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| **Province** | **Législature/Legislature** | **Session** | **Type de discours/Type of speech** | **Date du discours/ Date** | **Locuteur/Speaker** | **Fonction du locuteur/ Function**  | **Parti politique/ Political party** |
| Ile-du-Prince-Edward/ Prince Edward Island | 62 | 3 | Discours du Budget/ Budget Speech  | 30-03-2006 | Mitch Murphy | Provincial Treasurer and Chair of Treasury Board | Progressive Conservative |

**THE BUDGET ADDRESS**

On Course. On Target.

Mr. Speaker, Members of the Legislative Assembly.

In this, my third Budget, I am pleased to report that we are on course in meeting our objective of improving the level of service delivered to Island residents and on target with respect to our financial goals.

In this Budget, I will be announcing a total of $27 million in new initiatives and programing. These initiatives will cover a broad spectrum from funding the recommendations of the Task Force on Student Achievement to increasing the rates provided to Community Care facilities.

In this Budget, I will be announcing no new taxes. In fact, I will be announcing a significant tax reduction strategy which will be accomplished within our fiscal targets.

The provincial economy continues to perform well. Our estimates show that economic growth in 2005 was somewhat better than what was anticipated last spring. P.E.I. experienced strong growth in employment, exports and construction investment in 2005. I will discuss the economy in greater detail later in my address.

Mr. Speaker, since I became Provincial Treasurer I have made it my goal to ensure Government lives within its budget. It goes without saying, there are always unforeseen circumstances for

Prince Edward Island which one cannot predict. However, that being said, prudence and proper planning can and will provide for such circumstances.

I am pleased, Mr. Speaker, to stand before you to say that we have, for the past two years, met or exceeded our budget expectations. In 2004-05, we budgeted for a $33 million deficit. We subsequently forecast a deficit of$39.5 million to provide for Workforce Renewal. I am pleased to report that we were able to execute the Renewal Program and stay within the original Budget of $33 million. In 2005-06, we forecast a Budget deficit of $22 million. We are now forecasting a deficit of $18 million which is an improvement of $4 million over our original budget.

Mr. Speaker, we are not only on target with respect to our budgets, we are on course to improve the level of service to Islanders, particularly in the areas of highest priority to them - health and education.

**The Capital Budget**

Mr. Speaker, last Fall I introduced the Province's first-ever Fall Capital Budget. It detailed more than $54 million in spending in 2006-07 on critical infrastructure for the Province. During the course of the next five years, we anticipate spending approximately $248 million on Capital projects. Last Fall, we moved to a separate Capital Budgetto enable contractors to better prepare for the construction season and to take advantage of potential cost-savings. From the Province' s perspective, we have achieved the desired results. All tenders received to date have come in lower than our estimates.

The Capital Budget contained initiatives in education valued at $9.4 million in 2006-07. We have also committed $4.3 million in 2006-07, to capital improvements in health. This includes $300,000 in design costs towards the $20 million to be spent on the Queen Elizabeth Hospital in the next five years.

 The largest Capital budget is reserved for the Department of Transportation and Public Works. The Department will concentrate its effort on upgrading Route 2, the vital economic link for the Province. Additionally, the Department will plan the replacement of the 1,200 bridge structures in the Province. In all, Transportation and Public Works will spend $33 million on capital in 2006-07.

TheEconomy

Mr. Speaker, the Prince Edward Island economy faired well in 2005. Growth of the provincial economy was in the order of 2.0 percent for 2005. This compares to the growth in the National economy of 2.9 percent.

The provincial economic expansion in 2005 was supported by strong employment growth, a robust commercial construction sector and solid manufacturing and export performances.

Prince Edward Island experienced the highest rate of employment growth in Atlantic Canada and the second highest in the country, second only to British Columbia. For P .E.I., employment rose by 1.9 per cent to average 68,200 and helped to reduce the unemployment rate to 10.8 percent in 2005, its lowest level in 25 years.

Based on Statistics Canada estimates, investment m non­-residential building construction on P.E.I. increased by 24 per cent in 2005, the third highest growth rate in the country. New housing starts totaled 862 units. While the number of housing starts declined 6.2 per cent compared to 2004 levels, housing construction on P.E.I. remains high by historical standards.

The value of manufacturing shipments in 2005 increased by 5.1 percent. Growth in manufacturing was driven by a 23 percent increase in fish processing. Island exports of merchandise goods to international destinations totaled $809.9 million in 2005, an increase of nearly 21.4 per cent, the highest rate of growth in Canada.

Mr. Speaker, P.E.I. experienced improvements in other areas of the provincial economy as well. Personal income on Prince Edward Island is estimated to have increased by 4.3 percent in 2005 and retail spending rebounded by 3 .1 percent following two years of slow growth.

Farm cash receipts recovered in 2005 due in part to improved prices for potatoes and beef

As mentioned earlier, Mr. Speaker, the provincial economy was subject to a number of mitigating effects that limited the overall rate of economic growth in 2005. Lower lobster landings combined with the impact of higher interest rates and gasoline prices slowed the pace of economic expansion.

Mr. Speaker, looking forward to 2006, we estimate an improved rate of economic expansion for the Provincial economy. Growth of the P.E.I. economy is projected to be in the order of 2.2 per cent. Growth is expected to be supported by ongoing strength in non-residential construction activity and manufacturing growth. Risks to our outlook include the high value of the Canadian dollar and high energy prices.

More information on the economy is contained in Budget Paper A

**Equalization**

Mr. Speaker, you will see in this Budget that we have provided for $286.2 million in equalization payments from the Federal Government. This amount is as a result of the agreement ofFirst Ministers in the Fall of 2004.

As you will no doubt recall, Mr. Speaker, equalization became a significant issue for us during the recent Federal election. The then Finance Minister Ralph Goodale had indicated to us his intention to introduce legislation which would have reduced our 2006-07 allocation by $6.7 million. 1 am pleased to report, the legislation was never introduced. During the Federal election campaign, Prime Minister Harper committed that PEI would be no worse off than it would be with the current legislation. Our budget number of $286.2 million reflects that fact.

The Province looks forward to the reports of two task forces established to review the equalization formula. The Federal Government established a group, as did the Council of the Federation. We have made our position clear, in that, without the final formula determined, equalization must be whole. It must be robust enough to provide provinces with the ability to deliver comparable levels of service at comparable levels of taxation.

**Fiscal** **Outlook**

Mr. Speaker, as the theme of this speech indicates, this Government is on course towards a balanced budget target for 2007-08. For the fiscal year 2006-07, the Province is estimating a deficit of $12.5 million.

It is this Government's objective to stay on the same course as we have in the past two years, we plan to have an actual deficit less than we are tabling today.

This Budget has $1.2 billion in revenues, an increase of 4.8 per cent over the 2005-06 Budget Estimate. Provincial own source revenues are up $23.6 million while Federal sources are up $20.6 million. Total operating expenditures will rise by $45 million. The major increases are in Health, Social Services and Seniors and Education, which makes up $38 million of the total increase.

I will go into more detail of these expenditure increases later in the address.

Two of the key indicators that our bond raters use to determine our ratings are the Debt-to-GDP ratio and interest bite. I am pleased to announce that our interest bite will remain constant at 10.2 percent which is comparable to the past two years. The Debt-to-GDP ratio is projected to be approximately 36 percent, which was the same for 2004-05 and 2005-06.

Mr. Speaker, part of our ongoing strategy is to pay clown high interest rate debt. In 2005 we issued a $100 million 30-year Debenture at a rate of 4.6 percent. That is the lowest rate in 30 years. These funds will be used to pre-finance debt as it becomes due. As stated last year, the Province has made the first of 10 annual payments of $16 million to the unfunded liability of the Teachers Superannuation Fund. These special payments are aimed at bringing the unfunded liability to 90 per cent funding status.

Program Evaluation

In my 2004-05 Budget, I provided detailed initiatives around our Program Renewal effort. In all, we reduced expenditures by approximately $22 million and reduced the provincial workforce by 834 individuals, which amounted to more than 500 Full Time Equivalents.

In its annual brief, the Canadian Bankers Association stated, " We commend the Government for PEI' s fiscal progress to date, including the steps taken to eliminate the deficit, control program spending and rai se additional revenue through consumption taxes. We also appreciate the Government's attempt to balance important PEI priorities such as health care, education and jobs, with the need to achieve fiscal sustainability and a balanced budget."

While, Mr. Speaker, itis clear that we are on our target of moving in the direction of a balanced budget. We are doing that because of our accomplishments through Program Renewal. And, Mr. Speaker, we continue to look at means to lessen duplication and overhead so that we may deliver the best possible services. The Program Evaluation unit continues to find efficiencies and improvements.

On Course to Improved Education

Mr. Speaker, our Government has continued to invest in education because we know that education is the best investment we can make in our future.

Education enables individuals to have a good income, to be healthy and to have a high quality of life. An educated workforce increases productivity and enables our economy to grow.

Over the years, we have invested heavily in a range of learning opportunities for Islanders at the kindergarten, elementary, secondary and post-secondary levels. We have also made substantial investments in skills training, adult literacy and lifelong learning opportunities.

Today, we spend on average over $7, 1 OO annually on each child' s education compared to $4,900 ten years ago. Provincial Government spending on post-secondary learning increased by more than 50 per cent in the last six years. Total provincial spending on education rose from $168 million in 1996 to $230 million in 2006, an increase of 37 per cent. Through this investment Mr. Speaker, we established a provincial kindergarten program and funded family literacy initiatives.

In our public schools we reduced class size and provided more access to specialized teachers and resources. We updated curriculum, introduced technology, built new schools and developed inclusionary practices.

In our post-secondary institutions we saw enrollments increase over 30 percent. We funded new university and college facilities and witnessed tremendous growth in research capacity.

Last year, our Premier established a 13-member Task Force to recommend ways to improve student achievement in our Province. Through extensive consultations, the Task Force on Student Achievement received tremendous input from educators, parents, students and other Islanders.

The report of the Task Force contains excellent recommendations to better prepare our young people to go on to higher learning, to succeed in the workplace, and to become good citizens.

Mr. Speaker, we are firmly committed to improving student achievement in our Province and today we are making a commitment to provide $9 million over the next three years to implement the recommendations of the Task Force on Student Achievement.

This Budget contains **$1** million to begin this work in 2006-2007. That figure will rise to $3 million in 2007-2008 and to $5 million in 2008-2009.

This funding will enable the Department of Education to work with school boards and teachers to develop curriculum that includes clear standards and benchmarks, as well as common assessment tools to measure student achievement in Grades 3, 6, 9 and at the high school level. This is a major undertaking that will require careful planning and considerable time to implement. It is valuable work that will provide us with the tools we need to measure student achievement based on clear outcomes and high standards that are consistent from class to class and school to school.

The Task Force also recommended strongly that resources be added to ensure that children are reading by the end of Grade 3.

The new funding we are announcing today will enable us to identify the resources and strategies we will use to ensure that all children will have the support they need to read at a Grade 3 level by the end of Grade 3.

Funding will be provided to develop curriculum to support the new Trades Training Strategy, and to help students achieve the literacy and numeracy proficiencies needed to be accepted to technical and trades programs.

A full-time Aboriginal and Diversity Education Specialist position will be provided to address the Task Force recommendation to enhance supports for Aboriginal and immigrant students.

In addition to the se major investments in curriculum, assessment and early learning, we will begin immediately to address other recommendations of the Task Force, beginning with the re­instatement of the Instructional Staffing Model, which had to be put on hold for a one-year period. By re-activating the staffing formula, we will add six new positions this year and maintain approximately 30 teachers that would otherwise have been lost due to declining enrolments. Mr. Speaker, this represents an investment of approximately $2 million this year.

Some of these new positions will be designated for psychologists who will work in the schools to assess and support children with learning difficulties. They will also work with the new Provincial Learning Disabilities Specialist as part of a coordinated approach to improving assessment and interventions for children with learning disabilities.

Mr. Speaker, we will make an additional $220,000 available this year to improve school library collections. School Boards will receive an additional $1.3 million in the upcoming year to address increased operating costs such as fuel, electricity and insurance. The School Boards will receive $1 million for Capital repairs such as window replacements and parking lot improvements.

Mr. Speaker, approximately 20,000 children ride the bus to school each day and their safety is of primary concern to Islanders. Through our five-year bus replacement strategy, we purchased 15 new school buses last year at a cost of $1.2 million. We will purchase another 16 school buses this year and we will progressively increase the annual replacement rate to 24 buses in 2010. This represents an increase of 60 percent in our annual bus replacement rate.

We are making good progress in school construction and planning. Construction of a new French school in West Prince and the $3 million renovation and expansion of Parkside Elementary School in Summerside will start this spring. Committees will be established and planning will begin for a gym addition at Tracadie Cross Consolidated School and a major high school proj ect in Montague. Construction of both projects will begin in 2007.

Mr. Speaker, we are proud to support the excellent progress being made in post-secondary learning in our Province. In the past five years, enrollments at UPEI and Rolland College increased by over 30 percent. Major investments were made in facilities and technology. Research and development capacity more than doubled. Opportunities were created for Island students to take post-secondary courses in the French language through La Société éducative.

Mr. Speaker, this progress is very important because post­secondary education and skills training are more valuable than ever before. In the next decade, it is expected that over 60 per cent of new jobs will require some university or college education. At the same time, the number of new jobs that require high school or less will become fewer and fewer. For these reasons Mr. Speaker, it is important that Islanders continue to have post-secondary education that is accessible and affordable.

I am pleased to advise that we will provide new funding of $1.25 million this year to UPEI and $750,000 to Rolland College to help with increasing costs. We will also work with our Atlantic counterparts to negotiate a new multi-year funding agreement for the Atlantic Veterinary College at UPEI.

UPEI will also receive an additional $1 million as part of our ongoing commitment to the campus renewal campaign. This year we look forward to the official opening of the National Research Council Institute for Nutrisciences and Health at UPEI and the many new opportunities it will provide the University and our Province.

We are pleased to be a funding partner in the new Centre for Labour Force Innovation scheduled to open in September 2006 at Rolland College. The Centre will offer new learning opportunities in emerging sectors such as bioscience and information technology. Just a few weeks ago, Rolland College became the first college in Canada to offer an Applied Degree in Culinary Operations, and the first college in Atlantic Canada to offer an applied degree.

Mr. Speaker, we are also proud of the significant work that has been clone this past year by the Premier, the Minister of Education, post-secondary institutions and our regional partners to increase awareness of the importance of post-secondary education and to encourage investment in this area. Working together, we can be more effective in fostering post-secondary learning that will help us to remain competitive and maintain our high standard of living in the new economy.

Mr. Speaker, we recognize that learning does not end after high school, university or a training program, but it continues throughout our lives. This year, we made major strides in the development of a provincial literacy and learning strategy. A Premier' s Literacy Summit is now being planned, and a social marketing campaign will soon be launched to increase awareness that reading is the key to all learning and that it is never too early or too late to learn.

On Course to Improved Health Care

Mr. Speaker, Islanders continue to tell us that a good health care system is of paramount importance to them. The past year has been witness to some major changes in the Island health care system. We eliminated the five regional health authorities and thereby saved $9 million dollars in administration and duplication. At the same time, we re-established the five Community Hospital Boards for the five rural hospitals in the Province.

In the past year, we introduced Nurse Practitioner Legislation. Now that it is in place and a Nurse Practitioner Position Assessment Committee is organized, it is anticipated that several proposals will be developed for the creation of Nurse Practitioner positions.

Mr. Speaker, we were part of a collaborative effort which successfully launched the Sharps Exchange Program in Island Pharmacies. Through this Program, safe needle disposal containers are available free of charge to all Island residents for syringes, needles, lancets and EpiPens. They are available at all Pharmacies, AIDS PEI, the Diabetes Association, or a Diabetes Education Centre.

The recruitment and retenti on of physicians and staff remains a priority for this Government, Mr. Speaker. We now have the most doctors and nurses practicing in the history of the Province. For example, in 1997 there were 153 physicians in the Province. By December 2005 we had 178. In 2001, we had 1,411 nurses. In October 2005, there were 1,557.

We, however, cannot afford to rest. That is why Mr. Speaker, we will be devoting $2. 7 million to physician services, including recruitment, in 2006-07. We will also be re-instating the Nursing Strategy Sponsorship, the Bachelor of Nursing summer employment program and the Health Care Futures Program. The total cost of the se nursing recruitment and retention programs in 2006-07 will be $913,000.

Mr. Speaker, we continue our concentration on the reduction in wait times. That is why we will be devoting $2.2 million for the creation of a fourth orthopaedic surgeon position. When he joins the Queen Elizabeth Hospital this summer, he will alleviate the wait times for hip and knee replacements.

Our new Cancer Treatment Centre is facing greater demands than we had ever anticipated. To ensure Islanders receive the best possible service, Mr. Speaker, we will be spending an additional $275,000 to increase the staff complement of the Oncology Centre. For Prince County residents, Mr. Speaker, Dr. Steven O'Neill has taken on the role of Oncology Associate at the Prince County Hospital and is seeing Oncology patients on Monday and Thursday mornings.

This year, Government approved the development and implementation of a $14 million Clinical Information System within the 7 acute care hospitals and 4 community health centres. The System is comprised of an integrated suite of acute care information systems.

Capital funding for this project was secured through several partnerships including the Federal Government, the Hospital Foundations and the Province. The Province will assume responsibility for the on-going operational costs of approximately $2.5 million.

Preparation for the project began in September 2005 with the development of a provincial project structure comprised of representatives from each hospital. The project is well underway and will result in the development and implementation of a single provincial clinical information system within the QEH and the Prince County Hospital in March 2007 with subsequent rollouts to the community hospitals.

Construction of the 3,100 sq ft. annex at the Souris Hospital is completed. With its completion Eastern Kings residents receive an advanced level of primary health services located primarily in one building. These include the family health centre, addictions, community health and public health nursing.

Mr. Speaker, in the Speech from the Throne last Fall, Government made a commitment to begin dialogue with communities and stakeholders in West Prince on a single health­care facility. A project committee has been established and will be inviting all community, staff, and physician stakeholders into the process of determining the level of endorsement for a single hospital. It is expected the Committee will report by May 2006.

On Course to Create More Jobs

Mr. Speaker, in the Fall of 2004, we announced the creation of the Progressive Tax Rebate program which rewards successful companies for their job creation initiatives. I am pleased to report that we have in this Budget $4.6 million for the Department of Development and Technology to honour outstanding tax certificates. In all, 406 jobs were created last year under these programs. There was an investment of $55.7 million by the private sector on 43 separate projects.

Additionally, 22 highly-specialized immigrants took advantage of the Specialized Labour Tax Credit program.

This level of activity is reflective of the level of the business community's confidence in this Government and its programs. They recognize our strong plan for economic development.

Mr. Speaker, last year at this time I announced a full percentage

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decrease in the tax rate for small business enterprises. The response to that initiative was extremely positive. At the time, I indicated my desire to assist small business by further reducing the rate. I am pleased to announce a five-year plan that will, upon its completion, reduce the small business tax from its current level of 6.5 percent to 1.0 percent. The Small Business Tax will be reduced by 1.1 percent effective April 1 st in each of the next five years.

Mr. Speaker, that will give us the lowest small business tax rate in the country. We trust this initiative will demonstrate to small business that we appreciate their efforts and that we want them to re-invest in their businesses and that we want them to use that re­investment to create jobs and economic activity.

Due to the methodology employed in the tax calculation, businesses over the $300,000 threshold will also benefit from this tax reduction. Mr. Speaker, I am now looking at ways to reduce our general Corporate Tax so that we can tell the world that PEI is open for business and we welcome them to our shores.

The dividend tax credit will also be adjusted to preserve the integration between the corporate and personal income tax systems.

On Course to Welcome More Tourists

Mr. Speaker, the first three months are any indication, we may well be in for a banner tourism year. This would be well­ deserved as our Island industry has suffered through turbulent times these past few years. Contributing to significant winter numbers were the Jack Frost Festival, the East Coast Music Awards and the Canadian Seniors Curling Championships. Mr. Speaker, we took advantage of the fact that the East Coast Music Awards were in PEI by providing Tourism PEI with $200,000 to advertise nationally as the show was broadcast live from the Civic Centre. The newly-created Tourism Advisory Council consists of 43 members and is involved in product development, marketing and research. One of its first tasks was to develop a five-year strategic plan. It also endorsed the hiring of Grey Worldwide as the Province's Agency of Record to promote tourism to our key markets. Mr. Speaker, we have provided an additional $180,000 in this Budget to Tourism PEI to assist with the engagement of this firm.

We will again be augmenting our normal advertising and promotion spending for the Tourism industry next year by $750,000. This is in addition to the $4.2 million already provided to the Tourism Advisory Council for promotion.

Mr. Speaker, discussions are underway with the Island' s tourism industry to re-focus Provincial Visitor Information Centres to new regionally-based Destination Centres. Under a new mandate, Destination Centres will be operated by the local tourism industry with the primary goal of marketing the local area and its attractions.

Thanks to the efforts of our Premier, Mr. Speaker, with the addition of WestJet and Northwest Air, air traffic to Prince Edward Island was up in 2005 by 11 percent. We welcome these airlines back in 2006 with Northwest adding five weeks to its schedule.

One of the highlights of the 2006 tourism season will be the "Making the Connection -Legends of Golf' event scheduled for Dundarave and featuring Jack Nicklaus and Tom Watson. The event is scheduled for June 19 and 20.

On Course inImproving Community Infrastructure

Mr. Speaker, community infrastructure projects valued at nearly $200 million are either nearing completion or just beginning. The Canada-PEI Infrastructure Program is now entering its final year and all funds have been committed. The program approved 81 projects valued at more than $3 8 million.

The Municipal Rural Infrastructure Fund is entering its first full year with commitments to an initial list of 33 projects approved in August 2005. In all, there are 36 projects in varying states of approval with an estimated value of more than $20 million.

The Strategic Infrastructure Fund is designated for projects valued at greater than $10 million. To date, three projects have been approved. The Charlottetown Water Treatment Plant Upgrade, including a provincial sludge component, will see the plant expanded and modernized at a total cost of $21.3 million. A similar plant expansion and upgrade is scheduled for Summerside at an estimated cost of $15.9 million. This project also includes a water tower. A five-year sewer and water extension project in Stratford is in its third year and will cost a total of $10.8 million.

The New Deal for Cities and Communities, better known as the Gas Tax Program, is in its first year with $2 million of the first $4.5 million having been disbursed to communities for sewer and water projects.

Mr. Speaker, we are looking forward to finalizing other infrastructure agreements in the near future with a value of $33 .4 million.

On Course for the Canada Games

Prince Edward Island will host the 2009 Canada Summer Games. To present our very best face to the rest of the country, we are supporting the Canada Games Host Society and our athletes. The Province has committed a total of $8 million to the Canada Games of which $900,000 has been funded and a further $2.7 million will be paid immediately. To assist our athletes in reaching their full potential, our current annual commitment of $13 8, 000 will be increased to $261, 000 in 2006-07 and $403, 000 in 2007-08.

On Course to Improve Social Services and Seniors

In July 2005, we added Alzheimer's Drugs to our drug program. This provides assistance to 115 people at an approximate cost of $70,000. Mr. Speaker, we are once again adding to the list of approved drugs. For those citizens with diabetes or cancer, more progressive oral medications are being approved by the National and Atlantic Expert Drug Advisory Committees. Although the medications are available, for many they are too costly to access. Government recognizes it has a role to support those citizens who cannot afford to access new medications. A series of oral diabetic medication will be added to the Exceptional Drug Program, and two new oral cancer medications, Gleevec and Xeloda will also be added. The exceptional diabetes drugs are Actos and Avandia with Amaryl, Diamicron and Prandase added to the diabetes drug program. Through an income-testing formula, this $669,000 investment will augment the $24 million we presently spend through our Provincial Drug Program. These drug additions will be of significant benefit to over 7,000 diabetics and 15-20 cancer patients requiring these medications.

In November 2005, we signed an agreement-in-principle for Early Learning and Child Care. Through this agreement, we provided $1.36 million in grants to 113 licensed early childhood centres and 280 certified educators.

We invested $450,000 in the Child Care Subsidy Program to increase the support to parents of 630 pre-school age children.

Ensuring our children get the right start is a continuing priority of this Government. For th ose families in need of parent skill development or in 'at-risk' situations, we will increase our commitment to Best Start by $237,000 for a total of $957,000.

The recent Federal announcement of the Choice in Child Care Allowance will put approximately $10 million into the hands of parents. Our Government recognizes that for many families, this will be the needed top-up to support their child care costs. We will ensure the flow-through of this money to parents.

The decision to exempt the Federal monies from the income calculation represents another $428,000 of investment in support of low-income families. This will be further assisted by the $650,000 investment in our Child Care Subsidy Program next year.

Mr. Speaker, we will work closely with the Federal Government to ensure its second investment, the Community Child Care Investment Fund, is supportive of our regulated child care system.

A healthy regulated child care system is an essential element to our social and economic well-being. Over the next year, we look forward to working with the early childhood sector to refine our joint action plan. Immediately, we will be enhancing our support to improve quality programming and language development in child care and family resource centres.

Mr. Speaker, the very heart and soul of a society is represented by its non-governmental organizations. These are the unsung volunteers who are out there everyday making life better for their fellow citizens. In this Budget year, we will provide an additional $139,000 to support their most worthwhile efforts.

We will also provide an additional $850,000 to those community organizations supporting the residential and vocational needs of the intellectually disabled. Brackley House which houses six special needs children will also receive funding of $637,900.

Mr. Speaker, we will also provide $2 million in support of rate increases at community care facilities and the shelter ceiling for rental accommodations for social services recipients. Effective April 1, 2006, the per diem rate provided to eligible social assistance clients residing in community care facilities will increase to $49 a day from $45. In all, 45 percent of the 998 community care beds are subsidized by Government. This increase will provide an additional $578,000 for these facilities which support our seniors and mental health community.

On Course with Environmental Protection

Last Fall, our Government introduced an energy assistance plan to help Islanders deal with higher home heating costs, save energy and reduce greenhouse gas emissions which contribute to climate change. I am pleased to say that almost 2,000 low ­income Islanders benefitted from the Residential Energy Assistance Program which consisted of a home energy efficiency upgrade valued at up to $300. In addition, approximately $500,000 was provided under the Alternative Heating Loan Program as incentive for homeowners to diversify their home heating systems; and numerous Islanders have taken advantage of the provincial sales tax exemption on small-scale renewable energy equipment and heating systems such as wood-burning and pellet stoves. These initiatives have provided direct and immediate help to Islanders who need it most and incentive for all Islanders to make long-lasting improvements to reduce oil consumption.

Our Government is building on this success in the year ahead. I am pleased to advise that Government will invest $379,000 in 2006-2007 to extend the Residential Energy Assistance Program. As well, through the Council of Atlantic Premiers, we are participating in a regional campaign - SA VE, A Shared Atlantic Vision for Energy Efficiency -which is designed to help Atlantic Canadians eut energy consumption and greenhouse gas emissions.

Pending environmental approval s, construction of the PEI Energy Corporation's 30-megawatt wind farm in eastern Prince Edward Island is expected to begin in early summer, with the facility being in operation by January 1, 2007. Islanders will have an opportunity to invest in the $55 million development and share in its ownership. This development, in combination with wind energy generated at North Cape, will result in wind supplying 12 per cent of PEI' s electricity needs.

Our Government continues to pursue opportunities to position Prince Edward Island as a leader in renewable energy research and development. There will be significant progress in coming months with work on two major projects: the Wind Energy Institute of Canada and the Prince Edward Island Wind-Hydrogen Village.

This past December, the Department of Environment, Energy and Forestry entered into a 10-year renewable lease agreement with the Environmental Coalition of Prince Edward Island to manage approximately 2, 000 acres of public land in the Orwell/Caledonia area. This project, which will demonstrate options for forest management and restoration, represents a significant investment of time and money by the Environmental Coalition to increase the value of a public resource. Once the project moves from development to operations, Government will receive a share of the revenue generated.

Through the Resource Land Acquisition Fund, our Government is contributing $100,000 in 2006-2007 to assist the Nature Conservancy of Canada with the acquisition of Boughton Island. I am pleased to advise that we will contribute a further $200,000 over the following two years toward this $2.2 million land purchase. When the deal closes, the Nature Conservancy will turn ownership of the Island over to the Province, and it will be managed by the Department of Environment, Energy and Forestry for present and future generations to enjoy.

On Course to Assist Agriculture, Fisheries and Aquaculture

Mr. Speaker, agriculture had a mixed year. Potato prices were better due to the international agreement of major potato producing areas to limit production. Beef prices improved, however, hog prices remained depressed.

A total of $11 million was provided to support producers facing financial difficulties. Of this, $8.2 million was spent through the Canadian Agriculture Income Stabilization Program. A further $2.8 million represented provincial premium contributions under Production Insurance.

Mr. Speaker, the FoodTrust continues to penetrate new markets and it is becoming increasingly self-reliant as it does so. The FoodTrust has differentiated itself and Island food products to secure premium prices in the marketplace. We recognize that to compete successfully we must differentiate ourselves and develop niche products. This can include everything from potatoes to hog and beef products, if they are to successfully serve producers. So too, we need to expand our involvement in the organic sector of today's marketplace. It is a rapidly-expanding and profitable segment of today's food market.

That is why, Mr. Speaker, I am announcing today an additional $500,000 to be devoted to organic market development, training, risk management and business planning. This will be the first year in a five-year development program. We will be allocating $1 million in each of the successive years. We will support organic clubs to enhance the exchange of information among growers. We will support specialized educational events and provide improved access to environmental programming. We will also help producers to manage risk by providing bridging incentives for new market development and by enhancing the crop insurance program.

Mr. Speaker, we will also provide increased human resource support for the organic sector and assist producers in the planning and assessment for value-adding.

A new Federal/Provincial agreement will be launched to continue and expand upon on-farm conservation projects. The new Canadian Agricultural Stewardship Program will include a number of new "best management" practices which will be eligible for financial and technical assistance.

A pilot project will also be undertaken to recognize and reward landowners for the environmental benefits they provide to the rest of society. The Ecological Goods and Services Pilot Program will be implemented on a watershed basis.

Mr. Speaker, low lobster landings in Lobster Fishing Areas 25 and 26A led us to undertake an anal y sis of incomes of fishermen in those areas. The Department has contributed $200, 000 towards the investigation of invasive species under the Aquaculture and Fisheries Research Initiative, and is also participating in a Federal-Provincial task force on invasive species.

The Oyster Enhancement Program of the PEI Shellfish Association was provided with assistance from the Department.

Mr. Speaker, discussions are continuing with the Federal Government on a proposed aquaculture framework agreement.

On Course With Programs of the Attorney General

In 200 5, there was considerable discussion with respect to closing the gap between the living standards of Aboriginal people and non-Aboriginals. Our Premier attended the First Ministers Meeting on Aboriginal Affairs in British Columbia in November. All governments committed to make improvements with respect to the gaps that exist in housing, educational attainment, employment rates, economic opportunities and health.

Mr. Speaker, in the last two years the Community and Correctional Services Division has been partnering with Aboriginal communities around a number of shared youth initiatives. We have launched, jointly with the Mi'maq Confederacy, a Career Entry Summer Job Program for post­secondary Aboriginal students. We also partnered with Justice Canada, the Mi'maq Confederacy, the Native Council, Lennox Island and Abegweit First Nations to sponsor two youth 1eadership and community development seminars. More than 180 youth delegates attended.

For the past three years, we have partnered with Lennox First Nations in offering a remedial and social skills development summer program.

Mr. Speaker, Prince Edward Island is not immune to the ever ­increasing level of illicit drugs available on the street. Recognizing the determined efforts of "L" Division of the RCMP to combat illicit drugs, we will be providing additional funding for more human resources. "L" Division will, with this additional funding, develop a street level drug team which will investigate drug activity occurring in communities across the Province.

Conclusion

Mr. Speaker, last year at this time I outlined a comprehensive plan to bring the size and structure of Government in line with what the Province can afford. I said at the time, that it would not be an easy Budget to implement. It wasn't, but with the co­operation, assistance and long hours of many people, we were able to achieve our goals. Because of the 2005-06 Budget and our adherence to our targets, I am able to announce $27 million worth of new investments, new programs and new initiatives tonight.

This Budget represents a significant recognition of the business community in this Province. It presents them with the challenge of investing in their businesses and creating new jobs so that we may grow the population of the Province and present our young people with the choice of staying home surrounded by their families.

This Budget provides new funding for the 2009 Canada Games and financial assistance to assist our athletes in gaining the podium.

Once again, education is a key priority of this administration. We have provided increased funding for UPEI and Rolland College which will enable them to keep their tuition rates in line. We have also reinstated the Instructional Staffing Model and are committed to provide funding for the implementation of the recommendations of the Task Force on Student Achievement.

Mr. Speaker, this Budget, as all before it from this Government, makes a significant investment in health care. We will shorten the wait times for hip and knee replacements with the addition of a fourth orthopaedic surgeon. We will provide additional funding for the dialysis program. We will provide additional personnel in the Radiation Oncology Unit at the Queen Elizabeth Hospital.

We have also, Mr. Speaker, strengthened our commitment to new agricultural opportunities with a five-year $4.5 million program in organic agriculture.

This Budget will contribute more than $7 million in new spending in the Department of Social Services and Seniors. It will provide for new diabetic and cancer drugs. It will provide funding for social assistance and community care rate increases, Brackley House, and vital non-governmental organizations.

Mr. Speaker, we will provide Tourism PEI with an additional $930,000 to engage its Agency of Record and to promote the Province through the Tourism Advisory Council.

This Budget will also provide new money to the RCMP to assist in the fight against illicit drug use.

Finally, Mr. Speaker, this Budget will extend the Residential Energy Assistance Program.

Mr. Speaker, I would like to conclude this address by thanking my colleagues, the staff of Provincial Treasury and the scores of others who assisted in the preparation of this Budget and the sound financial management of the Province.

Thank you.