

PRINCE EDWARD ISLAND

SPEECH FROM
THE **THRONE**



Delivered by
The Honourable Frank Lewis
Lieutenant Governor of Prince Edward Island

At the Opening of Third Session of the Sixty-fourth General Assembly
of Prince Edward Island

November 13th, 2012
at 2:00 p.m.

It is a great honour to present the Speech from the Throne – and to outline the goals and priorities that will guide our Island Government, and shape its progress in the years to come.

Since my appointment to this post, I have also been deeply honoured by the willingness of Islanders to share their aspirations and concerns with me.

These conversations have affirmed my understanding of Islanders' commitment to place. That commitment is built on pillars of pride, affection and hope. And I know that every Member of this Assembly carefully considers all decisions on the foundation of that commitment.

Over the next two years, our Province will prepare to mark the 150th Anniversary of the Charlottetown Conference. This occasion offers the Island the opportunity to recognize our distinguished history and the contributions of past generations. But a celebration of the past will also point to the future – and remind us of the shared values and unity of purpose that are needed to meet and overcome the challenges that we face.

Therefore, I would like to ask all Islanders to help shape and take part in the 2014 celebrations – so that together, we will help to recognize our Province's fundamental role in shaping Confederation.

We are reminded at this time of the year the sacrifices made by Islanders and Canadians during the great conflicts of the past century. And in acknowledgement of Remembrance Day, I would ask for a moment of silence.

That commitment is built on pillars of pride, affection and hope. And I know that every Member of this Assembly carefully considers all decisions on the foundation of that commitment.



Now, during this challenging time, we must make sure that these measures and investments are working for Islanders: responding to their needs, expanding their opportunities, and achieving results.

Working for Islanders

Our Government's aim can be stated in simple terms.

We will take what we have built together over the past five years and ensure that we serve Islanders the best we can. A great deal has been achieved since 2007. Now, during this challenging time, we must make sure that these measures and investments are working for Islanders: responding to their needs, expanding their opportunities, and achieving results.

In pursuit of that aim, our Government will place particular emphasis on four priorities.

- Through enhanced access to education and training – and support for a stronger private sector - we will build opportunities for Islanders to choose from a wider range and greater number of jobs.
- We will ensure that fiscal balance is achieved in a manner that treats Islanders fairly – and does not imperil economic growth and confidence.
- We will continue to build an education system that focuses on students first.
- And we will bring our investments and progress in health care to bear on the goal of faster, better, safer services and care for all Islanders.

As it has since 2007, our Government will work for Islanders to meet the challenges represented by these goals.

Jobs for Islanders

A well-paid and meaningful job is a source of well-being, hope and security for Islanders and their families.

At a fundamental level, it is our Government's duty to help create an economy in which job opportunities can grow.

Despite the recession, a remarkable amount of progress has been made over the last five years.

From 2007 to 2011, the Island saw employment growth of 4.8 per cent – second only to Alberta.

This growth, together with our Government's series of increases to minimum wage, has strongly increased Islanders' earned incomes. From 2007 to 2011, total labour income in PEI grew by \$446 million or almost 20 per cent – and in the first half of this year it increased a further 2.4 per cent, outstripping our sister provinces in the region.

In 2012, year-over-year earnings increases have met or exceeded the national average every month. As of August, average weekly earnings were up five per cent over the same time last year – the third largest increase in Canada.

Our Government will build on this record towards its goal of 75,000 jobs by 2016 – which includes an additional 2,000 jobs in emerging sectors like aerospace, bioscience and professional services.

Further, Islanders should be proud of our participation in the labour force, which stands at almost 68 per cent – well above national and regional averages over the past five years.

However, the Provincial Government has significant concerns about sweeping Federal reforms to weaken the national Employment Insurance program which provides benefits paid to working Islanders.

It is a fundamental fact that many of the industries important to our economy are seasonal in nature. Our traditional industries of agriculture, fishing, food processing and tourism still generate the majority of our wealth and exports that drive our economy – especially in our rural communities.

The Province is firmly of the opinion that the federally imposed reductions to the national Employment Insurance program will penalize individual Islanders – and the Province as a whole.

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“And the unique role of each province enriches our Confederation.”

Our Province is committed to stimulating activity within the private sector in order to continue accelerating our economic growth.

Significant efforts have been made by both Islanders and our Government to educate the federal government about the especially severe impacts for Prince Edward Island associated with its planned cutbacks to Employment Insurance.

As the Premier has often stated, “Every province is unique.”

“And the unique role of each province enriches our Confederation.”

“We need a federal government that understands and values the unique contribution of every Province to our national partnership.”

Unfortunately the Government of Canada has not yet acknowledged the value and importance of seasonal industries and seasonal workers in Prince Edward Island – or the harm that its measures will cause.

Our Government will continue to strongly advocate for the interests of Island workers and industries with the Government of Canada – and at the same time we will take action to help Islanders deal with those measures and adapt.

First, our Province is committed to stimulating activity within the private sector in order to continue accelerating our economic growth.

One component of that plan is to modernize our tax system by implementing a Harmonized Sales Tax.

The experience of other jurisdictions has demonstrated that the design of value added taxes, such as the Harmonized Sales Tax, will improve economic performance. In turn, this will build a stronger and more competitive economy that will generate more high paying jobs.

Under the HST, Island businesses will no longer be starting from behind. The introduction of the HST will level the playing field and simplify the tax system – enabling businesses to grow investment, exports, expansion, and jobs.

In gaining these benefits of increased competitiveness and employment, our Government is determined to limit the impact of the HST on low- and modest income earners through a rebate system. Additionally, all Islanders will benefit from the exemption of critically important goods, such as home heating oil, children's clothing and children's footwear.

Our Government is also pleased to announce that books will be exempted from the provincial portion of the HST. This measure, representing over \$1.4 million in foregone revenue, reflects our Government's strong commitment to education and literacy.

While the HST will stimulate job growth and competitiveness across the economy, Government is also taking significant efforts targeted at every major sector in the Island economy.

- In agriculture, since 2007, the Province's investments have grown from \$25 million to \$31.5 million. Farm cash receipts have grown even more strongly, rising from \$374 million in 2007 to \$474 million in 2011. Last year, over 750 farm employers provided over 1,200 year-round jobs and almost 3,500 additional seasonal jobs. Diversification into new crops like soybeans is strengthening the farm economy and creating new opportunities for value added and exports. In September 2012, our Government signed the second five-year Canada-PEI Growing Forward Agreement – aimed at further increasing farm competitiveness and returns through greater priority on innovation, product development, and exports. Further, Commissioner Horace Carver will be examining the *Lands Protection Act* to ensure that it continues to meet the needs of Islanders today.
- Our fishery contributes over \$250 million a year to our economy and provides employment to over 8,000 Islanders. This vital sector has faced external challenges of the global downturn, record landings elsewhere, a stronger Canadian dollar, and shifting federal policies. Our Government has invested in the sustainability of the resource and the renewal of the sector – increasing its commitment by \$1.4 million from \$2.2 million in 2006 to \$3.6 million this year. In addition, the strong voice of a separate ministry played a role in the Federal

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decision to leave the Fleet Separation and Owner Operator policies in place, protecting the future of our inshore fishery. Moving forward, our Government is working with the industry to develop new market opportunities – putting both the fishery and the processing sector on a stronger and more stable footing.

- Despite also facing major recessionary challenges, the tourism sector has succeeded in growing visitation, spending, and employment since 2006. Today the tourism sector accounts for over \$335 million in economic activity, and employs over 7,000 Islanders. Our Government will continue to work in partnership with the industry to grow the sector Island-wide. Notably, our investment in the PEI Convention Center, scheduled to open in July 2013, will significantly increase visitation to our province, particularly in the fall, winter and spring periods when the industry's capacity and need is greatest.

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Continued emphasis on these traditional sectors is vitally important to our Island. At the same time, the Province will also continue to pursue economic growth and diversification. These efforts build on a strong foundation:

- The Provincial Broadband Program has provided high speed access to Islanders – and enabled businesses to cost effectively reach new markets. This initiative has provided virtually all businesses in the Province with access to one of the most essential tools required to be competitive in today's global economy.
- The 2010 Energy Accord achieved a reduction of 14 per cent in electricity rates and a two-year rate freeze – benefitting all Islanders while helping our industries compete and succeed. Government expects the work of the Energy Commission to offer further direction on a secure and affordable energy supply for the future.
- The Province has worked with over 100 companies to expand their trade opportunities in markets outside of the Island – and helped them to grow their exports by over \$100 million.

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- \$1.3M has been invested in skilled trades training, with over 800 apprentices and more than 300 employers benefitting from this investment.

Looking ahead, we will build on our strengths and gains to continue growing jobs and opportunities for Islanders.

To do this, we will focus first and foremost on our Island base of existing firms – investing in and supporting their competitiveness, success and growth.

Experience demonstrates that the majority of new jobs and growth come from within Prince Edward Island – and our Government will place priority on fostering that growth.

In support of this aim, we have consolidated all our information on programs and supports through our renewed BizPal website. And in the time ahead, our Government will work to align its programs and services, personnel and facilities to better respond to the unique strengths and opportunities and meet the specific needs of each employer.

New firms are a source of innovation and growth. Entrepreneurs have built Prince Edward Island throughout its history – and today, our Province continues to have levels of self-employment and small business enterprise well above national averages.

To more fully tap this strength, our Government will increase its emphasis on supporting entrepreneurs to turn their ideas and energy into economic activity. Access to capital is vitally important to small new businesses. The new Community Economic Development Business Program, launched in 2011, offers Islanders a way to invest in the good ideas around them. In the year ahead our Government will expand the Entrepreneur Loan Program and reinstate the Student Entrepreneurship Loan Program.

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I have been reminded, time and again, of how fortunate we are to live in a Province in which democratic debate and knowledge of public affairs is so pronounced.

Employers need skilled workers to compete and grow – and Islanders need secure, high quality jobs. Training is the key to both those needs. Over the coming years, our Government will work to ensure that its skills and training programs maximize opportunities for Island workers while strengthening our industries. The Graduate Mentorship Program is achieving these goals for young Islanders, and further progress will be achieved through a new Workforce Development Program, to be built on a partnership between employers, workers, and our Government.

These initiatives and priorities are based on long-standing discussions with Islanders, who regularly contribute constructive and imaginative suggestions to grow our economy.

Managing Our Finances

As I said earlier, I greatly value the hundreds of conversations I have had with Islanders over the last 15 months.

I have been reminded, time and again, of how fortunate we are to live in a Province in which democratic debate and knowledge of public affairs is so pronounced.

While many jurisdictions in the Western world struggle to encourage even half their citizens to exercise their franchise, Islanders traditionally vote in ranges that easily exceed 70 per cent.

In a time of fiscal restraint, this participation in public discourse is particularly important.

Citizens should be knowledgeable about public finances – here on the Island, we are.

As Islanders understand, the toll exacted by the recession that began in 2008 has been severe – both here, and everywhere in the world.

In response to those pressures, the Province exerted a great deal of effort to protect Islanders from the worst effects of the global downturn.

Most notably, these efforts included unprecedented public spending on much needed infrastructure –like roads, schools, seniors’ manors, bridges and health care facilities.

As a result, thousands of Islanders remained employed – and much of our public infrastructure was improved.

These investments remain central to the plan to improve our capacity for growth and prosperity.

Now that these investments have been made – and the recession’s impacts are finally receding – it is extremely important to shift our economic emphasis toward the private sector.

As that historic shift in emphasis takes place, the Province will ensure that a balanced approach is taken – in a way that enhances our economic prospects.

Due to the disproportionate economic role played by the public sector on the Island, the shift toward private enterprise must be exceedingly well-tuned and sensitive.

Additionally, the Province will need to be very careful in light of the changing role of the Federal Government.

Disproportionate federal job cuts; changes to Employment Insurance; uncertainty surrounding the future of transfer payments – each of these elements must be considered by the Province.

Balance will be achieved – with precision, deliberate purpose and prudence.

In such times, all must play a part in restoring fiscal balance. The economic turmoil of recent years has had severe impacts on public sector pension plans – and in turn on the Province’s fiscal health.

In the spring Budget, our Government announced that it would initiate consultations with stakeholders to review its pension plans.

We have begun that process, and in the coming days will bring forward legislation that will allow us to increase employer and employee contributions on an equal basis.

Now that these investments have been made – and the recession’s impacts are finally receding – it is extremely important to shift our economic emphasis toward the private sector.



To meet the long-term objective of more opportunities for Islanders, our Government must build the strongest possible education system for our children and youth.

This is an important first step towards ensuring a sustainable and secure pension system for past, present, and future employees. This long-term perspective will protect our present needs, and offer enhanced security in the future.

Investing in Islanders – and Our Future

To meet the long-term objective of more opportunities for Islanders, our Government must build the strongest possible education system for our children and youth.

Since 2007, Government has invested almost \$2 billion dollars in that goal, strengthening every aspect of the education system from the early years to affordable, world class post-secondary education. Investments have been made in teachers and education assistants, in expanded and renewed programming, in buildings, in buses, in technology, and in materials.

Consistently, this Government has focused its investments on learners – with three clear, connected goals:

- enhancing our youngest children’s readiness to learn;
- improving student achievement in our school system; and
- increasing successful post-secondary participation.

The earliest years are vitally important to lifelong learning, health, and well-being. Our Government’s support for the Best Start Program, the Preschool Excellence Initiative, full-day kindergarten and other programs is brightening the future of more and more Island children.

In its first term of office, our Government increased funding to the Best Start Program to reinstate services to children aged 18 to 24 months – and this past year, we increased funding again to extend the program to children aged 24 to 36 months.

Our early learning system now includes 46 Early Years Centres, including a new centre serving the Abegweit First Nation – serving almost 2,000 preschool children with a provincial early learning curriculum and trained staff. To maintain access and choice, funding for private centres has also been extended to March 31, 2013.

Kindergarten is entering its third year of school-based full-day operation – and grade one teachers are reporting significant gains in school readiness among incoming students.

The new literacy resources and early intervention programs which have been introduced in the elementary system over the past several years will build on those gains.

They include the Primary Literacy Intervention Program and the Early Numeracy Intervention Program.

And, since 2007, Government has added more than 10 new literacy coaches, as well as new classroom resources and extensive in-servicing for teachers.

These initiatives are working. Student achievement in our school system is improving dramatically.

- The proportion of Grade 3 students who met the grade level expectation in reading increased from 62 per cent in 2007 to 87 per cent this year.
- Over that time, the proportion of Grade 3 students experiencing difficulty dropped from 27 per cent to eight per cent.
- And among Grade 6 students, 84 per cent are now meeting or approaching expectations in reading, up from 74 per cent in 2011.

Of course, much of this success is due to the hard work of Island educators. To support them in their critically important work, our Government is increasing its emphasis on professional learning in support of student achievement – while ensuring that instructional time is protected.

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In the coming years, our Government will increase its emphasis on extending these gains and successes to the intermediate and high school levels – guided by new common assessments including Grade 9 literacy and Grade 11 math.

Those measures will better prepare our children and youth to enter post-secondary education – and our Government's measures like the George Coles Bursary and interest-free student loans are putting that education within reach of more and more of our youth.

Our Government's action to create one English school board will further advance those goals – streamlining resources and focusing them on the classroom, while providing clear, unified leadership and direction for our Province's schools. The new Board will take office on January 1, 2013 – and I wish them well in their vital task.

In sum, the efforts undertaken to vigorously improve our education system have created a stronger system at every level. And in the coming years, our Government will focus these strengths and new capacities on achieving learning and success for Island children and youth.

Enhancing Health Care

Of course, a better educated population is also a healthier population. And over the past five years, a great deal has been achieved to renew and expand our health care system. For example:

- A record number of physicians are currently practicing on the Island.
- Modern, comfortable seniors' manors are being constructed across the province.
- Ambulance coverage has been expanded and made more affordable.
- A new ambulatory care wing and an expanded, modernized emergency department have opened at the Queen Elizabeth Hospital.

- New and expanded community health centres put every Islander within thirty kilometers of primary care and a family doctor.

These improvements, together with many others, have grown the health care budget from \$344 million in 2006 to over \$550 million today.

These investments are building a stronger, more responsive health care system with faster access to better care – but the system is challenged to meet continuously rising demands and mounting pressures.

In only eight years, one Islander in five will be a senior – and rates of many chronic diseases rise with age. New techniques and medications deliver better outcomes – but often at a higher cost.

As it meets those challenges, Government will ensure that the patient is at the heart of all its decisions – benefitting from the improvements and advances of the past five years.

Priority will be placed on five areas of particular importance to Islanders:

- Improving access to emergency services
- Improving access to general practitioners
- Improving access to mental health and addictions services
- Reducing wait times for long-term care, and
- Reducing wait times for elective surgeries.

These goals can only be met with the cooperation of health care professionals – and so it is essential that they be fully engaged in a discussion about the future of health care in PEI.

In terms of emergency services, it is a fundamental goal of Government to significantly reduce the amount of time it takes to get a patient to the best care possible in the shortest period of time. Further, this will include exploration of Collaborative Emergency Centres – which help to ensure an effective team approach.

As it meets those challenges, Government will ensure that the patient is at the heart of all its decisions – benefitting from the improvements and advances of the past five years.



Our Government will also build on the growing improvements in access to general practitioners – which help to ensure that Islanders are accessing the right services at the right time, in the right place.

Mental health and addictions problems take a heavy toll on Islanders and their families and communities. As pledged in our April Speech from the Throne, our Government has launched an independent review of the full spectrum of services and supports across government departments and in the community. This work will help us better care for and support Islanders with mental health and addictions and their families.

In the area of long-term care, Government is adding beds to the system as committed – but the need is outpacing the supply. A growing number of Islanders are continuing to occupy hospital beds despite being medically discharged, as they are no longer able to live independently. Many of them would prefer to return to their own homes if they could. Over the coming year, our Government will work to make that possible. We will explore new models of partnership with families and community organizations, and options to expand home-based supports and services. Further, we will move forward to establish the Seniors Home Care Renovation Program, as pledged last fall during our election campaign, and as set out in our Social Action Plan of last May.

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Wait times for many elective surgeries need improvement. Government accepts the challenge, and will work diligently with health professionals to ensure that wait times are reduced as quickly as possible.

And, to promote the health and well-being of Islanders while reducing pressures on the health care system, our Government will shortly release a renewed and expanded Wellness Strategy – with a wide range of measures to foster healthier lifestyles and keep Islanders well.

Evening the Odds

Lifestyle matters – but health and wellness are also critically influenced by factors such as employment, family, and community. The least advantaged in our society also have the poorest health – and the economic troubles of the recent years have fallen hardest on the most vulnerable.

Here in Prince Edward Island, we are fortunate to live in a compassionate society – committed to the wellbeing of our neighbours and our communities. And we recognize that the life chances of many Islanders are held back by barriers of low income, poor health, or other adversity.

Since coming to office, our Government has been committed to helping even those odds. That goal has been at the heart of many of our priority actions of which I have already spoken. For example:

We have worked to secure the future for our children and youth by extending support for Best Start to 36 months strengthening the early childhood system ... bringing full-day kindergarten into our schools ... improving student achievement ... and making post-secondary education and skills training more affordable and available.

To help Islanders better meet the needs of today, we have expanded the number of jobs, increased minimum wage, and improved earnings and labour income.

We have reduced cost pressures on families and seniors by expanding our social housing, reducing energy prices through the Energy Accord, and improving our drug programs.

We have increased support for Islanders in very low income and for Islanders with disabilities.

Last May, our Government launched a Social Action Plan to build on those measures – and implementation is well underway. For example:

To help Islanders better meet the needs of today, we have expanded the number of jobs, increased minimum wage, and improved earnings and labour income.



To build on our strengthened and expanded early childhood system, we have supported the introduction of literacy plans in every Early Years Centre in the province -- and we have increased funding for the Child Care Subsidy Program to support access to those programs for Island families in low-income

To improve fairness in drug pricing for Islanders, we brought in legislation this past July to reduce the price of generic drugs and to expand pharmacists' ability to substitute lower cost drugs. We are continuing to examine the full range of our drug programs to further increase fair access for Islanders to needed medications.

Our Government is committed to making our programs work for disadvantaged Islanders to help them achieve a better life and a brighter future. In partnership with the community, we will continue to develop and refine the Social Action Plan toward that goal.

Working with Communities

As new threads are woven into our social fabric, the growing diversity of our Island is a source of strength and pride.

Over the past five years, thousands of new Islanders have become part of our community. We welcome them for their ideas and skills, their diverse experience, and the richness of their varied cultures. Our Settlement Strategy is working to help them rapidly become fully established in our society and economy. We continue to reach out to newcomers to come to Prince Edward Island.

One of the cornerstones of a strong and dynamic province is the vitality of our communities. Beyond language and culture, they contribute to all aspects of Island life, from higher education, to innovation, to job creation and the overall economy. Our Government supports the Island Acadian and Francophone community in its global development plan. And as a result of extensive consultation within both government and the community, we will be bringing forward a renewed *French Language Services Act* in the spring of 2013. This new Act is anchored in the principle of aligning priority community needs and Government's capacity to deliver.

Over the past five years, thousands of new Islanders have become part of our community. We welcome them for their ideas and skills, their diverse experience, and the richness of their varied cultures.

Our Government values the strong and collaborative relationship that we have built with our Aboriginal community. Upon coming to office, we signed a tripartite Canada-PEI Mi'kmaq Partnership Agreement and established the Aboriginal Affairs Secretariat to support our work together. Since then, planning forums are established and working in five areas of critical importance – economic and skills development, health, education, justice, and child and family services. We have also supported on-reserve early childhood education and infrastructure developments. And this past summer, Prince Edward Island signed Canada's first tripartite Agreement on Consultation – ensuring our First Nations a voice in matters that affect their development and wellbeing. Our Government looks forward to further collaboration with PEI's Mi'kmaq governments.

Our Government is also moving to strengthen local governance across the Island. A new *Municipal Government Act* has been drafted in collaboration with municipalities – setting out a clarified and expanded role for this essential level of government. The draft Act offers Islanders an opportunity to take greater charge of the matters that affect them day to day in their communities.

Conclusion

As 2014 approaches, I urge all Islanders to join in celebrating and commemorating our Island society – all that we are today, and what we have achieved throughout our long history.

We have faced challenges over those years, and we have risen to them. Looking forward, we must once again show resilience and adaptability in a changing economy – and a changing Canada.

Our Government will be guided, during the coming years, by a clear purpose – to take what we have built together and to focus it on making a difference for Islanders. We will continue to move toward fiscal balance – while working to achieve learning success for our children and youth ... jobs for Islanders ... and a healthy, caring society.

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Over the coming sitting, members of the Legislative Assembly will be asked to consider a full Legislative agenda. Government Bills will include:

- *The School Act*
- *The Regulation of Health Professions Act*
- *The Public Health Act*
- *The Pension Benefits Act*
- *The Retail Sales Tax Act, and*
- *The Highway Traffic Act.*

Madame Speaker and Members of the Legislative Assembly, may Divine Providence guide you in your deliberations.