonard Gallant up there. Nice to see you. Hope you enjoy the proceedings. Thanks for coming down.

**Some Hon. Members:** Hear, hear!

Presenting and Receiving Petitions

Tabling of Documents

Reports by Committees

Introduction of Government Bills

**Speaker:** Hon. members, at this time, I'm going to declare a brief recess in order for us to set up for the budget address.

[*Recess*]

**Speaker:** Is everybody here?

Everybody's here. Okay.

#### Government Motions

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you, Madam Speaker.

I present herewith a message from Her Honour the Lieutenant Governor, which said message is signed by Her Honour.

**Speaker:** Hon. members, I would ask the Clerk to read the message from Her Honour, and I would ask you to stand while he's reading it.

**Clerk:** Honourable Kathleen Casey, M.L.A.,

Speaker of the Legislative Assembly  
Province House  
Charlottetown, Prince Edward Island

Dear Madam Speaker:

Her Honour, the Honourable Barbara A. Hagerman, Lieutenant Governor of the Province of Prince Edward Island, hereby transmits the Estimates of Revenue and Expenditure required to carry on the public services of the Province for the fiscal year ending 31 March 2011, and also until the final passage of the estimates for the fiscal year ending 31 March 2012.

In accordance with the provisions of the *Constitution Act, 1867*, and the Prince Edward Island Terms of Union, Her Honour recommends the same to the Legislative Assembly.

By Command,

signed  
Rory Beck  
Clerk of the Executive Council

and by Her Honour, the Honourable Barbara A. Hagerman, Lieutenant Governor

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you, Madam Speaker.

By Command of Her Honour the Lieutenant Governor, I present herewith the Estimates of Revenue and Expenditure for the Province of Prince Edward Island for the fiscal year ending March 31<sup>st</sup>, 2011, and I move, seconded by the Honourable Minister of Finance and Municipal Affairs, that said Estimates be now received and do lie on the Table.

**Speaker:** Shall it carry? Carried.

The hon. Premier.

**Premier Ghiz:** Thank you, Madam Speaker.

I move, seconded by the Honourable Minister of Finance and Municipal Affairs, that consideration of the Estimates in Committee of the Whole House be added to the Orders of the Day until such time as they are despatched.

**Speaker:** Shall it carry? Carried.

The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Madam Speaker, I move, seconded by the hon. Premier, that Motion No. 55 be now read.

**Speaker:** Shall it carry? Carried.

**Clerk:** Motion No. 55.

The hon. Minister of Finance and Municipal Affairs moves, seconded by the hon. Premier, the following Motion;

**BE IT RESOLVED** that this House approves, in general, the Budgetary Policy of the Government.

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

Madame Speaker, Members of the Legislative Assembly.

### **Investing in Islanders**

I am pleased to deliver a budget that secures our fundamental commitment to building better education and health systems for all Islanders - while taking decisive action to restore fiscal balance.

In the area of education, we are making a

historic investment in moving kindergarten into the school system - PEI's most significant educational initiative in over a generation. We will complement that investment with a strong action plan to help our valued early childhood sector transition to a new and more sustainable future ... with more resources for our elementary-secondary system ... and with enhanced and expanded access to post-secondary learning.

As we restructure our health system, we remain committed to ensuring that Islanders have improved access to health services in the appropriate care setting and are looking to new and innovative models of care. At the same time, our Government recognizes that expanding services in key areas of health care and improving access to medications are also the benchmarks against which Islanders will assess the quality of the health system.

#### **Investing in Our Priorities: A Summary**

Madame Speaker, today's budget marks a historic turning point in Government's financial accountability to Islanders.

As everyone knows, the Province has embraced the concept of fixed election dates. This will allow Government to make audited financial statements available to Islanders before the next provincial election, in October 2011.

In the past, Islanders were not offered this opportunity to test Government's financial plans as they prepared to make their fundamentally important decisions at the ballot box - and unpleasant surprises were often the result.

Madame Speaker, this Budget will be tested by the Auditor General before the next election - and I am confident the plans I am outlining today will meet the terms of this Government's commitment to accountability

and openness.

This commitment requires discipline. But, we are also mindful of the need to make appropriate investments in Islanders.

Madame Speaker, I would like to briefly highlight some of the significant items included in our plan for 2010-2011:

An additional \$13.6 million will be invested in early learning and education to build opportunities for Island children.

As kindergarten moves into the public school system as a full-day program, our investment in that crucially important sector will rise from \$3.2 million to \$10 million this fiscal year.

After too many years of neglect, new funding of \$2.5 million plus additional kindergarten-related savings will be invested in the Early Childhood Sector -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This will help to maintain child care spaces and improve services to our youngest Islanders.

In keeping with Government's commitment to the safety of our children, an additional 51 school buses will be purchased - equipped with safety seats for new kindergarten students, like the 100 buses already purchased over the past two years.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Our total commitment to post-secondary education will increase by over \$9 million this fiscal year - from \$80 million to more than \$89 million.

Health care investments will rise by \$24 million - reflecting Government's understanding that this system must continually modernize and improve.

Spending on home care will increase to a total of \$13 million.

Funding for our drug programs will increase by over \$1.3 million - and forecast savings of \$1.2 million from new generic drugs will be reinvested in the program.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This will allow our Government to implement a 25 percent reduction in the seniors co-pay effective September 1 of this year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** A further \$938,000 will be invested in the new provincial Stroke Care Model, increasing our funding to an annual total of \$2.1 million.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** In addition to new emergency room staff at the QEH, additional funding of \$400,000 will be provided to improve ground ambulance services and for a new community paramedicine pilot project.

Government is continuing its plan to attract new physicians to our Province, increasing investment in the highly successful Family Medical Residency Program by over \$600,000 to a total now of \$1.5 million.

Working with the Federal Government, nearly \$10 million in new funding will be provided in agriculture over the next four years, to assist producers to reduce input costs, introduce new crops and enhance competitiveness.

In recognition of their 100th Anniversary, \$65,000 will be provided to the Women's Institute - which will help that invaluable organization -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - which will help that invaluable organization in recruitment and promotional efforts.

Plans to encourage rationalization within the lobster industry will continue, as demonstrated by the \$3 million already invested in sustainability measures.

Through the Office of Energy Efficiency, Government will invest \$1.5 million in programs to assist Islanders increase the energy efficiency of their homes.

Social supports for Islanders in need will increase, particularly through a \$270,600 increase in shelter allowances.

Madame Speaker, as we continue to invest in priority areas, our Government is also mindful of the fiscal challenges we face.

To this end, we are on track with the 2009-2010 Budget approved in this House last Spring. Our forecast deficit for last year is expected to be \$84.2 million, an improvement of \$1.1 million from the deficit budgeted.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This is a modest improvement, but a much better result than in most other jurisdictions across the country that struggle to meet their budgetary targets.

Madame Speaker, this Budget will result in a deficit for the 2010-2011 year of \$54.9 million - an improvement of over \$30 million from last year's Budget.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This represents a significant positive shift in the trajectory of the

Province's finances.

There's no magic in what we are accomplishing, Madame Speaker. We are holding our increase in expenditures to 1.95 percent - less than half the rate of our projected 4.2 percent increase in revenues. Almost all of the increase in expenditures is being committed to improve health care and education for Islanders.

#### **Four-Year Fiscal Plan**

Madame Speaker, as we move forward over the next four years, we will continue the approach that we have achieved in this Budget. We will ensure that the pace of growth in our expenditures is held below the rate of increase in our revenues.

This goal will be achieved through careful planning and a focus on our priorities of health and education.

Government needs to provide programs effectively, making sure every dollar is wisely spent. The implementation of the fiscal plan will require the ongoing support of our public service as programs are streamlined.

Madame Speaker, we have deliberately chosen to achieve a balanced budget over a term of four years. This is to ensure the changes we are implementing are not drastic and will provide lasting improvements which continue on into the future.

#### **Securing Our Children's Education**

Madame Speaker, our Government's commitment to education is unwavering, with this Budget providing an additional \$13.6 million to the Department of Education and Early Childhood Development - a 6.6 percent increase - to enhance all aspects of early childhood learning and our public school system.

**Some Hon. Members:** Hear, hear!

#### **Mr. Sheridan: *Public Kindergarten***

Our largest single new investment this year, the most far-reaching educational measure in decades, will bring kindergarten into the public school system. This September, over 1,400 children will begin a full-day kindergarten program in school. This full-day program will put our five-year-olds not just on par but at the forefront of early learning across Canada. Only three other provinces - Nova Scotia, New Brunswick, and Quebec - now offer full-day kindergarten, and Ontario and British Columbia are phasing in full-day over time.

In this Budget year, we will more than triple our investment in kindergarten from \$3.2 million, to \$10 million. This represents new investment of \$6.8 million.

This funding includes \$7.3 million for the kindergarten teachers, specialist teachers, educational assistants, bus drivers, and other personnel who are at the heart of our children's learning. As well, over \$1.4 million is being invested in start-up costs - including equipment, furniture and classroom renovations to support play-based learning ... as well as assistive devices for kindergarten children with special needs, and information and communication technologies.

In addition, under our Capital Budget, we are investing strongly in kindergarten-related space and buses to ensure that our youngest students are safe, comfortable, and provided with an enriched, welcoming learning environment. Over the past two years, we have purchased 100 new school buses at a cost of \$7.9 million, and in the coming year, we will purchase a further 51 buses at \$4.1 million, for a total commitment of \$12 million in 152 new buses, all equipped with safety seats for our

youngest students.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Almost \$5 million in capital spending will be invested to ensure that our kindergarten children have the amount and quality of space that they need for their play-based program.

### *Our Early Childhood Sector*

Madame Speaker, if we are to gain the full benefit of our investment in kindergarten, we know that we must also build a strong and sustainable early childhood sector.

Over the years, our community-based early childhood sector has delivered a high-quality part-day kindergarten program to our children - and has provided Island families with outstanding access to early childhood education and care for younger children.

We recognize that kindergarten was closely integrated with other elements of the child care system - and that its move to the school system will have major impacts on many early childhood centres. Left unaddressed, these impacts increase the risk of reduced access to child care for Island families, especially in rural Prince Edward Island.

We want to ensure that in September and beyond, Island children and families will have continued access to licensed early childhood spaces throughout the province. To achieve this goal, we are making a major investment of \$2.5 million in new funding this year in an Early Learning Action Plan -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - which will support this transition. Further funding will be provided under our labour market programs to meet the sector's needs for training and labour market adjustment - building on the

\$650,000 already provided for accelerated training this past year.

As well, the move of kindergarten children to a full-day program will free up savings of more than \$500,000 in existing early childhood programs - and those savings will be retained within the early childhood system to better meet the needs of our preschool children. This represents a total commitment of over \$3 million in new and reinvested funding to the sector - the largest one-time increase in funding for preschool early learning and care ever made in Prince Edward Island.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** To gain the maximum benefit from this investment, we must also continue to build and enhance our public school system.

### *Strengthening Public Education*

In every Budget during our term of office, we have expressed our commitment to education. In our 2007 Budget, we provided \$3 million to enhance student achievement, and we followed it with a further \$2 million in our 2008 Budget. Last year, our Capital Budget committed \$52 million for next five years to build the space needed for our children's learning. We have increased teaching positions throughout this time of declining enrolment, taking PEI to one of the best student-teacher ratios in Canada - and we are committed to maintaining that model for the coming year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Smaller class sizes and specialist resources are both critical to meeting the diverse needs and fulfilling the potential of our children - and we have delivered on both fronts. In 2007, PEI had 1,493 teachers for 20,800 students. Next

September, our school system will have 1,668 teachers for an estimated 20,900 students. This is a 12 percent increase in teachers - and includes forty teachers over and above the number called for by the staffing model. These forty additional teachers represent an investment of over \$2 million from next September to March 2011

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**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - and these resources will be focused on areas that best support our students' learning achievement. In addition, we have 314 educational assistants supporting students with a range of special needs - up 22 percent from 257 in 2007.

Madame Speaker, technology is an important aid to learning, and over the past two years, 2,500 new computers have been added to our school system, significantly renewing the stock. In addition, 500 LCD projectors have been installed in classrooms across the Province, allowing teachers and students to present in multi-media format.

In the coming year, \$525,000 in funding will be used to install electronic white boards in every high school classroom in the Province, and to provide students with access to the new Microsoft Office suite of programs.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** These latest technologies will better prepare them for further learning and the workforce after high school completion. As well, \$400,000 will be allocated to continue implementation of a computerized school library system.

We are also continuing to implement our enhanced, standardized trades curriculum as called for by the Trades Strategy. Next year, students in all English high schools will be able to enroll in skilled trades courses in

Automotive, Welding, and Carpentry, while students at Evangeline will have access to Automotive and Carpentry. This year, \$130,000 will be spent to continue trades curriculum development and provide program supports, and over the next five years, \$850,000 in capital spending has been allocated for further trades upgrades.

### **Improving Health Care**

Madam Speaker, health care has been at the core of this Government's priorities from our first day in office. This year, we will increase overall health spending by \$24 million. Including transfers related to the restructuring of the health system, this will bring our total investment in health services to \$508 million.

We have placed priority on enhancing our health services over the past three years - and to fulfill that priority over the long term, we must show leadership. We must face the challenges and undertake the significant changes needed to make our health system sustainable and to create One Island Health System for our One Island Community.

### ***Towards One Island Health System***

A major initiative is underway to move to a single, integrated system which provides care in the right place, by the right people, to better meet the needs of Islanders. Other provinces are also moving in this direction.

This transformation will take time to achieve - but we have taken a number of important steps already. Last year, we increased funding for home care by \$2.2 million, and introduced a pilot palliative home care drug program, demonstrating the effectiveness of service delivery outside our traditional institutions. As well, we provided \$1.6 million to develop and implement a new model of care to improve the overall utilization of our health resources. Taken

together, these investments are already delivering results and demonstrating the benefits of our strategic new direction for the health care system.

This Budget continues funding for these important initiatives. This fiscal year, our funding for home care will increase again, reaching a total of \$13 million - up over 60 percent from the \$8 million budget at the time we came to office.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** That's 60 percent, Madam Speaker, from the time we came to office.

These strong year-over-year increases recognize the key role that home care plays in helping us move toward a sustainable system that provides health care to Islanders in the comfort of their homes.

In the area of primary health care, our Government is moving forward with the creation of five Primary Care Networks throughout the Province. This model will ensure that no Islander is more than a thirty-kilometer radius from a family physician and a wide range of primary health services and programs. This fiscal year, our Government will invest \$500,000 to further develop and implement the Primary Care Networks.

This fiscal year, we will implement a new governance model to provide clear leadership and accountability to the health system, as recommended in the report of the Health Governance Advisory Council released last November. Policy leadership, strategic direction and oversight of the health system will be provided by a restructured Department of Health and Wellness. Health services will be delivered by Health PEI, a new and separate entity led by a strong board of directors with outstanding expertise and links to

communities throughout our Island. This Budget is presented based on this new model.

In addition to these system-wide measures, our Government is also expanding and enhancing health services to Islanders to meet new and intensifying needs.

Madame Speaker, our Government remains deeply committed to improving the access that Islanders have to much-needed medications. Today, I am pleased to announce that spending on drugs will increase by \$1.3 million this fiscal year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This increase will be used to add new medications to our formulary, and to implement a 25 percent reduction in the seniors co-pay, effective September 1.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** There you go, co-pay all the way. Right on.

In addition, a forecast \$1.2 million will fund new medications, as savings result from availability and use of new generic drugs. Since taking office in 2007, our Government has increased spending on drugs by 45 percent, to a total of \$34.4 million this year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** At the same time, our internal work suggests that a detailed and comprehensive overview of our drug program is essential as we seek to improve issues of access and equity. This year, our Government will build on this work by consulting widely with health professionals, health stakeholders and others to gain their input on a new province-wide program.

As well, we are investing to improve the

accessibility and quality of care for several major diseases that take a large and growing toll on Islanders and their families.

Cancer is an illness that touches the lives of all Islanders directly or through their loved ones. Radiation therapy is one of the most effective cancer treatments available. Currently, the PEI Cancer Treatment Centre delivers over 7,300 treatments a year and sees some 400 new patients annually. In 2009, we purchased a second linear accelerator and upgraded the existing unit at a total cost of \$4.1 million. This year, we are committing operational funding of \$879,000, including nine new positions - enabling Islanders to be treated sooner and with no worries of treatment plan interruptions.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** In addition, our Government is committing \$353,200 to the Cancer Staging Initiative. Through this national partnership, all provinces are working to improve data collection and analysis with regard to the severity of cancers at the time of diagnosis.

Stroke is another chronic disease that threatens a large and growing number of Islanders with death and long-term disability. Organized stroke care can lead to significantly better outcomes, and in 2009 our Government committed to the investments needed to implement this model. Last year, our Government provided over \$1.2 million to begin implementing our new Stroke Care Model, and this year, Government will increase funding by \$938,000, bringing our annual investment to \$2.1 million.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Our rising rates of diabetes and heart disease in our aging population

contribute to kidney failure, leading to growing demand for hemodialysis services. Last year, we committed \$248,000 to enable more Islanders to be treated here in PEI, rather than having to travel out of province for service - and this year, we are doubling our commitment with funding of an additional \$250,000 to address hemodialysis needs in Queens and Kings Counties.

The Queen Elizabeth Hospital provides a range of advanced and specialized care to Islanders from across the Province. Government has committed to the \$60 million capital project to expand and enhance the Queen Elizabeth Hospital. Phase One of this project, the Emergency Department Expansion, is scheduled to be completed by this summer. In this fiscal year, funding will be provided to add staff to the expanded department to more-fully meet Islanders' needs for emergency care.

Madame Speaker, our Government remains committed to continuing the progress we have made in enhancing ambulance service to Islanders. To this end, this Budget contains two key initiatives totalling \$400,000 that will enhance services in rural Prince Edward Island. First, we intend to make permanent an additional ambulance in the New Glasgow area that was operated as a pilot project last year and proved highly beneficial, particularly during the tourism season.

Second, we will work with Island EMS to explore a community para-medicine pilot project in the Tignish area.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Such initiatives have proven successful in other jurisdictions that have sought to better utilize highly-trained paramedics to enhance primary care health services provided in the community.

Our Government also places priority on reducing wait times, and we have expressed that commitment in memoranda of agreement with the Federal Government. In support of that goal, last year we provided \$111,000 to launch the Tele-Radiology Project - and this year we will double that funding to a total of \$223,000, enabling more X-rays to be read on a more-timely basis, and ensuring continuity of services.

As part of the realignment of hospital care in Western PEI, our Government invested \$270,000 to expand space and staffing for the delivery of mental health and addictions services and the Diabetes Program at the Community Hospital in O'Leary. This year, we are committing a further \$120,200 to fully-fund this initiative. Through these funds, five new health care positions have been added to the West Prince area.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Last year, almost 2,200 Islanders received specialized treatment and care in Nova Scotia and New Brunswick for complex illnesses and injuries. This year, our Government will increase funding for out-of-province hospital services by \$2.2 million to ensure Islanders have continued access to these vital services - taking our total funding in this area to \$32.7 million.

Government remains committed to the recruitment and retention of our valued health care providers. This year, we are making further investments in support of this commitment. We are adding two seats at Memorial University's Medical School, taking our total to twelve seats. As well -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** As well, \$608,000 will be provided to our Residency Training Program, bringing the total investment to \$1.5 million, and the total number of

residents from five to ten.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Government also recognizes the importance of having new specialist physicians. This Budget commits \$736,300 this fiscal year to increase our specialist capacity in internal medicine, cancer treatment, and vascular surgery.

Addictions to substances and to gaming threaten the well-being of Island youth and families. Our Government will continue to build a variety of collaborative initiatives at the community level to support youth and families dealing with youth substance abuse issues. This year, our Government is committing a further \$204,700 to fully fund the Youth Substance Use and Addiction Strategy at its annual level of \$900,000.

This fiscal year, our Government will invest \$300,000 in our Responsible Gaming Strategy. The funding will enhance treatment services for gambling addiction on PEI in three key areas - new, 24-hour support for gambling problems, group information programs, and expert support services.

Healthy living is also a priority for our Government, and in 2010-2011, we will launch a province-wide Physical Activity and Healthy Eating Campaign in partnership with the Public Health Agency of Canada and Recreation PEI.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** With funding of \$126,500, this initiative will support and assist Islanders in adding more physical activity to their schedules and choosing healthier foods more often.

Recreation leadership at the local level has been the driving force behind many

successful recreation, sport, and physical activity programs across the Province. To enhance access by Islanders to quality recreation and sport programs and services, \$195,000 will be available for Rural Recreation Leadership projects, including continued support for current delivery models such as the Sport Councils in West Prince and Eastern Kings as well as a funding allocation for new projects and initiatives.

### **Supporting Innovation and Prosperity**

From our first day, our Government has recognized that education is the foundation of economic development and one of the most important components of public health and social progress.

In support of those goals, our Government has increased spending on higher education by \$27.5 million since coming to office - taking it from less than \$62 million in the 2006-07 budget year, to over \$89 million in this Budget year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** These investments have increased operating funding by 39 percent at the University of Prince Edward Island ... and 38 percent at Holland College. This year, total funding for post-secondary education will increase by \$9.2 million, taking it from \$80.1 million last year to \$89.3 million this coming year.

One of our Government's proudest initiatives has been the George Coles Bursary, which extends \$2,000 in support for Prince Edward Island students in their first year at an Island post-secondary institution. This program was established in 2008 and has provided \$3.9 million to nearly 2,000 Island students during its first two years. To continue providing this needed support for access to post-secondary

learning, our Government has allocated \$2 million to fund the George Coles Bursary in the coming year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** In 2010, \$6 million will be invested in Phase Two of the Holland College expansion, to significantly increase rural access to post-secondary programs. This funding will establish a West Prince Regional Training Centre in Alberton -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - and expand offerings at delivery sites in Tignish and O'Leary - providing residents of West Prince with 100 new post-secondary training seats.

On Prince Edward Island, we know that our people are this province's single most valuable resource. To build this resource, the Population Secretariat is working to help new Islanders and their families build lives here in our province - and we are developing a suite of new programs to meet changing Federal immigration guidelines and regulations.

Since 2007, the Population Secretariat has nearly doubled support for language training for newcomers, providing over \$1 million in funding last year. As well, to help new Islanders get the best possible start and find the support network they need on Prince Edward Island, Government has more than tripled its support for the Association for Newcomers to Canada -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - increasing funding from \$175,000 to \$650,000 for 2010-2011.

Last year, our Government assumed responsibility for delivery of labour market programming in PEI. This year, funding of

\$35 million will be provided to support over 4,000 Islanders to gain access to employment and build their skills.

In April 2008, our Government launched a long-term plan for the economy of this province with the Island Prosperity Strategy. Since the launch of the strategy, our Government has invested over \$50 million in people, in innovation programs, and in strategic infrastructure such as the BioCommons and the enhancements to UPEI and Holland College.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** To date, the above investments have helped to maintain and support over 3,700 jobs in aerospace, bioscience, information technology and renewable energy and importantly, added 436 new jobs to these sectors. Madame Speaker, this represents an 11 percent increase in the knowledge economy workforce - an incredible feat by these sectors considering the very difficult economic times. Over 200 of these positions were created by existing PEI companies in the priority sectors, while 229 were created by new investments into Prince Edward Island. New companies that have established in PEI in the last fiscal year include Virtual Agent, Natures Crops International, Phytterra Yeast, Customer One, and RMDDx. PEI-based company expansions include Testori, ScreenScape, Deltaware, Cogsdale, and Bight.

Biosciences are a key focus of the *Island Prosperity Strategy* - recognizing that PEI is already strong in this area and that biosciences can add enormous value to our primary resources. Through the Strategy, our Government is supporting a growing number of companies that build on and extend Prince Edward Island's reputation for food and bioproducts of outstanding quality. Madame Speaker, I would like to provide

you with two examples of our leading innovators within this sector.

Natures Crops International (NCI) grows and processes premium oils for several advanced markets, including pharmaceuticals, nutraceuticals, medical foods, and personal care products. As part of the NCI operation on PEI, a new \$8 million bio-refinery is being built and the company hopes to grow to at least 19 employees over the first three years of operations. Over 1,000 acres were farmed last year and more will be planted this year, with new crops being tested for production.

Another example of a highly innovative Island company is Island Abbey Foods. This company is making record inroads in North American supermarkets and gourmet food retailing with its unique pure honey products. The company now employs 30 people, and is rapidly expanding its product line - growing the market for PEI's honey and blueberry farmers.

Our aerospace sector continues to grow and develop, now generating over \$350 million annually in revenue and employing over 1,000 people, primarily in Slemon Park. The sector posted a 12 percent increase in exports last year during the worst economic recession of our times - showing the promise that it holds for PEI in the years to come.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan: Securing our Primary Industries**

### *Agriculture in Transition*

Madame Speaker, we know that our primary sectors such as agriculture are economic drivers in the province and we must continue to support these sectors through strategic investments.

To this end, Government has listened to industry and has responded quickly through support for energy efficiency audits and establishment of on-farm renewable energy systems. By working in cooperation with the Federal Government, close to \$10 million in new funding is being provided to our primary producers over the next four years - enabling them to reduce input costs, produce novel crops and become more competitive. This year, \$1,250,000 will be provided to launch this new initiative.

In *Growing the Island Way*, access to capital for producers was noted as an industry priority. As such, beginning in 2009, the Department of Agriculture made available \$250,000 for interest relief assistance to Island producers participating in the Federal Advance Payment Program. Due to the overwhelming success of the program, I am pleased to announce that this assistance will continue for the 2010 year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** For many years, we have continued to enhance our Federal/Provincial AgriInsurance Program coverage for both crops and livestock. I am pleased to say that since 2007, nutrient management planning has seen a significant increase as a result of provincial discounts offered to AgriInsurance clients. To support greater producer participation in the program, we will pleased to commit an additional \$1 million to the AgriInsurance Program this year.

Our support for the Atlantic Beef Products facility has been unwavering. We continue to invest funding that has enabled the plant to expand and diversify their cut lines. We recognize that the plant is a valuable component of a sustainable beef industry in our province.

Last year, our Government partnered with

the PEI Potato Board on a new and successful marketing initiative, *Pack Your Appetite*. In the coming year, funding of \$250,000 will be provided to enhance marketing initiatives such as these to promote our high quality Island foods.

Madame Speaker, our Government also remains committed to delivery of the Alternative Land Use Services program that recognizes farmers for the contributions they make to reducing soil erosion, improving biodiversity and protecting water quality. In 2010-2011, funding of \$1 million will be provided to ALUS, with half going to complete projects already underway and the remaining half available to support new projects.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** I am pleased to say that our Government launched several programs in 2009 under the *Growing Forward* agreement with the Federal Government. Funding of \$5 million in this fiscal year will assist producers to strengthen their operations in key areas such as food safety, traceability, biosecurity, business development, research and innovation. These programs are helping producers become more competitive and innovative while responding to society's priorities.

Madame Speaker, the well-being of our farms and rural communities relies heavily on the commitment of community organizations to our Island way of life. One of the organizations that so clearly symbolizes that commitment is the Women's Institute. To this end, our Government is pleased to provide \$65,000 funding to the Women's Institute to support preparations for celebration of its 100th anniversary in 2013.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This funding will assist with the preparation of a Centennial book and with planning for events to commemorate a century of contributions by the Women's Institute to Prince Edward Island. As well, it will support a recruitment effort to ensure that this invaluable rural organization continues to support our farm communities into the future.

### ***Fisheries and Aquaculture: An Action Plan***

Government recognizes the importance of fisheries and aquaculture to the Prince Edward Island economy and the health of our many rural and coastal communities.

Lobster is the backbone of the fishery and last year Government announced a Five Point Lobster Plan to assist the sector during the difficult times associated with escalating costs to fish, and downturn in demand in our key markets due to the recession.

A key element of the Five Point Lobster Plan was the re-opening of the Low Interest Loan Program to allow fishers to consolidate fishing-related debt at an interest rate of 4 percent through the PEI Lending Agency and the Department. This program was founded in 2007 in keeping with this Government's commitment to the lobster fishery - and its re-opening in 2009 has increased its reach to additional fishers. In total, to date, the program is assisting almost 200 fishers, reducing their interest costs by an estimated \$7.5 million over the life of the program.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** The Province has partnered with the Federal Government and the lobster industry to support a number of initiatives in lobster market development, product innovation and the development of new processing technologies. Investment of

\$800,000 will be made in 2010-2011 by the Department and by Innovation PEI to strengthen markets, and develop new products and processes.

Government's commitment to assisting industry led rationalization in LFA 25 and LFA 26A has been demonstrated through provision of more than \$3 million of support for LFA 25 to implement a sustainability plan to reduce the lobster fleet and improve the longer term economic outlook for the fishery. Fishers in LFA 26A are being supported in the development of their plan that will eventually be submitted to Fisheries and Oceans Canada.

Government has successfully launched a Future Fishers Program to support new entrants into the fishery and better position these young fishers for success in the future. The future of the fishery and rural communities rely upon the participation of a new generation of business owners and Government is pleased to be doing its part in shaping the fishery for the future. An additional allocation of \$100,000 has been dedicated to the Future Fishers Program to expand the number of new entrants supported under the Program.

### ***The Rural Action Plan***

Madame Speaker, Government has also delivered on a promise to create a comprehensive rural economic development strategy. Our strategy, the Rural Action Plan, is the first of its kind for Prince Edward Island and has been the result of a comprehensive consultation with rural Islanders. The Rural Action Plan contains seven goals and 40 actions that share a vision for rural Prince Edward Island and outline supports across government to ensure the vision is reached. Significant progress is being made to deliver on every action in the Plan.

The Island Community Fund has been transferred to the Department of Fisheries, Aquaculture and Rural Development and will be re-focussed to assist and address the opportunities for economic development and community development in rural Prince Edward Island. More than \$27 million has been committed to the Island Community Fund.

This Government has invested in creating employment opportunities through programs of the Employment Development Agency. Spending under the Agency has increased from \$3.7 million in 2007-08 to more than \$5 million in 2010-2011.

### *Celebrating Our Island through Tourism*

Madame Speaker, the Department of Tourism and Culture will continue to invest in product and marketing that drives this important sector of the economy. Our investments in tourism in 2009/2010 helped our industry to significantly outperform, indeed, the rest of the country. Our visitation increased 7.9 percent in 2009 in a climate that saw tourism destinations across the globe hit negatively by the economic slowdown.

Almost 80 percent of our tourism operators have four units or less ... primarily small rural operations. Our strategy focuses on strengthening and building tourism to benefit these rural operators. This year, Government has committed over \$400,000 to an integrated approach to building our food, cultural and tourism products through an industry and government partnership called the Prince Edward Island Culinary Alliance.

Our Government will continue the roll out of the Integrated Tourism Solution so that operators can take full advantage of the Rural Broadband initiative. We will launch a new online itinerary planning tool for

visitors to plan their vacations which will now include activities. Later this year, campground online booking capability will be launched. Funding of \$700,000 is being provided this fiscal year and will continue next year, for a total investment of \$1.4 million to extend the benefits of information technology to all tourism operators large and small across this Island.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** This year will bring a renewed focus on festivals and events across this province. Investments in festivals and events help to bring renewal and prosperity to all regions of our province. Funding for Summerfest, Cavendish Beach Music Festival, the Rollo Bay Bluegrass and Old Time Music Festival, and the Festival of Small Halls will help to strengthen our local culture and to bring us together as One Island Community. In all, more than \$1.3 million will be provided to support festivals and events this fiscal year.

Prince Edward Island has the capacity and a strong community of volunteers that allows us to proudly host national events in our great province. This fiscal year, we are proud to host the 30th Anniversary of the Terry Fox "Marathon of Hope" on the Confederation Bridge in September, 2010 and the "Scottie's" Canadian Women's Curling Championships in February 2011, and we will work to prepare for an outstanding East Coast Music Awards event in April of 2011.

**Some Hon. Members:** Hear, hear!

### **Mr. Sheridan: Protecting Our Environment**

Madame Speaker, our health, our well-being, and our economy depend on the quality of our environment.

In 2008, the Commission on Nitrates in Groundwater submitted a comprehensive and thoughtful report, and our Government has already taken action on many fronts to implement its recommendations.

Community watershed planning plays a vital and valued role in implementing the Nitrate Commission's recommendations and generally in protecting and improving water quality and aquatic habitat in PEI. When this Government came to office, we almost quadrupled funding for community watershed groups, from \$120,000 in 2006 to \$470,000 in the 2007-2008 budget year. Since then we have continued to increase our support for this valued activity, with funding of \$750,000 allocated to support watershed groups in the coming year -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - a further 60 percent increase since 2007.

Early in 2008, our Government established the Office of Energy Efficiency, with program funding from the Federal Trust Fund for Clean Air and Climate Change. Since its inception, \$3.1 million has been spent in program funding - assisting over 4,000 Island residential and commercial clients to reduce their energy consumption and costs, while also helping reduce PEI's dependency on fossil fuels and production of greenhouse gases. Last October, we increased the family income threshold from \$30,000 to \$35,000, extending eligibility to an additional 3,500 Island families.

With Federal funding ended, our Government is committing \$1.5 million in provincial program funding to the Office of Energy Efficiency for the coming fiscal year. Two-thirds of this program funding will be directed to helping Islanders make their homes more energy-efficient, and the remaining \$500,000 will support Island

businesses to reduce their energy use.

In a volatile global energy market, Islanders need to be assured of an energy supply that is safe, clean, and reliably priced. In October 2008, our Government released a wind energy strategy working toward this goal, and today, 164 megawatts are in production - 74 megawatts meeting Islanders' electricity needs, and 90 megawatts going to the export market. These wind farms generated almost \$70 million in construction expenditures in PEI, and currently employ 25 Islanders in skilled technical positions.

### **Helping Islanders in Need**

Madame Speaker, although Prince Edward Island is weathering the recession, our Government recognizes that these are difficult times for many Islanders. We are committed to helping Islanders during their times of need, and to promoting the independence and well-being of our seniors during their retirement years.

For the coming year, this Budget focuses significant resources on one of the most basic of all needs - shelter. Adequate, affordable housing promotes the safety, comfort, health, and well-being of children, families, and our seniors. Measures to build, maintain, and repair our social housing stock create employment for skilled tradespeople in every part of our province.

In October 2007, our Government reinstated the Seniors' Home Repair Program. During our first three years in office, our Government provided \$1.2 million for this program - assisting over 900 seniors with repairs to their homes, and we are continuing our commitment to this valued program this fiscal year.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** These investments have

improved the quality of life for these seniors, and helped them to continue living independently in their own homes.

Last fall, the Capital Estimates committed \$7.5 million to the construction of new housing units for Island seniors. These funds will leverage \$4.25 million in Federal funds from the Canadian Economic Action Plan to be used for affordable housing across the province.

Adequate and affordable housing also contributes to family well-being and healthy child development. Across PEI, nine Family Housing Boards maintain and operate 476 housing units serving low-income families. Additional funding of \$300,000 will be provided to the Housing Boards to maintain these units in good condition.

The Social Assistance Program assists eligible clients with their costs of shelter based on type of accommodation and family size. Effective June 1, 2010, the Social Assistance Shelter rate will increase by 2 percent, representing a \$270,600 investment for the current fiscal year.

In addition to these supports for shelter and housing, this Budget also takes action to meet other essential needs. Last June, the Social Assistance Food Allowance rate was increased by 10 percent. In this fiscal year, a further \$83,000 will be provided to cover the annualized cost of this increase for social assistance clients, taking our annual support for this increase to a total of \$500,000.

The Department of Community Services, Seniors and Labour works with a number of community-based non-governmental partners to deliver a broad range of programs and services to the public. Since 2007, over \$1 million in new funding has been provided to our NGO partners, and in the current fiscal year, an additional \$256,000 has been allocated.

Government is pleased to announce that \$30,000 has been allocated for the Alzheimer Society of Prince Edward Island.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Alzheimer's disease is a progressive, degenerative disease of the brain, which causes thinking and memory to become seriously impaired. The Society provides valued support to Islanders with Alzheimer's disease and to their families and caregivers.

Madame Speaker, I am also pleased to announce that Government will soon retain a Child and Youth Services Commissioner. As we all know, the challenges facing many of today's youth are daunting - and our Government does its utmost to respond to those issues. The new Commissioner will promote collaboration among a series of departments to ensure we are meeting the needs of those young Islanders.

### **Enhancing Justice and Public Safety**

Madame Speaker, after years of neglect, our Government has sought to make much-needed investments to enhance services related to justice and public safety. We have strengthened our maintenance enforcement ... enhanced access to legal aid ... installed closed circuit television to support our most vulnerable Islanders during the justice process ... and lead the country in improving 911 coverage for all cell phone users.

Our correctional facilities play an integral role in rehabilitating Islanders involved in the criminal justice system. All Islanders need to be confident that our correctional facilities are safe, secure, efficient, and effective. PEI's two facilities in Summerside and Charlottetown have 94 beds and those are taxed to the limit. Federal legislation is expected to increase time served for many offenders, putting further pressures on our

correctional facilities.

To begin addressing this need, a \$3.4 million 48-bed addition is being built at the Provincial Correctional Centre. Construction on this extension began during the Summer of 2009 with an anticipated completion date of Spring 2010.

As provided for in the *Police Act*, we have established the Office of the Police Commissioner to ensure independent civilian oversight of police services on PEI. The Office will receive annual funding of \$150,000 for this important work. As well, we have established the Police Training Fund with annual funding of \$50,000, to assist municipalities and UPEI to deliver the training required under the new *Police Act* Regulations. Priorities are set through consultation, and will include training in areas such as use of force, motor vehicle pursuits, and non-violent crisis intervention.

As well, to respond to the diverse needs of our One Island Community, we have signed an RCMP-First Nations Community Policing Agreement with Public Safety Canada and the Abegweit First Nation, committing one RCMP Regular Member to their policing needs.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** The officer will focus on community policing, including community relations, school liaison, and senior safety programs. We are partnering with the Federal Government to share the annual funding of \$124,800 for this service.

### **Strengthening our Municipalities**

Madame Speaker, earlier this year, our Government endorsed the Report of the Commission on Land and Local Governance. Since that time, we have appointed a full-time employee to oversee

the implementation of the recommendations laid out in the report. As recommended by the Commissioner, we have established two joint provincial-municipal working committees, one to look at possible funding models and the other to review the current *Municipalities Act*.

Madame Speaker, it has been a priority of this Government to work with municipalities for the benefit of all Islanders. Despite our fiscal challenges, we will continue to increase municipal grants and equalization payments to a total of over \$23 million in 2010-2011. In addition to this year's increase, I am pleased to announce today that we are also guaranteeing a funding increase of one percent in municipal grants for fiscal year 2011-2012. This will allow municipal councils to plan their upcoming budgets with more timely and predictable funding information.

As well, we will continue our partnership with the Federal and municipal governments to renew and develop community infrastructure throughout the province.

These investments are helping to renew water and sewer infrastructure from Souris to Tignish ... build community centres in O'Leary, Wellington, and Pownal ... expand recreational facilities in Cornwall and many other communities ... and enhance cultural and heritage infrastructure, such as the Indian River Festival. In our cities, we have invested \$4.5 million in Summerside's wind farm ... and we are engaged in planning for the Tourism and Convention Centre in Charlottetown. In addition to providing economic stimulus and employment across PEI, these infrastructure investments strengthen our communities, protect our environment, and enhance safety and quality of life for all Islanders.

Madame Speaker, on Sunday, April 11, the Evangeline Region lost its arena in an

accidental fire. The arena played an important role in the Community of Abrams Village, and the people of the region have been rallying to develop a plan to replace the facility with a new recreation centre as soon as possible.

*Le député d'Évangéline-Miscouche s'est assuré que le gouvernement reconnaisse l'ampleur des pertes subies dans la région Évangéline. Il aimerait rassurer les Insulaires que le gouvernement provincial contribuera à la construction d'un nouveau centre de récréation dans la région Évangéline, tout comme le gouvernement fédéral et la communauté.*

The member for Evangeline-Miscouche has made sure that Government recognizes the magnitude of the loss to the Evangeline Region and we would like to reassure Islanders that we will play our part and contribute our share, along with the Federal Government and community partners, to the establishment of a new recreation centre in this Island community.

**Some Hon. Members:** Hear, hear!

### **Mr. Sheridan: Economic Outlook**

Madame Speaker, as the global economy emerges from the deepest and most protracted recession since the end of the Second World War, the Prince Edward Island economy has proven relatively resilient due to a combination of the industries found on the Island, and the timely fiscal stimulus from all levels of government.

Economic indicators show that Prince Edward Island avoided a recession in 2009. Economic growth on Prince Edward Island is estimated at 0.5 percent for the fiscal year 2009.

Notable economic highlights from the past

year include:

By the end of 2009, Prince Edward Island had regained its peak pre-recession employment level of 71,200 jobs.

The *Survey of Employment, Payroll and Hours* indicated a 2.8 percent increase in the number of jobs in the wage economy in 2009 – an all-time high.

Total labour income grew 4.4 percent in 2009, the fastest rate of growth in the Country.

Residential and non-residential construction increased 6 percent and 38 percent respectively in 2009.

Prince Edward Island was the only province in the Country to record an increase in housing starts in that year.

Through three-quarters of 2009, farm cash receipts have increased 6.8 percent.

The population of Prince Edward Island grew by 1.1 percent in 2009 - the fastest in the region.

The outlook for the Prince Edward Island economy in 2010 is positive, with growth forecast at approximately 2 percent. Capital spending, bolstered by ongoing public-sector stimulus spending, is projected to increase 6.3 percent this year. Employment and wages are expected to grow in 2010, which should support consumer demand.

While the global economy is showing signs of improvement, the recovery remains fragile. The continued strength of the Canadian dollar could place downward pressure on the economic outlook for 2010, as the Island's export sectors, tourism and manufacturing would be affected.

Our economy, that continued to show

growth during the downturn, has contributed to improvement in total own source revenues including increased personal, corporate and retail sales tax revenues. In addition to the effect of an improving economy, PEI's Corporate Income Tax revenues are projected to increase by \$3.4 million in 2010-2011 due to an acceleration of the tax instalments from the Federal Government which administers this tax on the Province's behalf.

Transfers from the Federal Government are projected to decrease by approximately \$1 million compared to last year's forecast amount. Federal restraint on transfers continues to affect provinces in 2010-2011. Federal trust funds that supported environmental initiatives, immunizations, public transit and the reduction of wait times end in 2010-2011. The cumulative impact of restrictions on Federal transfers and the expiration of trust funds has put significant added pressure on provincial finances.

### *Containing our Debt*

Madame Speaker, the Capital and Operating Budgets of 2009-2010 and 2010-2011 provided much-needed stimulus during the worst global economic downturn since the Second World War. To combat this downturn, we have partnered with the Federal and municipal governments to make significant investments in key economic and social infrastructure, including roads and bridges, hospitals and manors, water and sewer systems, and recreational facilities.

But of course, Madame Speaker, these investments carry a cost and deficits were incurred. At the same time, the deficits of the past two fiscal years are less severe than those of other provinces that were more severely affected by the downturn. The projected deficit for 2010-2011 represents 1.2 percent of GDP or \$386 per capita - significantly below the ten-province

average.

Madame Speaker, while the Net Debt of the Province has increased in recent years, I am pleased to say that the amount of revenue dedicated to paying interest on the debt or the 'Interest Bite' has continued to decline from 9.8 percent in 2006-2007 to a projected 7.5 percent in 2010-2011. This means that more of the Province's revenue dollars are going to fund programs and services.

It is now time to plan for a return to balance.

### *Tax Measures since Spring 2007*

Madame Speaker, our Government is committed to keeping taxes as low as possible. By the end of this fiscal year, our commitment to tax fairness will leave tax savings of \$70 million in the hands of Islanders since we came to office.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Personal income taxes were reduced, saving Islanders over \$28 million.

The tax on gasoline was reduced by 4.4 cents per litre, saving Islanders \$8.8 million a year for four-year savings of \$35 million.

Owner-occupied residential property tax assessments were frozen for three years, saving Islanders more than \$6 million.

In addition, the disability tax credit was improved ... coverage of the Seniors' Property Tax Deferral program was expanded ... taxes for small businesses were reduced ... and farmers saw relief from property taxes on lands within buffer zones and buildings not in use.

Madame Speaker, I am pleased to announce today that this Budget contains no tax increases.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Unbelievable.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan: Conclusion**

Madame Speaker ... for the last several years, this Government has followed a plan designed to modernize our province while maintaining our duty to be fiscally prudent.

The global recession tested our plan - and, Madame Speaker, our resilience as an Island has helped Government to secure a better future for each and every one of us.

Is it possible to introduce all the needed innovations overnight? Of course not, Madame Speaker. The task before all of us is large - and we must approach the challenges we face in a deliberate and responsible manner. Allow me to offer a few examples.

Since this Government came to power, spending on much-needed medications for Islanders has increased by 45 percent.

Is this adequate? Not yet, Madame Speaker. But we are much further along the path now than we were three years ago.

Similarly, our home care system was woefully underfunded. As a result, too many Islanders were forced into institutional care, instead of enjoying the company of family, friends and neighbors later in life. I am pleased to report that spending in this vital area has increased 60 percent over the course of this Government.

From another perspective, today's Budget introduces major new investments in early childhood - which will complement our historic effort to bring kindergarten into the public school system as a full-day program.

Is there still work to do? There is, Madame Speaker, and that work is being done.

On the economic front, our Government committed to an Island Prosperity Strategy aimed at growing innovation-based jobs while at the same time, securing the future of our primary industries and our rural communities.

Have we met this challenge? We have made much progress - and we will continue to work on behalf of all Islanders.

Thank you very much, Madame Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Leader of the Opposition.

**Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, Members of the Legislative Assembly, I rise today to reply to the 2010 Budget Address, one that our finance minister had indicated would be a budget for challenging times.

This is a budget, he said, that would help Islanders emerge from one of the most difficult economic periods in many years. In the words of the finance minister: Islanders expect strong leadership from government to help them through this economic downturn.

Unfortunately, Prince Edward Islanders will not find that leadership in this government, and certainly not in this budget. I had hoped that this budget would demonstrate, for the first time, under this administration, fiscal responsibility, accountability and appropriate priority spending.

This government has not followed through on its promise of fiscal responsibility.

One of the first things I recall is the Premier saying that after his election, he wanted to make sure there'd be no surprises in his government's books. Well, one big surprise for the Premier was that the previous administration had left his provincial treasurer with a \$23.9 million surplus. This was a wonderful surprise, though it seems to have triggered a three-year spending spree by this government. Because year after year spending has gone up and deficit budgets are now viewed as an acceptable practice of fiscal management.

This government has been warned several times by our major bond rater to come up with a deficit reduction plan. But this government, in its fiscal arrogance, has chosen to ignore these demands.

It's taken three years - three years of out of control government spending years. We still do not see a detailed plan to help get us out of the deficit. This is not leadership that our Island businesses, communities, have bargained for. It's difficult to comprehend how this government that started out with a \$23.9 million surplus, plus the spinoffs from the \$500 million provincial nominee investment program, and the 613 million in direct federal transfers, how could they come up yet with still another budget deficit?

Last year's deficit totalled 84.2 million. This year, we're now looking at another 55 million in over-expenditures. It's simply mind-boggling. The finance minister and our transportation and public works minister take great pride in boasting about all the work they've done in this province. But Islanders are not fooled. They know without our Egmont MP Gail Shea they would not have received an extra 189 million for the funding of health care, education and other programs.

Islanders know who is actually looking out

for them. They know that the federal minister fought for the \$30 million in infrastructure stimulus to improve our highways. Islanders know it was the federal government who put \$13.9 million into our small craft harbours. Islanders know that the federal government has provided 13.1 million for social housing, and another 1.5 million for tourism. Even with this huge influx of dollars - unprecedented in the history of this province - this government has still managed to produce a \$54.9 million deficit and our debt is still spiralling out of control.

If this is the famous road towards recovery that our finance minister boasts about, I think Islanders are in for a very rocky ride. This government has failed to live up to its commitments to create meaningful employment. The prosperity plan was to have created 5,000 new highly skilled jobs. Where are those jobs? Islanders are still living with the reality that their children have to leave this province in order to find work, or to stay here and become a statistic for the working poor.

This government did create a lot of employment through the printing of glossy documents, such as the 10 point plan on energy. They saw electricity rates actually climb 42% in less than three years. This government has turned its back on our farmers and their requests for immediate financial assistance. We have lost \$100 million hog industry because this government gave up and failed to support the transition of this industry into niche markets, a strategy that was yet contained in another one of the government's glossy documents. Now we watch hopelessly as our beef cattle are slaughtered for pennies and no longer are grazing on our rolling hills.

Whether it's our red meat sector or our traditional potato industry, agriculture continues on a downward spiral. There's

still no direction for agriculture in this budget Farmers across the Island are looking for leadership from this government and all they're getting is lip service and re-announcement. I don't know if this province can survive another year of this government's fiscal mismanagement. Our future is being mortgaged off by a government that indulges in crisis management, lack of planning, and political flip-flops that are costing Island taxpayers thousands of dollars.

This government budgeted \$2 million for the expansion of the intermediate school in Montague, then quietly decided to scrap that. They assured us over and over again that dollars were put in place for the new K to 12 school in Souris, but somehow that facility, which was to have been completed in 2012, has been pushed off the drawing board, and it appears it will not happen until 2015. Oddly enough, \$2.1 million of unbudgeted money was found for additional classrooms in the Charlottetown area.

The opposition is very excited about the implementation of kindergarten in the school system.

**Some Hon. Members:** Hear, hear!

**Leader of the Opposition:** We are pleased government is attempting to fund this appropriately. However, this government has completely mismanaged this transformation of the educational system. Islanders are disappointed with the backwards progress that government is taking. Whether it was the school entry age, school closures, school rezoning or new construction, it's been a piecemeal process.

In order to have a strong kindergarten program we need even a stronger early childhood education system. This government has floated the number of a \$2.5 million for the sector, but we see no plan,

we see no vision from this government, and we see no commitment for them to have left what they had taken out of this sector. Many children and child care centres are in jeopardy. We need a fully-funded comprehensive child care strategy that ensures accessible affordable and quality child care for Islanders.

Our health system. Our health system continues with major investment into consulting, restructuring, and one needs to ask the question: Has the quality of our health outcomes improved? This government last year announced a \$28 million increase in health care spending. This year another \$24 million has been allocated to the overall budget. This money only covers the annual increase in operational costs. No additional investment.

Health services are costing Island taxpayers over \$500 million annually and it's imperative that these dollars are spent wisely and where they're needed the most. Thus far this government, through its haphazard approach to health spending that does not include consultation with our front-line workers, has put the health care of Islanders into jeopardy. Those who are seeking dialysis have to suffer great inconvenience and expense of trying to access this life-saving service. We know our health care workers are doing the best they can with limited resources that they have and struggle daily with the frustration of not having the resources they need in order to do the job that they've been asked to do.

We see a government that would prefer to upgrade its storage space, offices for our liquor commission, at a time when many Island children are going without speech language pathology or autistic services. We are pleased to see \$30,000 invested for Alzheimer's PEI, but quite disappointed that this is not an ongoing investment especially at a time when we see the growing numbers

of Islanders who are going to require these services.

This is a government that has decided to create an arm's-length health board. We will be carefully scrutinizing the activities of Health PEI and we look forward to improvement and enhancements to health services for all Islanders. We wish them well in their endeavours. Governing a province is really about priorities. Reducing deficits are about priorities.

The tourism sector. Despite the government's selective tricks with figures has been experiencing major declines in the past two years, particularly in the area of fixed roof accommodations. Government, we know, is undertaking a new direction in this area and we're hopeful our tourist operators will see a turnaround this season and welcome thousands of new visitors to our beautiful province.

The public sector has seen many challenges and changes over the past two years. This government continues to manipulate, threaten and suggest that savings to government must come on the backs of our workers. We will be looking to determine what government means to the word streamlining in this budget document.

The Premier announced funding for a new BioCommons in last year's budget but thus far we see no development taking place. We note that government has made a commitment to a new convention centre in Charlottetown, but those plans, too, seem to be put on hold.

This government's Rural Action Plan is nothing but a document with re-announcements and money and projects that have not started. They shifted the Island Community Fund into the department so they could tag every little project as part of their Rural Action Plan. This government

has failed to deliver on real job creation, new businesses and economic development in our rural and urban areas.

There is much that I could choose to talk about on this budget. It is thick with re-announcements, vague phrases and it looks good in print, but falls short when it comes to action and vision.

We look forward to the coming year. We look forward to this administration finally starting to carry out maybe even one or two of their promises made to Islanders during its election and fulfilling its commitment to expenditures made in the past two provincial budgets.

We look forward to government taking all their words and finally attempting to put them into action.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you, Madam Speaker.

I move, seconded by the Honourable Minister of Finance and Municipal Affairs, that consideration of the motion on the Budgetary Policy of the government be added to the Orders of the Day until such time as it is dispatched.

**Speaker:** Shall it carry? Carried.

The hon. Government House Leader.

**Mr. Gallant:** Thank you, Madam Speaker.

I move, seconded by the hon. Member from Charlottetown-Sherwood, that this House adjourn until 2:00 p.m. on Tuesday.

**Speaker:** Shall it carry? Carried.

The Legislature adjourned until tomorrow,  
Tuesday, at 2:00 p.m.