

# PRINCE EDWARD ISLAND



## SPEECH FROM THE THRONE

APRIL 2012

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**SPEECH** FROM  
THE **THRONE**



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

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

April 4<sup>th</sup>, 2012  
at 2:00 p.m.

It is a great honor to present the Speech from the Throne, which formally inaugurates the Second Session of the Sixty-fourth General Assembly of Prince Edward Island.

I want to congratulate all Members of the Legislative Assembly on receiving the confidence of your respective communities in the 2011 General Election. A great deal of public trust has been invested in each of you, and I am confident you will acquit yourselves with honour and dedication to your responsibilities.

Je veux féliciter tous les membres de l'Assemblée législative qui ont obtenu l'appui de leurs communautés respectives lors des élections générales de 2011. La population vous a accordé sa confiance, et je suis convaincu que vous acquitterez des responsabilités qui vous sont dévolues avec honneur et dévouement.

Of course, these responsibilities extend beyond the individual. Islanders expect this General Assembly to collectively engage in serious deliberation on the significant issues facing our province – especially as Government continues to work to confront the economic and social challenges that have tested virtually every jurisdiction on the planet.

The recession that began in 2008 has taught the world that threats once confined to specific regions and countries will now reach out and touch us all. Prince Edward Island is not immune to that reality, and Islanders justifiably expect Government to react to challenges with purpose and confidence.

Government is well-equipped to effectively meet these tests.

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While many provinces suffered economic decline during the global recession, Prince Edward Island maintained economic stability – and has achieved steady growth in the years that followed.

- Since 2007, Provincial employment has grown from 68,000 to a high of 72,000 in 2011 – and our gross domestic product has risen from \$4.5 billion to an anticipated record high of \$5.3 billion this year;
- And since 2006, our population has grown by 8,000 – to a historic high of almost 146,000 as of the 2011 Census;
- More young Islanders than ever are attending post-secondary institutions, and are contributing their talents, abilities and skills to an increasingly diverse economy and society.

In the face of such a profound global economic downturn, these gains were achieved in large part by significant growth in the public sector at the federal, provincial and local levels. Moving forward, however, growth in our economy will be driven by the ingenuity of the private sector.

*Islanders have a long and distinguished history of meeting challenges.*

Islanders have a long and distinguished history of meeting challenges. During the great conflicts of the past century, our sacrifices as a small population always equaled or bettered those of our larger partners in Confederation.

Our intense loyalty to place saw generations of Islanders build institutions like the University of Prince Edward Island, Holland College and Collège Acadie Î.-P.-É. One hundred sixty years ago, our Province led the world in the introduction of free public education – and today, our model of early childhood learning is being embraced by experts and systems from across Canada and beyond.

Le fait que des générations d'Insulaires se soient affairées à bâtir des institutions telles que l'Université de l'Île-du-Prince-Édouard, le Collège Holland et le Collège Acadie Î.-P.-É. témoigne de notre intense loyauté envers notre province. Il y a cent soixante ans, notre province initiait le monde à l'éducation publique gratuite – et aujourd'hui, notre modèle d'éducation de la petite enfance suscite l'intérêt des spécialistes et des systèmes scolaires d'un peu partout au Canada et dans le monde.

Every Islander is proud of these accomplishments. And every Islander naturally wants to leave a better province for future generations.

In essence, this is the challenge facing Government. How do we address the challenges of today while ensuring that we leave a strong and more vibrant place for tomorrow?

How do we build on this legacy to maintain our foundation and enhance our future?

## **Looking Forward: Government's Priorities**

The next several years will be of fundamental importance to our Island's future.

Unlike other Canadian jurisdictions, we are not blessed with natural resources like oil, natural gas, potash and minerals.

However, we are fortunate to live in a Province that has a talented and hardworking population.

Further, we are a full partner in the greatest country in the world. Therefore, we justifiably expect that the benefits of Canada are equitably distributed to all provinces.

From these perspectives, my Government has four strategic priorities:

1. We will renew our focus on private sector growth – with a goal of increasing employment levels to 75,000 jobs and a provincial economy of \$6 billion by 2016;
2. Through a combination of revenue and expenditure measures, we will return to fiscal balance;
3. We will continue to shift our educational focus towards the goal of enhanced student achievement;
4. We will continue to build a sustainable health care system which meets the needs of Islanders today and tomorrow.

*In essence, this is the challenge facing Government. How do we address the challenges of today while ensuring that we leave a strong and more vibrant place for tomorrow?*

*We will revamp our economic development strategy to strengthen our focus on private sector job creation, export development and positive returns on investment for Government.*

*My Government's strong investments in our long neglected public infrastructure played a key role in helping our Province to weather the recession reasonably well. And today as a result, our roads are safer, our schools and school buses are renewed, and our seniors' manors are becoming places of pride and comfort.*

To achieve these goals, my Government will initiate the following measures in the near term:

- We will revamp our economic development strategy to strengthen our focus on private sector job creation, export development and positive returns on investment for Government;
- We will work in close collaboration with the Federal Government, private sector and Island post-secondary institutions to maximize the opportunities associated with the new \$30 billion shipbuilding contract;
- To ensure we maximize the impact of our resources, my Government will establish a single English School Board to provide educational leadership across Prince Edward Island;
- We will initiate a Mental Health and Addictions Review to ensure that services are meeting the high standards expected by Islanders;
- As part of its environmental program, my Government will continue to convert a number of facilities across the Island to biomass heating;
- Over the next four years, we will enhance the Best Start Program to help young Island families raise happy, healthy children.

## **Overcoming Our Fiscal Challenges**

All Governments responded to the sudden recessionary shock of 2008 by investing heavily in their respective economies with stimulus funding.

Prince Edward Island was a leader in this regard. My Government's strong investments in our long neglected public infrastructure played a key role in helping our Province to weather the recession reasonably well. And today as a result, our roads are safer, our schools and school buses are renewed, and our seniors' manors are becoming places of pride and comfort.

Over the next year, my Government's foremost focus will be on protecting the progress that we have achieved together.

As the Premier has stated many times, it is a fundamental role of Government to invest during difficult economic times. When the economy improves, it is important for Government to carefully reduce its role.

Our goal of balancing the budget is guided by two fundamental principles:

Firstly, long-term economic growth can only be achieved if all Governments, including ours, strive for balanced budgets.

Second, we have a duty and obligation to not only meet the needs of Islanders today, but to ensure we pass on to our children a strong, vibrant and sustainable economy.

To meet these important objectives, my Government will develop a multi-year budget plan. In so doing, we are mindful of major fiscal challenges that this plan must address.

First, the Province faces significant pressures on both its provincial source revenues and its expenditures. A lingering effect of the global recession has been slower growth in both corporate and personal tax revenues. Also, new and significant cost pressures have arisen in areas such as public sector pensions.

For example, when you consider what has happened with the Civil Service Superannuation plan and the Teachers' Superannuation plan:

- In 1990, there were about 1,500 retirees;
- Today, there are about 4,400 retirees.

As a result, the ratio of active contributors to retirees has declined from just shy of 3:1 in 1990 to 2:1 today.

It is anticipated that this ratio will continue to narrow as baby boomers exit the system. Every jurisdiction is dealing with this issue, and my Government is no exception.

*To meet these important objectives, my Government will develop a multi-year budget plan. In so doing, we are mindful of major fiscal challenges that this plan must address.*

*We recognize that the Federal Government is taking its own measures to deal with its fiscal concerns. Nonetheless, there is a constitutional obligation to ensure Islanders can enjoy comparable levels of services at a comparable level of taxation.*

Of course, this issue will be subjected to a full consultative process with stakeholders.

A second challenge is in the area of health care spending and aging demographics. Over the past number of years, spending in this area has grown at an annual rate of seven per cent. This level of increase is simply not sustainable.

Our third key fiscal challenge is that the Island currently has the lowest fiscal capacity of any province in Canada – and Federal Government revenue measures do not address this reality. As a result, Prince Edward Island has to maintain Canada's highest taxation levels in order to provide the services that Islanders need.

We recognize that the Federal Government is taking its own measures to deal with its fiscal concerns. Nonetheless, there is a constitutional obligation to ensure Islanders can enjoy comparable levels of services at a comparable level of taxation.

Ottawa has already unilaterally announced new health funding mechanisms for the provinces – and offered no opportunity for discussion or negotiation. That decision could cost Prince Edward Island's health care system more than \$120 million over the life of the agreement.

Now that this major revenue source has been unilaterally determined far into the future, the Equalization program must play an even more vital role in overcoming the fiscal imbalance between Prince Edward Island and other provinces.

The Equalization program – which should serve to offset fiscal inequities – has been adjusted with the result that the program does not, in fact, equalize. This is primarily due to an artificial ceiling on the overall size of the program, a cap tied to national Gross Domestic Product. The program also fails to recognize the higher fixed costs of public services faced by smaller jurisdictions. Prince Edward Island now has the lowest post-Equalization fiscal capacity in Canada. Moreover, the Federal Government has reduced the Equalization Program's size relative to the national Gross Domestic Product, from the historic average of 1.02 per cent to 0.85 per cent today.

As Canada moves toward a new Equalization program, we call on all members of this Legislative Assembly to support my Government's position on two key issues:

- The ceiling on Equalization must be removed to equalize to the national average;
- A significant base fund must be built into the Equalization formula.

In the interim, Prince Edward Island's immediate fiscal challenges will require Government to develop and implement new revenue and expenditure approaches in moving towards its goal of a balanced budget.

## **Prince Edward Island – A Partner in Confederation**

Prince Edward Island remains fully committed to contributing to significant national debates.

This year, the Council of the Federation gave our Premier the task of co-chairing a national Health Innovation Working Group, in partnership with Saskatchewan Premier Brad Wall.

Although this work will not provide all of the answers to the challenges facing health care systems across Canada, it will permit provinces and territories to effectively share information and collaborate with one another – in pursuit of long-lasting solutions.

Our Island is proud to take a national leadership position in an area that is considered the highest priority of Canadians. Further, this reflects our ability to make a significant contribution to the Federation.

On the topic of the Federation, it has always been the position of my Government that we support improvements to the Senate. Therefore, we will ask a Legislative Committee to contribute to the national discussion on the role of the Senate, and specifically to engage Islanders on whether Prince Edward Island should pursue election of its Senate representatives.

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## **A Resilient and Flexible Economy that Focuses on Employment Growth**

Our traditional industries of agriculture, fisheries and tourism are the stable foundation upon which our economy is built. And more than mere economic drivers, these sectors reflect our Island's deep commitment to our geographic reality.

Technological and scientific progress has helped to modernize each of these industries – and in turn, the strengths of agriculture, fisheries and tourism are contributing to new advances in biosciences, information technology and other growing sectors.

In part, much of this growth has been due to Government's strong commitment to building a new and more diversified Island economy.

The \$30-billion shipbuilding contract recently awarded by the Federal Government will create a wide range of new opportunities for Prince Edward Island and our region for years to come. And the Federal Government deserves to be commended for this new initiative, as well as its skill in managing the procurement process.

The Island has a distinguished history of shipbuilding, and a new chapter is about to unfold.

Government looks forward to working in partnership with the Federal Government, our Atlantic partners, the private sector, the University of Prince Edward Island and Holland College to develop an appropriate strategy to capitalize on this opportunity.

Over the course of this sitting of the Legislature, my Government will outline changes it will make to its economic development approach. Elements will include the following:

- To create more opportunities and a better life for Islanders, my Government will aim to increase gross domestic product to \$6 billion by 2016, and to grow employment to a new high of at least 75,000 jobs;

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- To achieve this, my Government will focus its economic plans on private sector growth;
- Our economic development programs will be realigned to focus on new jobs and export expansion;
- Following the report of the PEI Energy Commission, my Government will undertake further work to stabilize energy costs – building on the PEI Energy Accord which reduced electricity prices by 14 per cent and froze them at that level for the second year;
- My Government will continue to examine its agricultural support programs to focus on export market development, food branding and income support measures. Further, my Government will launch an independent review of current land ownership policies;
- My Government will continue to pursue new markets to promote strong and sustainable fisheries and aquaculture sectors, while at the same time stabilizing employment levels in our fish processing industry;
- With respect to rural economic development, the Rural Action Plan has focused on business development, primary sectors and tourism;
- We will renew our effort to attract newcomers, with the goal of reaching a population of 150,000 by 2022. To aid in this goal, the Immigration Services Division has been restructured to integrate recruitment, retention and settlement services;
- Going forward, my Government's priority for aerospace will be to recruit new companies to Prince Edward Island;
- Biosciences and Information Technology will remain an important sectors for Prince Edward Island. As well, my Government will expand its strategic focus on the growing Financial Services sector and build on the success of recent announcements such as MPhasis;

*Biosciences and Information Technology will remain an important sectors for Prince Edward Island. As well, my Government will expand its strategic focus on the growing Financial Services sector and build on the success of recent announcements such as MPhasis.*

- Tourism and Culture will also remain a key part of my Government's economic development strategy. To this end, current Government supports for the tourism industry will be re-examined to ensure that our limited resources support the highest value return for the Province. As well, my Government will introduce a public and transparent Request for Proposal to determine private interest in the four Provincial Golf Courses;
- In 2013, Prince Edward Island will see the opening of the new Convention Centre in Charlottetown. To build on this opportunity, my Government will strengthen its focus on attracting meetings and conventions to Prince Edward Island as we lead up to the 150th Anniversary of the meeting of the Fathers of Confederation;
- In 2015, the 200th anniversary of Samuel Holland's historic mapping of Prince Edward Island will provide another opportunity to celebrate and commemorate our historic past.

## **Education is the Cornerstone of Progress**

Over the past five years, Government has done a great deal to strengthen the public education system.

Since 2007, the investments in the public education system has grown from \$170 million to \$229 million, a 36 per cent increase.

Similarly, new post-secondary incentives – including the George Coles Entrance Bursary – have seen attendance at the University of Prince Edward Island and Holland College reach record numbers.

This is particularly important in terms of employment.

Recent data show that Islanders with a university degree have an unemployment rate of less than four per cent.

Among the 18,000 Islanders with a college diploma, the unemployment rate is just over 8 per cent.

*Since 2007, the investments in the public education system has grown from \$170 million to \$229 million, a 36 per cent increase.*

Both these rates are well below the provincial unemployment average.

These numbers indicate a clear direction to Government – reinforcing the importance of our focus on post-secondary education, skills development, and student achievement.

This year, Government is proceeding with its commitment to increase the George Coles Bursary – which has already helped 4,100 young Islanders to attend either Holland College or the University of Prince Edward Island.

Government will continue to examine new and innovative ways to help young Islanders derive as much benefit as possible from our Province’s post-secondary institutions.

Further, Government recognizes that learning is a process that must be carefully nurtured from a very early age.

That recognition led to the redevelopment of our Province’s early childhood system – and the province-wide introduction of kindergarten. In particular, Government is very proud that 1,400 young Islanders were the first to graduate from our public kindergarten system in June 2011.

This year, the Province will begin the process of expanding the Best Start Program – which again reflects Government’s clear belief that learning is the key to our social and economic progress.

Among Islanders in the kindergarten to Grade 12 system, Government is maintaining its commitment to students, families and educators.

This will include appropriate new investments in educational infrastructure – and a commitment to maintaining nationally low student-teacher ratios.

In keeping with Government’s pursuit of a student-centered educational system, an Education Governance Commission was appointed in June of 2011.

*This year, Government is proceeding with its commitment to increase the George Coles Bursary – which has already helped 4,100 young Islanders to attend either Holland College or the University of Prince Edward Island.*

*Therefore, Government will introduce amendments to the School Act and Regulations to establish a single English School Board during this sitting of the Legislature. The French Language School Board will remain, as it plays a socially and educationally significant role in the development of French language education and culture on the Island.*

The Commission is to be commended for its fine work. Of the forty-eight recommendations, more than thirty directly impact and support my Government's objective of enhancing student achievement. All of these recommendations will be adopted, including:

- That school boards be responsible for the delivery of direct education services and programs to K-12 students;
- That professional learning be concentrated on improving daily classroom instruction and assessment;
- That the Departmental role in special needs education consist of leadership and oversight, and that most of its operational personnel be transferred to the board level.

To further promote student achievement, Government will also implement a new common provincial assessment for all Grade 12 students.

My Government also believes that there is an opportunity to redesign educational governance in such a way that the needs of the student consistently drive the system. In effect, Government believes that this requires streamlining.

Therefore, Government will introduce amendments to the *School Act* and Regulations to establish a single English School Board during this sitting of the Legislature. The French Language School Board will remain, as it plays a socially and educationally significant role in the development of French language education and culture on the Island.

Le gouvernement proposera donc des modifications à la *School Act* (loi scolaire) et à ses règlements en vue d'établir une seule commission scolaire anglophone au cours de la présente session de l'Assemblée. La Commission scolaire de langue française restera telle quelle, car elle joue un important rôle social et éducatif pour le développement de l'éducation et de la culture francophones à l'Île.

## **Realigning Health Care**

As my Government continues to transform the health care system, equitable, high-quality services for all Islanders will remain a priority.

Our focus will shift from infrastructure investments towards protecting the gains achieved over the last five years.

Since 2008, health care spending on Prince Edward Island has increased by well over \$100 million – and it is anticipated that total expenditures for health care will reach \$600 million within this mandate.

As a result of these investments, the Island now has a record number of doctors, growing from 196 in 2007 to 233 in 2012.

Other tangible examples of progress within the system include:

- The addition of a Stroke Care Unit at the Queen Elizabeth Hospital;
- A new Ambulatory Care Centre - with Phase Two opening this year;
- Expanded dialysis services at the Prince County Hospital;
- Improved ambulance services in West Prince and Kings County;
- An ambitious and successful Manor Replacement Program along with the addition of long term care beds;
- A significantly expanded home care program.

Further, primary health care networks have been established with the overall objective that no Islander is further than 30 kilometres away from a primary health care site, including access to a family physician.

*As my Government continues to transform the health care system, equitable, high-quality services for all Islanders will remain a priority.*

*My Government will mandate the Minister of Health and Wellness to initiate an independent, expert review of our services and approach to mental health and addictions, drawing on the insights of Islanders, community based organizations, medical community and other professionals.*

## **Wellness Strategy**

Earlier this year, my Government released the first Annual Chief Health Officer's Report which provided a valuable snapshot of the health of Islanders.

The report indicated many opportunities for Islanders to achieve better health. Therefore, my Government will work towards implementing a Wellness Strategy to promote the wellbeing of our population.

Over the past years, Islanders have expressed in many ways their growing concerns with respect to Mental Health and Addictions services.

My Government will mandate the Minister of Health and Wellness to initiate an independent, expert review of our services and approach to mental health and addictions, drawing on the insights of Islanders, community based organizations, medical community and other professionals.

## **Social Action Plan**

In July 2011, Government released a Poverty Reduction discussion paper titled "*Preventing and Reducing Poverty in PEI: A Strategy for Engagement*".

Building on this work, my Government will launch and create Prince Edward Island's first Social Action Plan to be released this spring. The Social Action Plan will present further options to improve the well-being of Islanders who are vulnerable or in need, including the following measures:

- Continue contributions to the Emergency Home Heating Program;
- Create increased fairness and access in provincial drug program;

- Improve the availability of affordable housing for Islanders;
- Further enhance early learning by creating literacy action plans with the Early Years Centres;
- In response to federal changes to the Criminal Code, carefully examine the concept of therapeutic courts.

## Working with Communities

Government has taken great efforts to strengthen our regions and cultural groups.

To date, dozens of initiatives through the Rural Action Plan have either been completed or are well underway. Examples include the new Evangeline Recreation Centre, support for the Festival of Small Halls and other projects.

The Rural Action Plan recognizes that there are regions of greater need – and these require increased focus and investment. In recent months, Government has been consulting with stakeholders and community members in West Prince, Eastern Kings and Southeastern Prince Edward Island to identify opportunities for investment in economic development.

The Government of Prince Edward Island, in accordance with the Partnership Agreement (2007), continues to work with the Mi'kmaq and Canada to improve quality of life outcomes for the Island's Mi'kmaq people. The parties are working together in the areas of education, justice, health, economic development and child and family services. My Government is finalizing a federal-provincial-Mi'kmaq Consultation Agreement which will establish an orderly and cost-effective process to consult with the Mi'kmaq – and my Government will affirm its commitment through annual capacity support for the Mi'kmaq Confederacy of Prince Edward Island.

*The Rural Action Plan recognizes that there are regions of greater need – and these require increased focus and investment. In recent months, Government has been consulting with stakeholders and community members in West Prince, Eastern Kings and Southeastern Prince Edward Island to identify opportunities for investment in economic development.*

*In providing programs and services for Islanders, my Government recognizes the unique needs of the Acadian and Francophone community. Ongoing consultations have provided opportunities to identify the priorities of the community, and government's capacity to deliver the services needed.*

In providing programs and services for Islanders, my Government recognizes the unique needs of the Acadian and Francophone community. Ongoing consultations have provided opportunities to identify the priorities of the community, and government's capacity to deliver the services needed.

We believe that striking a balance between the two will yield tangible and innovative results for all. This is also the guiding principle for Government pursuing its commitment to renewing the *French Language Services Act*. This is a significant undertaking that will continue to require engagement at all levels of government.

Dans sa prestation de programmes et de services aux Insulaires, mon gouvernement reconnaît les besoins uniques de la communauté acadienne et francophone. Des consultations régulières ont permis de déterminer les besoins communautaires prioritaires d'une part, et la capacité du gouvernement de répondre à ces besoins, d'autre part.

Nous estimons que l'établissement d'un équilibre entre les deux produira des résultats tangibles et novateurs pour tous. Il s'agit également du principe directeur du gouvernement dans la poursuite de son engagement au renouvellement de la *Loi sur les services en français*. C'est un projet d'envergure qui continuera à nécessiter l'engagement de tous les ordres de gouvernement.

In keeping with its commitment to province-wide initiatives, Government continues to plan for the 2014 celebrations - which will be held across the Island.

In addition to being an Island celebration of our history, 2014 will also serve to help focus Canadian and international attention on our province.

## **A Deliberate and Careful Approach**

As the world recovers from the global recession, Prince Edward Island is uniquely positioned to thrive.

In fact, the recession proved that our Island has a resilient and flexible economy.

Much of that success was due to the intervention of my Government. We recognized the threats posed by recession, and we took steps to ensure stability.

- We designed public sector policies to encourage private investment. An illustration of this approach is the PEI Energy Accord – which relied on the weight of Government authority to reach a deal that benefits all Islanders;
- We balanced a continued focus on our traditional sectors of agriculture, the fishery and tourism with emphasis on new opportunities;
- We realigned the health system toward the delivery of equitable and accessible primary health care.
- We significantly strengthened our education system – with innovations in the areas of early childhood, kindergarten and post-secondary incentives – and improved our student-teacher ratios to rank among Canada’s best.

My Government is fully confident that this careful and deliberate approach will continue to encourage a more diverse and vibrant Island economy and society.

Over the next several months, Members of the Legislative Assembly will debate this speech, a provincial budget and approximately twenty Government bills.

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**This legislation will include:**

*The School Act*

*The Correctional Services Act*

*The Ambulance Services Act*

*The Environmental Protection Act*

*The Apprenticeship and Trades Qualifications Act*

***Madame Speaker and Members of the  
Legislative Assembly***

May Divine Providence guide you in your deliberations.

Madame la Présidente et membres de l'Assemblée législative, que la divine Providence vous guide dans vos délibérations.