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*Speaker: Honourable Ross Wiseman, MHA*

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(Night Sitting)

The House resumed sitting at 7:00 p.m.

**MR. SPEAKER (Wiseman):** Order, please!

The hon. the Government House Leader.

**MR. KING:** Thank you.

Mr. Speaker, I move, seconded by the Minister of Innovation, Business and Rural Development, that we adjourn debate at this time on Order 4, Bill 4, An Act to Amend the Revenue Administration Act No. 2.

**MR. SPEAKER:** It is moved and seconded that debate now adjourns on Bill 4.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, 'nay'.

Motion carried.

The hon. the Government House Leader.

**MR. KING:** Thank you.

Mr. Speaker, I move, seconded by the Minister of Innovation, Business and Rural Development, for leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act No. 3, Bill 7, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded that the hon. the Minister of Finance shall have leave to introduce a bill, An Act To Amend The Revenue Administration Act No. 3, Bill 7, and that the said bill be now read a first time.

Is it the pleasure of the House that the minister shall have leave to introduce Bill 7, and that the said bill be now read a first time?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, 'nay'.

Motion carried.

Motion, the hon. the Minister of Finance to introduce a bill, "An Act To Amend The Revenue Administration Act No. 3", carried. (Bill 7)

**CLERK:** A bill, An Act To Amend The Revenue Administration Act No. 3. (Bill 7)

**MR. SPEAKER:** This bill has now been read a first time.

When shall the said bill be read a second time?

**MR. KING:** Presently.

**MR. SPEAKER:** Presently.

On motion, Bill 7 read a first time, ordered read a second time presently, by leave.

**MR. SPEAKER:** The hon. the Government House Leader.

**MR. KING:** Thank you, Mr. Speaker.

I call Order 2, Concurrence Motion report of the Government Services Committee.

**MR. SPEAKER:** The hon. the Member for Exploits.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** Thank you, Mr. Speaker.

It is certainly a pleasure to get up and speak on the Budget Estimates for 2013. I had the privilege this year of Chairing the Government Services Committee. For the people who have not gone through it before, the Estimates committees are made up of different departments and made up of members of the House of Assembly. In our Estimates committees there was the Member for Humber Valley, the Opposition Leader; the Member for Kilbride –

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** Yes, of course.

The Member for Torngat Mountains; the Member for St. John's East; the Member for Mount Pearl South –

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** It must be a government member, Mr. Speaker – and, the Member for Bellevue.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** Not all the time will that particular member or any particular member make it to the Estimates meeting, Mr. Speaker. They will probably have other commitments. In that case they will use a substitute. It is conceivable there could be a number of different members. Although the ones I named here this evening were the official members, you can use other members on the different meetings and the different Estimates.

It is always a good exercise, Mr. Speaker, to do the Budget Estimates and to be able to sit here in the House of Assembly with a small number of people, with the ministers and their departments, their staff, and our colleagues in the House. There are questions being asked of the minister and his department of what is going on with the operations of that particular department. This year we had the Department of Finance, the Department of Transportation and Works, and the Department of Service NL.

I would like to speak on all the departments, if I can and if time will allow me. It may not allow me to do that, Mr. Speaker. We, of course, passed the Estimates without amendment, which means now it will go to a vote in the Budget. There are so many good things in the Budget this year that it is nice to get it out there.

Especially, I know where I came from out in the rural areas, what is important to the majority of people, which is the seniors out there, is our commitment to seniors, the Premier's commitment and this government's commitment to seniors, Mr. Speaker. Of course, the Minister

of Service NL, the Member for Lab West, confirmed last week actually our commitment to seniors and it was in the 2013 Budget. Some of the things that go unnoticed are the commitment and the investment we make in seniors, and what we can do to help out their daily lives.

One of the things the minister stated the other day was the discounts for seniors on different permits. For argument's sake, a big game licence went from \$40 down to \$26 and will stay there.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CRUMMELL:** My father is happy about that, very happy.

**MR. FORSEY:** Yes, of course. The Member for St. John's West as well as a lot of us in rural areas will tell you, Mr. Speaker, that the seniors, including the Member for St. John's West, his father is pleased with the reduction in the big game licence.

Just to name a few. All the big game licences, like bear licences went from \$30 down to \$20.55; salmon angling licences went from \$17 down to \$11.05; guide licences went from \$10 down to \$6.50; Province-wide seasonal Provincial Park permits went from \$20 down to \$13; the weekly fee, \$23 down to \$14.95.

I am naming some of these, Mr. Speaker, because I can get up and say, well we had reductions in permits this year and we are going to keep them down. Permits, once you get over one, if it is two it is permits. It is not a permit, it is permits. It could only be two, but it is a lot more than two.

**MR. MCGRATH:** Registration is 35 per cent.

**MR. FORSEY:** The minister will always remind me that registration is 35 per cent. Driver licences, Class 5 and 6, from \$100 down to \$65; photo identification cards, \$25 down to \$16; annual registration of passenger vehicles from \$140 down to \$91; all-terrain vehicles from \$50 down to \$33; snowmobiles, \$20 down to \$13; transfer of registered ownership, \$25 down

to \$16; a licence for a recreational trailer from \$38 down to \$25. There are more here, but those are ones that really are important to the seniors, the ones who are using it. It is very important.

Somebody just reminded me of something, Mr. Speaker. There are not a lot of Claytons in this House. Apparently, the Member for Terra Nova stood up the other day and did a statement on a gentleman who called himself Clayton, and he knows it. Well in here, I am Clayton and I know it.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** I must say, the gentleman who the Member for Terra Nova did the statement on is certainly well-deserving and does a lot for the national park and the people out in the Terra Nova area, without a doubt, Mr. Speaker.

Before I get into some of the other departmental stuff, I would certainly like to thank our Committee as well. As Chair, the Committee are pretty supportive of the exercise and the Estimates; they did a great job of showing up on time and, as well, the ministers of each department. I thank all of these people for their support. It went fairly smooth. There were very few arguments at Estimates; it usually goes fairly smooth – sometimes, not like the House of Assembly in the regular sittings.

Anyway, let's get back to the Concurrence and to the Estimates. Mr. Speaker, I mentioned earlier that it was the Department of Finance, the Department of Transportation and Works, and Service NL. Of course, Service NL takes in the Office of the Chief Information Officer and Public Service Commission as well. These came under the Service NL Estimates Committees.

One thing that I always like to talk about that came out in the Estimates is our investment in infrastructure. The Minister of Transportation and Works, like the other ministers, was there to answer the questions that were asked and why we did certain things and why we made the investments.

**AN HON. MEMBER:** He did a good job.

**MR. FORSEY:** Yes, he did a good job as well, absolutely.

Some of the things that came out – and I would like to let the people know that this was a very good Budget, there is a lot of investment going into infrastructure in this Province, and the District of Exploits is certainly one of the districts on the receiving end, Mr. Speaker.

When it comes to Transportation and Works, just to highlight a few before I get into maybe some of the district investments that sort of trickles down from the provincial Budget: \$59 million for provincial road construction projects –

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** Mr. Speaker, \$43.1 million to complete the last full season of paving on Phase I and commence widening and paving sections of Phase II and III of the Trans-Labrador Highway.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** Mr. Speaker, \$26.5 million to support several major Trans-Canada Highway rehabilitation projects, including work near Stephenville and Gander; \$20.6 million for the first year of construction of the Placentia Lift Bridge.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** There is \$10.4 million to finish the Conception Bay South Bypass, continue construction on the Team Gushue Highway, and complete land acquisitions; \$11.1 million for heavy equipment, highway depot, and salt storage sheds construction. I am going to keep going because I am going to come to one that I am interested in now in a minute, Mr. Speaker.

I am sure this one is important to some of my colleagues: \$76 million for vessel replacement, refit work, and improvements to marine terminals and wharfs, Mr. Speaker.

The department is receiving another \$77.6 million this year to support many of these road and bridge projects, including replacing the Little Barachois Bridge, the Spencer Bridge, Robinson's River Bridge, through agreements with the Government of Canada – but there is one particular one, and that is the Sir Robert Bond Bridge.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** That happens to be in Central Newfoundland, it happens to be in the District of Exploits, and it is a vital link for all the traffic and vehicle operators in the Province, not only in the Province but for Canada as well. It happens to be in the District of Exploits. It is going to be replaced, Mr. Speaker, starting this year at a cost of \$23.8 million.

Only recently, the Minister of Transportation and Works sent out the tender for the roadwork on both sides of the river that will need to be done before the actual construction of the bridge. That job is somewhere between \$10 million to \$12 million.

So, in itself, it is an important investment, it needed to be done, and the other good side of the coin is that this is money that is going to be spent in the District of Exploits, Mr. Speaker. I am really pleased with that.

**MR. F. COLLINS:** We love bridges (inaudible).

**MR. FORSEY:** We love bridges.

Mr. Speaker, before I go any further, there are a lot of good investments by this government, and it is good fiscal management. The things we are doing are what this Premier wants to do and this government wants to do.

We want to maintain good infrastructure. We want to invest in the right areas. I have to say, I listened to the other side while I am sitting here and it is great to be in Opposition. It is really great to be in Opposition. Because you will see, especially if you are watching the House of Assembly channel, you will see members of the

Opposition get up and complain that we are not spending enough money and then when we are doing the investments that we are doing and making key investments, they get up and say we are spending too much money.

Really, I do not know what their balance is because we cannot seem to please them. Now, I know they have a job to do. It is great to use excuses, but I think sometimes it is great if they used some corrective measures and came up with some good ideas as well – excuse me, Mr. Speaker, my throat is a bit dry and I seem to get that way when I am talking about good investments by this government across the Province.

**AN HON. MEMBER:** (Inaudible).

**MR. FORSEY:** No, I have a long ways to go, I say to the Opposition. I will never run out of good things to talk about.

There was and still is major investment in education. The reason I say that is because it is near and dear to the District of Exploits. We have been very fortunate by this government and the investments of this government. We have a high school in Bishop's Falls that houses almost 300 students and we have one in Botwood that houses over 300. This year, in April month, the tenders were awarded to two construction companies to replace the roofs on both of these schools for a cost investment of over \$600 million. This shows the sustainability that we need to provide a safe environment for our students and teachers. That is what we are all about: investing in the right areas.

In regard to running out of investments, I say to the Opposition if I can keep my voice, I will not run out of investments, far from it.

Mr. Speaker, the Member for Bay of Islands seems to think I am boring him, and I probably am because when you are talking about good things that the government does, it sounds a bit boring to them over there because they did not get the opportunity to do it when they were in government. I am reluctant to go back to those years anyway because I would like to talk about

today, what we are doing today and what we have done in the past few years, Mr. Speaker.

When I was elected, one of the big things out our way and in a lot of rural areas, I know we have had it on the Northern Peninsula, on the South Coast and in Central, and that was broadband and high-speed Internet. It is always an issue.

Well, Mr. Speaker, the Minister of IBRD made a presentation last week in this House that the Rural Broadband Initiative received funding of \$7 million in 2011, \$2 million in 2012, and Budget 2013 allocated another \$6.3 million over two years. This will bring the broadband access to 89 per cent of the Island and 95 per cent of Labrador.

**AN HON. MEMBER:** Fantastic.

**MR. FORSEY:** Yes, I need to repeat that one because a lot of people seem to think we are not doing anything for broadband. This will increase the access to 89 per cent on the Island and 95 per cent in Labrador.

**SOME HON. MEMBERS:** Hear, hear!

**MR. FORSEY:** It just so happened that in his release he talked about the areas that would receive the broadband. In the District of Exploits, the only two communities that were left out in the beginning are now included. That was the communities of Phillips Head and Point of Bay. They are very pleased with our investment in broadband, Mr. Speaker.

There are quite a few things that I can talk about. I would like to talk some more, but to be honest with you – I do not know, I think it is fly. I cannot seem to get rid of the dry throat.

**AN HON. MEMBER:** (Inaudible).

**MR. FORSEY:** No, no, I have lots of notes. I have lots of notes, Mr. Speaker.

Mr. Speaker, we have a great facility in the community of Botwood. It is called the Dr. Hugh Twomey Centre. I call it the jewel in the

crown. This past couple of years, this government invested. When I came on in 2005, the place was falling down. It was falling down. We have now invested over \$3 million into that facility. We have done upgrades there. We have done the roof there. We have added equipment there. We have upgraded the X-ray department there.

I was talking to the administrator a couple of months ago. He was saying: You know, Clayton, we are very fortunate now, we have everything brought up to standard here. I was wondering when this was going to be done because they were waiting for it.

Well, under this government, Mr. Speaker, it was done. So, that I am pleased. I thank the Member for Bay of Islands for reminding me of that investment. Sometimes there are so many of them you just cannot keep track of them. This Budget is about financial stability, and that is what this government is about and this Premier is about, Mr. Speaker. It was certainly a pleasure to Chair the Estimates of these departments again this year.

**MR. SPEAKER:** Order, please!

I remind the member that his time has expired.

**MR. FORSEY:** Thank you very much, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** The hon. the Leader of the Official Opposition.

**MR. BALL:** Thank you, Mr. Speaker.

I am pleased to be able to stand tonight and speak to Budget 2013. Of course, I have had a number of occasions now in the last few weeks since March 26, since Budget day, to actually do quite a bit of analysis on the Budget.

Most of the analysis we have had to do on the Budget, I will say, is coming from feedback from many people across the Province, whether it was about school board amalgamation that

was not planned, or if it was about cuts to public service. That really was not talked about much by the Member for Exploits as he mentioned his Budget 2013.

One of the things I have brought up a few times in the House is about this pamphlet right here, Budget 2013 and the five things you need to know about the Budget. What this pamphlet does not address is a number of things that this particular Budget does not address, I say, Mr. Speaker.

The member opposite made quite a bit of mention about the Estimates. I would say the experience from this side of the House participating in Estimates is always a good one. I must say I always find the staff and the information that comes from the Estimates questions, either from the minister or the staff, always to be very forthcoming. I would encourage anybody, if they are watching, to pay particular concern about the Estimates when it is Web cast or when it is televised in this House. For us, it is where we get a lot of the information.

I had the opportunity to participate in the Finance Estimates as well as Natural Resources, which includes forestry, offshore oil and gas, and of course agriculture. Many of those industries actually affect in a different way. In particular, forestry and agriculture on the West Coast in my own district is affected in a big way by agriculture, and indeed forestry. There is no question there are significant concerns right now within the forestry industry about how it is impacted by the state of the affairs in the forestry industry right now.

I want to speak just for a few minutes on the position that we have taken in these very stressful times when it comes to, in particular the employees and the retirees at the Corner Brook mill. In this particular Budget 2013, there was a commitment that would allow for a \$90 million loan, Mr. Speaker, to Corner Brook Pulp and Paper. That would be used to secure the pension plan for retirees and employees, as well as infrastructure into the mill, which is indeed the

foundation of the forestry industry in the Province.

There is a lot of concern and a lot of questions that get asked of us. We know that this is not a popular decision, Mr. Speaker, for many people across the Province. They have asked us why as Leader of the Opposition would you support this loan to a company like Kruger, and on the other hand make arguments why we would question an investment into a place like Roddickton.

Well, for us the difference would be – when I answer that question – number one, you get the guarantee. You get the security back. There are certain securities that are available to Corner Brook Pulp and Paper that we do not see, for instance, in the Roddickton pellet plant.

In Corner Brook, with the mill in particular, it is the foundation of the forestry industry across the Province. When you look at in particular the integrated sawmill industry, they provide a lot of what would be considered to be by-products to the mill to be used for fibre and other sources of bioenergy. That is then used to create a sustainable mill, a paper mill in this case in Corner Brook. It is the complete package.

That is the reason why, with the securities and the guarantees in place, I could say that once we have a loan repayment, certain conditions on the investments into the employees and the retirees, that this particular loan by government would make sense. The security and the guarantees would be there. That is the difference for me.

On the other hand, we have asked many questions about some of the other investments because we can see where some of the security and guarantees have not been necessarily taken to secure such loans. This particular Budget 2013 is a budget which has a revenue line of around \$7 billion I would say, with a total expense of just under \$7.5 billion. It would leave us near the end of the year with a shortfall of around

\$563 billion. That is the forecast. What we have seen from this year's Budget is a deficit this year, a deficit of about \$650 million for next

year, and then what government is forecasting is indeed a surplus for the third year.

Mr. Speaker, what I have seen here and what we have been told by many people who have been negatively impacted by this Budget is that there was not really a lot of discussion leading up to the Budget from the people who were affected. By that I mean, for instance, like school board amalgamation. We have asked a number of questions about school board amalgamation and the negative impact that would have on our Province.

We say: How do you reach this decision? How do you get to make a decision where you would go from five school boards, four English and one French, down to one English and one French? What would happen? That, to me, would be a very drastic and substantial decision to make; yet, you say, I am sure the government would not make this decision without consulting with the stakeholders, without consulting the people who were impacted.

It was not until we started hearing back from all the people, trustees, for instance, people who were involved in schools, and parents, that we quickly came to find out that this was a decision that was made within the Department of Education. Indeed, there were no consultations made with other people who were involved, for instance, stakeholders, trustees and other school boards across the Province.

In 2013, the decision was made to go from five school boards down to two. This will have an impact, there is no question. I have talked to many people, for instance, a lot of people who are involved in the day-to-day activities within schools, be it a high school principal or a teacher. No matter where it is people are concerned. People are concerned for a number of reasons. What I am being told is a lot of the administrative roles that are currently being done by the school board offices will be downloaded now to the schools and therefore it will take away from front line education within the schools themselves.

I would question this if I heard this just from one person, or two, or three, or four, but this has been a consistent argument that has been made from everybody we talk to. No matter which school we went into, no matter where we were, when we asked for feedback or when people came back to us with feedback on this the answer was always the same. The answer was that this will indeed affect front line services. That administrative roles and administrative capacity within the school itself would be impacted.

In Budget 2013, this is one of the decisions we seen that will have a negative impact on education. The amalgamation of school boards from five to two, four English and one French, will indeed have an impact on education in this Province. It will mean the implementation of programs – program developments will be impacted by this decision.

When you look at this and you look at, well, we made decisions on school board amalgamations in the past, how did we make those decisions? Well, it has been quite different, I say. For instance, back in 2004 when we went from – or back when we made the last decision to go from eleven school boards down to five, it was a much different approach.

What they did is they went across the Province. They had consultations. They had what I would consider to be meaningful consultations, input from various stakeholders, input from schools, from the trustees themselves. Therefore, they made the decision then to go from eleven to five.

Back in the late 1990s, when a similar decision was made to go to eleven school boards from an interdenominational school system, there was a commission that went around this Province and looked for feedback. That was how important this was seen. Even when we looked at teacher allocations across the Province, there were significant consultations done across the Province with teachers then, I would say, Mr. Speaker.

This approach in Budget 2013 was very different. It was a very different approach and

people were confused and upset, Mr. Speaker, because they were not included. They felt they were actually excluded from the process and not asked for their input at all. This was a disappointment to them.

We did not only see it with school board amalgamations. Right now, what we are given is just a matter of weeks or a few months to go from where we are, from five school boards down to essentially one English school board. People are questioning, can we even do this given the impact it will have on the school system? I will say it is going to be quite the task to get from where we are today, where we have been at the end of this year, to where this government intends to take us in September of this year.

Mr. Speaker, the school board amalgamation, there are still a lot of questions from a lot of people when you look at this, and not only teachers and trustees and students themselves. Again, what we have been asking for in the House of Assembly through Question Period, because this is such a big issue we believe that government really should take some time with this. Take a year and do the proper consultations with this before you make this significant change and therefore could actually set back education.

There has been a lot of momentum. There have been some strategic investments over the years with the money we have had from our oil revenue, and they have made some significant investments into education. I would not want to lose the momentum just by setting back and pulling back the consolidation of school boards as proposed in this Budget, Mr. Speaker.

As I said, in 2004 it went from eleven school boards to five. The number in 1996-1997 was actually from twenty-seven denominational school boards down to eleven. That was all done with considerable discussion, I would say. I believe not enough has been done in this particular case with this decision that has been made to the amalgamation of school boards.

Mr. Speaker, the school board amalgamation is one of the –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. BALL:** – impacts we have seen on education. We also know that the NLTA themselves have been very concerned about the school board amalgamation savings of around \$12.8 million. We all know, given the history we have seen with health authorities as we consolidated health authorities back a few years ago, the savings that were anticipated did not always come. As a matter of fact, there are a lot of people who would suggest when you do a review of the Budget you would see it actually cost more money.

Amalgamation is not a proven way to save money every single time. There is still a question about if the amalgamation of school boards in Budget 2013 will indeed have the intended impact that it would have. As a matter of fact, there might be an unintended consequence, I say, Mr. Speaker, as we get a negative impact on education.

Mr. Speaker, \$12.8 million is the anticipated savings, going from five offices down to two, and four English down to one. These are without consultation, I must say. With the objective and the decision already made, the transition team will be very limited, we believe, in its scope.

All of this would come when we have many studies out there. One of the studies that have been mentioned in this House many times now is A Pan-Canadian Study on School Board District Governance. They suggest that, indeed, what you need is solid, good, meaningful, and engaged school boards. With that you would have a better education system, Mr. Speaker. The school board amalgamation, as we said, is indeed seen to be as a negative impact for most people who have done the analysis on this particular Budget.

The NLTA, in some of the feedback and correspondence they have been putting out there and making public, are also concerned about school board amalgamation. They believe, as I said, just like the Pan-Canadian study did, that strong and effective school boards will mean that we will have a better education system. There is a letter that has been going around and it has gotten quite a bit of attention. They are concerned, too, when you look at the 160 positions that are intended to be cut within the NLTA and the impact this would have on our education system.

They are quick to point out that the provincial Budget has removed teachers, it has cut administrative time and the amalgamation of school boards, and there will be a loss. This is the letter coming directly from the President of the NLTA and it goes on to say that there will be a loss of specialist teachers in intermediate schools, a loss of numeracy and literacy support teachers, and a loss of learning resource teachers. In addition a large number of the teaching units – and this is important – which were provided under a needs-based portion of the teacher allocation model in previous years will no longer be available.

This is important because already we are hearing from a lot of teachers and a lot of parents, I would say, Mr. Speaker, about the impact of this allocation. Even on Friday of last week I had a young family who came into my office in the District of Humber Valley, came in and expressed concern of how important this particular allocation has been to the education of her son for many years now.

Now to think that this could be gone simply because of a Budget cut with really not a big significant amount of savings, and when you think about the impact that it could have on education, there is no question; we have to ask that question. We will continue to ask that question on behalf of families, parents, and teachers in this Budget as a result of Budget cuts in 2013.

Mr. Speaker, there are many other things that I want to talk about in this particular Budget. It

seems to be one of the things that surprise many people in this particular Budget is how far-reaching and how broad these Budget cuts have been. It seems to be that no matter where you go everybody knows of somebody that has been impacted by this Budget.

We have received many calls over the last few weeks from individuals – some of them have been around and have held government positions for many years; people who have been in positions for thirty years are now without a job. You say: Well, how could that happen?

This particular story was one that came to me of an individual who had twenty-eight years working in the public sector, took a supervisory job, and then the position was considered to be redundant. Therefore, in this particular case, the person was out the door and now has to wait where he can get himself into a position where he could actually retire because of age.

Mr. Speaker, these cuts have been far-reaching, they have been broad, I would say, and every particular region and lots of communities within our Province have been impacted by those 1,100-plus cuts that we have seen through the public sector. That is on top of – and we should not lose sight of this – the 226 EAS employees who we saw cut back in early March. These were people who were really essentially waiting to see where they would be, waiting for an extension in their contracts who late on a Friday afternoon were notified that their positions were no longer available, that indeed those offices were cut.

Now when you look at the Advanced Education and Skills department, when you add the 226 employees who were really supporting and working in conjunction with the AES offices, these supports are no longer available. You do ask yourself the question: Where will this work be done?

If you look at the Noseworthy report – and we have brought some attention to this in the House of Assembly today – this indeed is a very scathing report of the activities within the Advanced Education and Skills department. If

you read this report you do not really need – it is an extensive report; one that government paid Mr. Noseworthy \$150,000 to complete. It is very extensive, I would say, Mr. Speaker, and we have been working our way through this.

All you have to do if you really want to get some good oversight, and I ask all members to do this, just go and read the executive summary. You will see just by the remarks of the former AG and the former Progressive Conservative candidate what he said about the Department of Advanced Education and Skills. It is a very scathing report.

**AN HON. MEMBER:** What did he say?

**MR. BALL:** Essentially it says it is a very dysfunctional department right now that really lacks communication. We have various sectors of this department working within silos, about seven silos he is saying there. Indeed what we are seeing is overlap –

**MR. LANE:** (Inaudible).

**MR. BALL:** Indeed I am quoting John, I say to the Member for Mount Pearl South. I am quoting John Noseworthy the former AG, the former candidate, and the author of this executive summary. I would challenge the member if he would just go and read this report, he would see that when you stand up and then you go in and you promote the layoffs and the closures of the EAS offices, you might want to take a second look at what is going on there.

Just to think that this is the very department that has made the decisions around the cuts to CNA, the College of the North Atlantic. This was the same department that decided that the ABE program should be cut because it was costing more and they felt that it could be delivered cheaper at a private school. When you look at his own comments around this you will see –

**AN HON. MEMBER:** What did he say?

**MR. BALL:** There was a lot that he said about ABE; there was a lot that he said about a lot of things there. As a matter of fact, he went to

make eighty-seven recommendations and went on to even put forty-seven Next Steps into this report.

We ask the question today: Where are we with this? It is very important. If you are ever going to get this particular department back on track, or on track at all –

**MR. A. PARSONS:** Back on track? It was never on track.

**MR. BALL:** It was never on track, I would say, as my colleague there whispers in my ear. He would say it was never on track. As a matter of fact, if you read the report, you will quickly find out that indeed that is right. It was never on track. Indeed, this was a department that was put together and that so-called morphed over many years. What we have now, as the former AG quite rightly points out, is a very disjointed and dysfunctional department that is really not doing the job it was meant to do.

**AN HON. MEMBER:** You are brave saying that (inaudible).

**MR. BALL:** The member opposite says I am brave saying that. I do not mind saying this at all. I could actually read this no matter who was there because these are not my words. These are the words of the person who this government paid \$150,000 to complete the report. These are not my words. These are your words. This is a report that was given to government. This is the words of the author here.

If you have to ask questions, I would say just e-mail Mr. Noseworthy, the former AG and the former candidate for your government, Mr. Speaker. Just e-mail him and see if he still feels the same way. Those eighty-seven recommendations that I am telling you there, these are his words. These are not my words. We are just analyzing and going through the executive summary here.

If you took the time to go through the 300-plus pages, you will see a lot more words and a lot more examples of things I can only touch on tonight, I would say, Mr. Speaker. I am not

going to go through all the forty-seven Next Steps tonight, but there are a quite a few.

**MR. LANE:** (Inaudible).

**MR. BALL:** Now, I know the Member for Mount Pearl South is over there and he asking me to go through all the Next Steps. Well, maybe we should then. Maybe we will go through them.

Listen to this one. This is one. This is Next Step 3, “Develop a comprehensive implementation plan for all change related activities.” Now, you tell me where this government leading up to Budget 2013 has done any planning at all, let alone just for the planning of the Department of Advanced Education and Skills. There is no planning at all, I would say. That is the reason we are in the situation now where we have seen school board amalgamations.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. BALL:** We are seeing the NLTA with 160 positions gone. We are seeing wildlife enforcement, wildlife management, and all those people who have been laid off because there has been no planning.

Mr. Speaker, I would say that even in our Estimates we asked a question about the Public Service Secretariat, and where we were, as an example. They are anticipated over the next three years to lose 25 per cent of their workforce. This year, what have we done? We have had about 1,100 or so employees who have been let go.

If you look at over the next three years you are going to lose 25 per cent of your workforce, what is going to happen? You have laid off, you have let go, some of your junior people right now, Mr. Speaker. Well, guess what? In the next year or two you are going to have to hire people because you are going to have a retirement. You are going to have 25 per cent of your current workforce retiring.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

The Speaker has recognized the Leader of the Official Opposition. I ask members to listen in silence.

**MR. BALL:** Thank you, Mr. Speaker. Thank you for your protection there.

These are forty-seven –

**SOME HON. MEMBERS:** Oh, oh!

**MR. BALL:** This is very serious, I say, Mr. Speaker. This is very serious what we are talking about here tonight, because the Department of Advanced Education and Skills is a department we have made significant investment in and it is important that we get it right.

When we have the former AG coming back with a scathing review – which took him, I believe, almost ten months to report back on. He spent considerable time on this. Time, I would suggest, that should have been done in advance of the department setup. That was in the opinion of most. When you look through that you will see we have a department here that even within the department itself, we have employees who really do not have information systems that can integrate with each other. That is where it is.

If you are into Income Support and you want to talk about getting people into the labour market, there is really no one who follows the individual or the client through to every step along the way. There are people actually getting lost within the system itself, and there is a lot of duplication that the former AG talks about, Mr. Speaker.

I would encourage members opposite, and all members of this House, to read this report because it is very extensive, as I say, Mr. Speaker. It gives us quite an overview and suggested a lot of changes would need to be made within this department.

Now, Mr. Speaker, there are so many other things to talk about, but I do want to talk about the department of wildlife enforcement and management. I have mentioned this before in the House. Even over the weekend, we know now that this department itself, with the limited number of staff it has, and with the significant layoffs we have seen within wildlife, both in enforcement and management, that we know – and we know the reason why a lot of people come back to our Province to retire is simply because they enjoy the lifestyle of what this Province has to offer.

It is really part of the lifestyle of all of us as Newfoundlanders and Labradorians. I know I, for one, certainly enjoy whenever I can get the opportunity to get out and enjoy our wildlife and enjoy the scenery and the landscapes that this Province has so readily available to us. So it is important that we do whatever we can to protect that, and we protect that by putting proper management plans in place for things like wildlife or things like our environment.

When we see reductions in those areas – and I can imagine the Minister of Tourism, when this decision had to be made within his department, because these are things we want to highlight. We want to highlight the fact that this is a great Province. This is the pristine views and landscapes, as I say, that it would have. No matter where we go we hear people talking about what this Province has to offer. Now, if we do not put proper management in place to protect these resources, Mr. Speaker, well then we know what will happen. We can see that, and there is no question.

I know when we looked at the fish and wildlife enforcement division within Natural Resources, what I understand is that when the enforcement was put in place there were seventy-two positions there. Some of those positions were never filled. Right now there has been – even prior to the Budget there were a number of vacant positions. Now we are down to, after Budget 2013, about twenty-four people who are actually in place, and fifty-four prior to the Budget. So, these are significant cuts. I

understand that some of the seasonal workers will come back in.

When you look at the value of this resource, when you look at what this means to people in this Province, I say, Mr. Speaker, this is indeed not enough. We have all heard the stories. People in this Province have heard politicians, either the Opposition members or people in the media talking about having one, for instance, enforcement officer north of Rocky Harbour.

Now, Mr. Speaker, for those of us who have been in that area, and I have been up there many, many times. As a matter of fact, it is where I go. Roddickton is an area that I love. We have always looked forward to going to the Roddickton area every fall, because that is the area that we go to.

**AN HON. MEMBER:** You love Roddickton.

**MR. BALL:** Mr. Speaker, I do. I do love Roddickton, I say to the member opposite. It is indeed one of the beautiful parts of the Province, I say. When we go there, there is no question we have seen a significant difference in the amount of wildlife that we have seen over some fifteen years now.

So, enforcement and management is an important piece of that. Whether it is Roddickton or if it is in my own district of Humber Valley, or any of the member's opposite districts, this is important. When you see one wildlife enforcement officer when you go north of Rocky Harbour, it is not enough.

**MR. JOYCE:** How many?

**MR. BALL:** Just one, I say to my colleague, just one.

**MR. JOYCE:** Just one?

**MR. BALL:** That is it. That is what we have there available right now.

Mr. Speaker, there is no doubt; if we are going to put proper enforcement in these places we need to be able to put the proper people on the

ground. As a matter of fact, many of the people who have been working with a number of departments, including this department, have told me that it is virtually impossible to put effective programs in place that would be safe without the proper number of officers available, and I have not really talked about the management piece of it yet.

These enforcement officers are not only just for wildlife, what we think of moose, caribou, black bear and all those sort of things. They also take part in inland waters, which would be our fish, salmon, trout, for instance, I would say, Mr. Speaker. They are even involved in ATV legislation right now and snowmobiling, and on and on it goes.

It is not just the fact that they are actually enforcement officers, they do many other things. As a matter of fact, having them on our resource roads, having them out there in the field themselves, just being visible means a lot to keeping our poachers and so on, people who would abuse this resource, keeping them at bay, Mr. Speaker. More than that, we have other industries that are negatively impacted if we do not manage and do not put the proper enforcement in place.

As an example, Mr. Speaker, the outfitting industry is one industry that can bring in significant revenue to our Province. Indeed, having the outfitting industry protected so we can properly manage our wildlife, manage that resource, Mr. Speaker, is important to all of us because this is something we need to promote. It is something that people from outside this Province look forward to coming to and participating in the outfitting industry in our Province.

Again, as I said a few minutes ago, it is a reason why people decide to retire here. We all have friends, I am sure, who have been living away and every summer they come home and this is one of the things they would enjoy. When you would speak to them and say, where do you plan on retiring? Where do you want to retire? Well, they want to come back home, Mr. Speaker, and one of the reasons they want to come back home

is because of the lifestyle that we have to offer here. I would say many members opposite have friends of theirs, relatives who could say the same thing, Mr. Speaker.

It is about lifestyle. It is about protecting the outfitting industry. It is about protecting our tourism asset and it is about creating a lifestyle so that people can come back home and enjoy their summers, their winters and the fall of the year living in Newfoundland and Labrador, protecting that resource that we all hold dear to our hearts, Mr. Speaker.

One of the questions I have asked people who have been involved, where are we? What would you compare this to? A lot of people have said, well, looking back in their memory they would put us at staffing levels at about where we were in the 1980s, Mr. Speaker. Just imagine going back into the 1980s. I could not imagine what a budget would be in the 1980s.

Here we are with a \$7 billion Budget, considered to be a have Province, I say, and promoted to be a have Province.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. BALL:** – and going back to 1980s levels of staffing.

Mr. Speaker, as I said, there is even a question if we could actually deliver this program in an effective way. Working conditions, from people who I have talked to, are just not safe and even to the point where they just wonder if we can actually put enough people in the field to put in effective programs.

We have seen so many cuts, and I have a full list of them here, when it comes to EAS workers; when it comes to the RED Boards over the last year, this government's involvement in the RED Boards, the Regional Economic Development Boards, as we pull our funding in advance of the federal government pulling their funding, that announcement came last year, and our 25 per cent of the funding was pulled in advance of the

federal funding; changes in our dental plan – and when you talking about planning, I say, Mr. Speaker, this is a prime example of what would have normally been a good initiative now we seen that we have had to pull that back this year.

We have seen changes, for instance, in health care, the laser treatment. This was not seen to be a cosmetic treatment. There are people who needed this treatment because of acute care, people with Lupus. There have been so many other cuts, from ABE to the College of the North Atlantic. Every single site with the College of the North Atlantic in this Province has been impacted by this Budget – every single site in this Province, the college system that we have all taken great pride in over the years.

Now we have seen cuts in every single department, and it has been much more than ABE. From the Electronics Engineering course in the College of the North Atlantic in Corner Brook, for instance, it was the only site that offered that course on the Island. What we have seen here were twenty students per year, sixty students enrolled in the program, and that was the capacity. There was no doubt enrolment was down but what needed to happen – because people were getting employed. As they graduated from the College of the North Atlantic, this Electronics Engineering program, they were finding work. They were finding work with NAV CANADA, they were finding work within Nalcor, and they were finding work in a number of places. As a matter of fact, their graduates were sought after. They were coming in and being recruited. Here we are with that program now closed down at the College of the North Atlantic in Corner Brook.

What should have happened? People often say: What would you have done? What needed to happen was to go in and speak to those people who were involved and say: How do we get this enrolment up? There is a way to do that. There has been very little marketing done on that program, even though all the graduates are being sought after, I say, Mr. Speaker.

There are so many others, when you look at the school board amalgamations, cuts – one, I must

say, that we have received and we get significant feedback on now is the cuts to the West Coast Training Centre in Stephenville. Yes, that is a significant cut. It is actually closed up. Right now we are hearing – every day, really, we get e-mails from people who have been impacted.

I got to be honest with you; I did not realize the value of that particular training centre to the community, to Stephenville, until we started getting feedback from those people, and it has been significant when you look at the people who consider this to be an important piece of their community. People have even made decisions where they decided to live based on having this type infrastructure in place, I say, Mr. Speaker.

I have already touched on a lot of the things here: Family Violence Court, the Crown prosecutors, and on and on it goes. It seems to me it is almost endless here – circuit courts.

The fees, for instance, is one thing I have not really talked about so far tonight, Mr. Speaker. Throughout this whole Budget we have seen an increase in fees in ferries, increase in fees to licences, to entrance to historic sites, I say, Mr. Speaker, even to hospitals where we have seen semi-private rooms, I believe it is, a cost increase just to be there. There is the wildlife management, the wildlife enforcement, as I have mentioned, and on and on it goes – just the layoffs.

One thing that we really have not discussed a whole lot but –

**MR. JOYCE:** Introduce one tonight.

**MR. BALL:** Yes, there we go; there is one that is going to be introduced later on tonight when I talk about fees, Mr. Speaker. This is going to be Bill 7, An Act To Amend The Revenue Administration Act No. 3. This bill will amend the Revenue Administration Act to impose a fee of \$50 for clearance certificates.

So here we are going to be what I believe was \$5 –

**MR. JOYCE:** Five dollars.

**MR. BALL:** Five dollars now, up to \$50 for this fee. So even at the \$50 level, this is where this Budget has gone, I say, trying to find those extra dollars.

There have been so many other areas that I would say here – the list goes on and on. I was going to mention here, what we have not discussed much of, is when you take people out of the system, when you take 1,100 people out, you lay them off, what happens, it is certainly what we get – and I have heard this from people already, from business owners, especially people who would be in car dealerships, for instance, or someone who would be into selling things like recreation, ATVs and snowmobiles and those sorts of things, they feel what happens is that people's confidence gets shaken.

When you take 1,100 people out of the system, then we are being told these people can actually transition into this so-called red-hot economy. Well, indeed, that is not the case. It is very difficult for teachers; it is very difficult for some of those people to transition into this so-called red-hot or white-hot economy.

I would suggest it is red-hot, simply because it was a red Liberal government that put this revenue in place for this government. They were the ones who negotiated those particular developments right now; that oil – that mining, for instance, at Voisey's Bay. This is where the source of revenue right now – in terms of revenue, I would agree, these are the best of times. When you get \$7 billion coming into this economy largely from Liberal initiatives, Liberal developments prior to 2003, this is where most of this revenue has been generated.

The list, as I said, goes on and on. There are so many other things here that we could talk about. What I want to talk about, even though it is not strictly in this particular Budget, is the comprehensive economic trade agreement which is not something that is not widely known; it is certainly not widely discussed. It is an issue that we did bring up with a former federal minister just to get a sense on where this is going. I

believe that this is something that we really need to take and get it on the radar of all provincial governments.

In Quebec, I understand right now, what they have done is they went around the province and had public meetings trying to get input on what the impact of CEDA, as it is widely known as, this comprehensive economic trade agreement, what the impact would be, I say, Mr. Speaker.

What we know, what we are hearing right now, is that it has a significant impact on not only health and fisheries, but there is a concern about the investment dispute settlement on how the negotiated benefits by foreign investors, how this would all happen. There seems to be, the only response would be, is that we would never sign an agreement; we would never enter into an agreement unless there were benefits. When you go looking for the benefits, when you ask the question: Where is this negotiation? There is not a lot of information forthcoming.

As an example, for instance in health care, one of the things that is being suggested that is at the negotiating table and being discussed is what would happen around patent medicines. Indeed, it is seen that the Europeans would like to see patent laws extended

What that would mean is that the lower cost generic drugs would not be as readily available to our health care system. I have seen numbers up as high as \$90 million to the national health care cost and we would know that certainly our Province would have to share in some of those costs if, indeed, this is what it is meant to be.

What I would say to the minister responsible is that make sure that we are in the loop, let's not leave this to a national negotiating team, that we are there asking questions and let's make sure that we do get benefit for this Province, rather than just base our decisions on some assertions that are really not proven, I say, Mr. Speaker. These assertions that we are hearing out of the federal negotiating team are not really proven. Indeed if our patent laws are going to be extended, well then this could have a

tremendous impact on health care costs in this Province, and the fishery as well.

To see the removal of tariffs, for instance, on shrimp exports in return to access to the resource, Mr. Speaker, we need to be very careful. Mr. Speaker, this is something as I said that is really not on the radar right now. There are a lot of questions. We understand that this negotiation is drawing to a close and it is an area where I believe we need to have more input.

Mr. Speaker, there are so many other things. I want to talk about the college again, the College of the North Atlantic that is, and what we have seen, the significant impacts. All of this, I would challenge, anybody who was putting this Budget together if there was any discussion from the people who were going to be impacted by these decisions within the college. I have talked about the Electronics Engineering; I have talked about ABE, and all the other programs.

It is not until you talk to and you see the number of e-mails – based on the information, the feedback that we have been given on this Budget, from e-mails that have come from individuals, it has been the ABE students who we have received the most e-mails from. They have given us the most feedback.

I can tell you now that I have yet to receive one e-mail, one response to this at all, who are satisfied with the changes that they have seen coming –

**MR. JOYCE:** The AES workers.

**MR. BALL:** That is true, Mr. Speaker.

This particular program has been a very significant program. It has provided significant benefits, I would say, to the students, not only to the students – I can tell you now of a story of a young mother who came to me and told me the story about the impact that it had on her life. She was from Central area. The story did not stop there. She went on to tell the story about how it impacted her two daughters and what that has meant to them now.

They went on, they have now improved their education, they went to school themselves and now we have three individuals there as a result of the decision that was made by the mother in this case, how she inspired her own two kids to further their education. Right now, we have three people in this one family who are now contributing to society, paying taxes. They have jobs now where they are making good money. They never had it better. All of this started because of going through an ABE program, Mr. Speaker, that was in a location that they could actually access quite easily. It was a good result; there is no doubt about that.

Mr. Speaker, as I am about to finish up and finish my remarks for tonight, I want to talk just for a few minutes about the 10-Year Sustainability Plan and when you look at this, when you look at it ten years into a mandate, that indeed we are just getting into a 10-Year Sustainability Plan.

They went in government in 2003. Now, all of a sudden, we come up with a 10-Year Sustainability Plan. Mr. Speaker, I would hope that the lesson we have learned from all of this is that every single Budget should be about sustainability, every single Budget should be about viability, and every single Budget should be about affordability; but before we make those decisions, we need to know that we go and we get input from the people who are being affected. We need to know that, Mr. Speaker, and there is no doubt there are people who could have offered solutions to some of these decisions who were never impacted.

Mr. Speaker, the 10-Year Sustainability Plan, as a result of the core mandate review that we have just come from and now we are getting back to, I guess, a determination of where we were with our so-called core employees, this year will be a review of our pensions, a review of Memorial, our university, and a review of the college system and then back to surplus. Then, as we look back –

**AN HON. MEMBER:** (Inaudible).

**MR. BALL:** 2015, thank you.

**MR. O'BRIEN:** No more Liberal AGMs in my district.

**MR. BALL:** The MHA for Gander talks about no more Liberal AGMs. I can tell you, we will be happy to go Gander. We do not need an AGM to go to Gander. We look forward to going to Gander any time we want. As a matter of fact, I would say to the member, we are getting lots of invites to go to Gander, especially from the water bomber crew, especially from the

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**SOME HON. MEMBERS:** Hear, hear!

**MR. BALL:** There are a lot of people. The school boards have been inviting us out there. There are lots of people out there who are very disappointed with the loss of that service in their community. As a matter of fact, some of them have even said: Where is the MHA? Where is the MHA, Mr. Speaker?

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER (Verge):** Order, please!

The hon. the Leader of the Official Opposition.

**MR. BALL:** Thank you, Mr. Speaker.

I would say that the school board amalgamations are not only affecting communities like Gander; it is affecting communities like Corner Brook. It is affecting lots of communities and lots of schools around this Province. It is impacting a lot of individuals, Mr. Speaker. It is not just the community of Gander; it is every community that has been impacted by this Budget.

Mr. Speaker, I am going to conclude my remarks tonight on Budget 2013 and I know there are a few more minutes. I can continue to go; there are certainly lots more in this particular Budget, I say, that we can actually talk about. I can go on and on, of course, about the Advanced Education and Skills department because there is a lot within that department. Maybe, at a later date, I am sure I will get the opportunity to have a lot more to say about that report in the upcoming days.

Mr. Speaker, for now, I will conclude my remarks on Budget 2013 and I look forward to the debate and the discussion from members opposite.

Thank you.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** I recognize the Member for Mount Pearl South.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANE:** Thank you, Mr. Speaker.

It is certainly a pleasure for me to stand up this evening and to speak to the Budget Estimates and, in particular, the Government Services Committee.

Mr. Speaker, it seems like every time I stand up in this House to speak I always have a number of points I want to speak to, but I always get distracted. I always get distracted by some of the stuff I am hearing from across the way. Now, normally, Mr. Speaker, I have to say, it is coming from the Third Party. I am not going to reiterate all of the points that I have made in the past about the Third Party. I am not going to reiterate the point, Mr. Speaker, that they are now known as the no development party. I am certainly not going to reiterate the point that they want to tear up all the oil contracts. I am not going to reiterate the point they are against fracking on the West Coast. I do not want to reiterate the point they voted against Muskrat Falls, and by default they voted against all the mining that was going to take place in Labrador, Mr. Speaker, and all those good union jobs.

I will not reiterate those points, Mr. Speaker, but I do want to address a point that the Leader of the Official Opposition just made. He was talking about the economy. He said the economy was white hot. He said: No, you know what? It is red hot because it was a Liberal government that made it so hot.

Do you know what? The only thing red that the Liberals left the people of Newfoundland and

Labrador in 2003, were the books. That is what they left, the books. We were in the red. They had the Province on the verge of bankruptcy, I say, Mr. Speaker.

The Province was on the verge of bankruptcy. The infrastructure was falling to pieces. The roads were falling to pieces. The bridges were falling to pieces. The ferries were falling to pieces. The schools were full of mould. The health care facilities were crumbling to the ground. That is what they left. So we certainly do not need to sit here and take any lessons from the Liberal Party about how to run this Province, Mr. Speaker, I can guarantee you that.

**MR. A. PARSONS:** A point of order, Mr. Speaker.

**MR. SPEAKER:** Order, please!

The Opposition House Leader, on a point of order.

**MR. A. PARSONS:** I will just ask the Member for Mount Pearl South what colour the books are this year, Mr. Speaker, if he could answer that.

**MR. SPEAKER:** Order, please!

There is no point of order.

The hon. the Member for Mount Pearl South.

**MR. LANE:** Anyway, Mr. Speaker, with that said I am going to carry on. I am going to talk about a few things that I see in this Budget, some very positive things.

I think we have to recognize, Mr. Speaker, it is not always about all of the new spending, and there is certainly going to be new spending. There is new spending here in this Budget, but it is also about maintaining the spending. It is about maintaining the services we are providing. We know the state of this Province in 2003 –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. LANE:** We know what it was, Mr. Speaker, and we know the investments that we have made in Newfoundland and Labrador and we are proud of each and every one of them. In addition to the infrastructure that we put in as a government, we have also invested in so many services. We have enhanced so many services, and we continue to invest in those services and maintain those services, Mr. Speaker. We certainly have nothing to apologize for in that regard.

I hear people talking about waste. I hear people talking about wasting money, about squandering money. Well, I would say to anybody, Mr. Speaker, talk to the people on the South Coast and ask them if they think the money we invested in aquaculture, ask them if they think that was squandering money.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANE:** Ask the children, Mr. Speaker, who now have brand new schools to go to with the latest whiteboard technology. They have the best teacher ratios of any province in this whole country, Mr. Speaker. Ask them if they think that is a waste. Ask the students at Memorial University who have the lowest tuition fees in the country, ask the students at CNA who have the lowest tuition fees in the country. Ask the students about the student aid package, Mr. Speaker, the best student aid package in the entire country, ask them if they think that is a waste of money.

Ask the people, Mr. Speaker, who avail of health care services in this Province and the improvements we have seen in wait times for knee-hip replacement, the improvement we have seen in terms of the emergency rooms. Ask the people who are availing of dialysis in the units all around this Province. Ask them if they think that is a waste of money, Mr. Speaker.

Ask the people with the two new ferries. We talk about ferries, two new ferries this government put in place at \$27.5 million a piece, the first time in twenty or twenty-five years that there was ever a new ferry. We now have two more new ferries in the hopper, Mr. Speaker, to

be built. We have one ferry that is going to be for the people of Fogo Island. We have another one that is going to be a swing vessel. There is also work being done on some of the smaller ferries, for some of the other smaller areas of the Province. We are very proud of those investments. We do not back down from those investments, and I do not think none of those are a waste of money either.

I look at my district, Mr. Speaker, and I look at the money that has been spent in Mount Pearl and in the surrounding area. I look at only a few months ago the City of Mount Pearl received \$6.1 million in multi-year capital funding –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. LANE:** - \$6.1 million only a few short months ago in multi-year capital funding.

Now, Mr. Speaker, with the new arrangement that we have for municipalities, the City of Mount Pearl is now going to get another \$3.5 million in capital spending. We just received that as well. Not to mention the fact that it was this government that implemented the new cost-sharing ratio of seventy-thirty. It used to be fifty-fifty on all infrastructure capital works and we improved it to a seventy-thirty ratio, 70 per cent provincial paid. That has put a lot of money into the City of Mount Pearl and to all the municipalities, Mr. Speaker.

I look at the multiplex that is being built up there by the Reid Centre, a brand new swimming pool facility, indoor walking track. We just built a second Glacier Arena. We now have two arenas up on that site – a tremendous investment.

I look at the investment that has occurred down at the Team Gushue Complex, Mr. Speaker, with the outdoor facilities, with the new softball field, the baseball field, two soccer fields, artificial turf, a lit field, a new soccer hut. I look at all the investment that has taken place there.

I look at the investment that has taken place in the region that Mount Pearl avails of, whether it

be at the Robin Hood Bay facility, whether it be at the Waste Water Treatment facility down at the Southside, or whether it be the improvements and the expansion of the water system at Bay Bulls Big Pond, Mr. Speaker. This government contributed to all of those things.

Look at highways, Mr. Speaker. We look at the Team Gushue Highway. A very much needed project in our region that this government stepped up to the plate and is getting that work done. We look at the Torbay Bypass road, another one down in the district here of my colleague from Cape St. Francis, the great tremendous addition that is to the infrastructure, Mr. Speaker.

We have been investing. If you drive anywhere, Mr. Speaker, across this Province and you compare it now to what it was a number of years ago you would see a tremendous improvement. You can get on this highway and you can drive from one end of her to the other, Mr. Speaker. We have a fantastic highway system.

Now, Mr. Speaker, does that mean we have an endless supply of money? Does it mean we have that illusive money tree that I have referred to in the past that the NDP seem to think they have? I am starting to wonder about the Liberals, if they think they have one, too.

Mr. Speaker, there is only so much money to go around and everything cannot be done at the one time. That is why we continue to chip away at it. We continue to make improvements in our services. We continue to make improvements in our infrastructure.

Mr. Speaker, I know the Leader of the Third Party is heckling me there now because she does not like to hear it, but that is fine. I do not care if she likes to hear it or not, because she is going to hear it.

The reality of it, Mr. Speaker, is that as a government we are making these improvements in our services, we are making these improvements to our infrastructure. We are doing it for the people of Newfoundland and

Labrador. We are doing it in a responsible manner. That is the way we operate. We are not prepared to set this Province back as the NDP would have us do by putting us in the hole, by tearing up contracts, oil contracts and not doing any development and sinking us to the bottom of the ocean.

**MR. KENT:** Tax and spend.

**MR. LANE:** Tax and spend philosophy of the NDP, tax and spend. God help us, if the NDP ever took over this Province, I am telling you, Mr. Speaker, Newfoundland would sink so far down, and we would sink so deep we would have to swim upward to see the *Titanic*. That is how far we would sink.

Mr. Speaker, in terms of some of the good things we are doing, another thing I want to emphasize is paying down debt. We have paid down approximately \$4 billion, \$4 billion with a B, on our debt, Mr. Speaker.

**AN HON. MEMBER:** (Inaudible).

**MR. LANE:** Somebody is asking me: How much did the Liberals pay on the debt? Well, they did not pay anything it. All they did was kept adding to it. They kept adding to it and adding to it and adding to it and nearly bankrupted us. That is what they did, Mr. Speaker. We paid down nearly \$4 billion. We have also paid down in the last number of years, \$4 billion – with a B – on pensions. That is \$8 billion we have paid on debt; \$4 billion on direct debt and approximately \$4 billion on the unfunded liability for pensions. Thank God we did.

We still need to have a conversation about the pension plan. We absolutely do. We hear people say hands off. We have heard some of the leaders of some of the unions say hands off the pensions. Do you know what? The reality is that if we go hands off the pension, there will not be a pension. That would not be the responsible thing to do for our employees of our public service. We need to have that conversation, but in the meantime, we have stepped up to the plate and we have paid down

significant money on the debt, Mr. Speaker. Do you know why? It is because that is the responsible thing to do, Mr. Speaker. Some of the other areas that I can think of – tourism; let's talk about tourism for a second.

**AN HON. MEMBER:** (Inaudible).

**MR. LANE:** My colleagues want me to talk about shrimp shells. We have talked about that and pellets and so on. Of course, we all know that was another one of the plans that the Third Party had. Instead of doing Muskrat Falls, they were going to burn shrimp shells. They were going to enter into a public-private partnership with Long John Silvers and they were going to burn shrimp shells at Holyrood.

Mr. Speaker, this government is about acting in a responsible and realistic manner. You have to be in touch with reality. We are living in Newfoundland, not Disneyland. We are moving forward with Muskrat Falls for all the right reasons.

As I was saying, Mr. Speaker, some of the other things that we are doing: tourism – we have such a beautiful Province; we have so much to offer to tourists. I think this government, over the last number of years, have made tremendous investments in tourism in terms of all of the promotion, all of the advertising and all of the things that we have done in terms of infrastructure around tourism and grant funding to different organizations so they can maintain some of the sites, so we can get work done on those sites. We have a beautiful product to offer people, and they are coming, Mr. Speaker. They are coming in droves. The reason why they are coming in droves is because of the great work we have done in our tourist industry, in partnership with the tourism association, and all of the investments we have made into marketing our Province.

That is another positive, and we are going to put \$17 million into tourism again this year, Mr. Speaker. What a significant investment: \$17 million. I think in 2003 what were we putting in, \$17,000, I wonder – I am not sure if we were

putting in anything. We are putting \$17 million into tourism, Mr. Speaker – very positive.

We talk about the fishery. I am not going to talk long about the fishery because, quite frankly, the only fishery in my district is the few brown trout that is up in Power's Pond. I do not profess to be any expert –

**MR. KENT:** That is not in your district.

**MR. LANE:** The member next to me reminds me that is actually not in my district. My city, part of the city that I represent, we have some trout in Power's Pond. We also have some in Tyrrwitz Brook which I think crosses over into both of our districts. Anyway, we do not have a lot of fish in Mount Pearl, but we all have a connection to the fishery. We all have that connection to the fishery. We all relatives and so on from all over rural Newfoundland who have a connection to the fishery, and the fishery is very, very important to the economy of Newfoundland and Labrador.

Despite some of the negativity that you hear from certain members, particularly the Member for St. Barbe who seems to be always dumping on the fishery, dumping on aquaculture, dumping on the wild fishery on an ongoing basis, the fishery is bringing \$1 billion to Newfoundland and Labrador. We have made significant investments in the fishery.

Can we keep businesses open that are not viable? No, we cannot. Can we assist businesses such as fish plants in terms of marketing, in terms of modernizing their plants and so on? Absolutely, we can. We have done it, and we will continue to do it because we believe in rural Newfoundland and Labrador and we believe in the fishery.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANE:** Mr. Speaker, in terms of our overall Budget – and I want to spend a couple of minutes again to emphasize the issue of taxes. I want to emphasize the issue of taxes. While it may be repetitive to those here in the House of Assembly, certainly to anybody who might be

watching, new people watching and so on, and even if you watched before, it is important that we keep driving this message home because it is an important message as far as I am concerned.

It certainly impacts the majority of the people in my district. I would classify the majority of the people in my district as working individuals, working families, people who get up every day, and it has nothing to do –

**MR. BENNETT:** (Inaudible).

**MR. LANE:** I hear the Member for St. Barbe ranting there again; he is heckling about discrimination. Absolutely not, not a discriminatory bone in my body, I can assure you of that, Mr. Speaker.

We have social programs for people who need social programs. We support people who require services from government, who require social programs, who require all of the safety nets that are available. That being said, Mr. Speaker, whether it is things like health care, education, roads, municipal works, or whether it be the social programs, the social safety nets, they all have to be paid for somebody.

The people who are primarily paying for it are this group of people – again, I have referred to and people have referred to me as sort of the lost people in a sense, the forgotten taxpayer, if you will. The forgotten taxpayer is the person or the young family who have gone and got their education. Now they are getting married and settling down, and the first thing they have to do is probably, in a lot of cases, move into a basement apartment or something and they save up enough money for a down payment on a home. They are working, paying their taxes, and then they are saving up for a down payment.

Finally, they get their down payment and they buy their home. They need a car. They have a couple of children. They have to put the kids in school. They have to feed the kids. They have to clothe the kids. They have to have daycare, all of those things. In the meantime, in a lot of cases they are paying student loans and so on,

and while all of this is going on they are paying taxes. They are paying taxes for everything. They do not qualify for programs. As a general rule, because of the fact that they are working, they do not qualify for programs. They do not qualify for home heat subsidy. They do not qualify for any of the programs through Newfoundland and Labrador Housing like the REEP and the Home Repair Program. They do not get the child tax credit and so on. What they do is work and pay taxes so that we can provide this to those who cannot afford it and those who need these things.

There is nothing wrong with that, but somewhere along the way those people have to be recognized. Those people need a break as well. It has to be about them, too. They are the ones who are working and contributing to our economy and somewhere along the way, we have to recognize that. We have to recognize the working person.

A lot of them, I would say to the Third Party, are the unionized working person that they are supposed to support, that they claim that they support. These are the people who are paying lots of taxes. Somewhere a long the way we need to support them as well.

That is why in this particular Budget we said: Do you know what? We have put \$500 million in tax reductions to the people of Newfoundland and Labrador, the working people of Newfoundland and Labrador. In this Budget, by God, we were going to maintain them. We were going to maintain it for those people because we recognize the struggles they have to pay the bills and make ends meet and raise a family. We realize the hard work they are putting into the economy, driving our economy, and we need to do something for them as well.

Unlike the NDP, whose philosophy is tax and spend tax and spend, Mr. Speaker, we are not going down that road. We are not going down that road because we stand for the common people. It is this party, it is this government that stand for the common people, Mr. Speaker, and we make no apologies for it either.

Thank you, Mr. Speaker. It is always a pleasure to speak.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** Order, please!

I recognize the Member for Bay of Islands.

**MR. JOYCE:** Thank you, Mr. Speaker.

I stand just to have a few words on the Budget and a few issues that are important to myself and the people on the West Coast. I cannot let it go by, Mr. Speaker, without speaking for a few minutes on Bill 4 that was brought forth today, that I was supposed to have a chance to speak to at 7:00 o'clock.

I heard the Member for Lab West, the Minister of Service Newfoundland and Labrador talk about the bill and talk about how it has not taken an effect on any businesses in Lab West, how he spoke to them, there is no effect. Someone should tell that minister, it does not come into effect until July 1 this year. You should realize that. If you do not know that read the bill.

He stands up – and, Mr. Speaker, I will just spend one more minute on that right quick.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. JOYCE:** When we had the member here from L'Anse au Clair talking about Labrador, that same member said, stand up and be counted for Labrador, stand up and show – here is your opportunity if you have the intestinal fortitude to do it. Do not stand up here and ask this member to do something that you do not have the intestinal fortitude – and for Newfoundlanders and Labradorians, that is guts. That is what that is.

You are up there now carrying the party line all of a sudden. Oh, I speak for myself. Here is the member, the former Minister of Finance, just in 2010, talking about how we have to keep this in place. Now all of a sudden, it does not matter

about the businesses. It is not going to affect the businesses. I checked with them, there has been no impact on them.

I will have a lot more to say on that later, I say to the minister. Just remember, if you are going to challenge as the Member for Labrador to stand up, do as you ask. Just do not expect to be able to sit down, Mr. Speaker.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

I would ask the Member for Bay of Islands to direct his comments to the Speaker.

**MR. JOYCE:** Not a problem, Mr. Speaker.

Mr. Speaker, I will have a lot more to say on that later. That is just a few quotes that I noticed there right quick. If the Member for Lab West is a bit upset, I am sorry, but do not expect to be challenging members on this side and for me not to stand up and say: do what you ask them to do if you have the intestinal fortitude to do it.

Mr. Speaker, I am going to speak about the hospital now, something a bit near and dear to me. I will tell you why I am going to speak about the hospital. We are going to have the Request for Proposals out soon. I can assure you, Mr. Speaker, if I do not feel that I did my due diligence in explaining what is happening to the people of Western Newfoundland, and to the Member for Humber West and the Member for Humber East, I do not feel I would have done my duty as the Member for the Bay of Islands.

Mr. Speaker, people may stand up and say: Well, Eddie is just talking about this hospital again; here he goes again. I will keep going as long as I can, as long as there is an opportunity to make changes, Mr. Speaker. I need to push across this – I say to the Member for Humber West in all sincerity, I know you are concerned about the hospital. The Member for Humber East, there is no doubt; you are individuals from out there.

I can assure you, with the minister out there – here is what I will ask the Minister of Natural Resources, the Member for Humber East, and the Member for Humber West, who is his Parliamentary Assistant, read Hansard. What we had in the Estimates, read Hansard. I will ask you to read it because this is a very serious issue for me.

I really feel you are not getting the proper information to make the decision. I really feel that. I can assure both members, and I can assure the people in Western Newfoundland, there is a decrease in acute care beds, guaranteed. As sure as I am standing right here, I will guarantee you there is a decrease in acute care beds. I will guarantee you.

I will just go through step-by-step what I learned in the Estimates, and it is in Hansard. I ask both members: let's work together like we are doing on the mill in Corner Brook. Let's get changes. Once this Request for Proposal is out – and I remember the Member for Humber East saying that we made a mistake with long-term care beds, it cost us a lot of money. I remember his statement, that if we make a mistake with this hospital just imagine how much it is going to cost.

I say to the Member for Humber East trust me on this. If you do not trust me, read the Hansard from Estimates. It is in there, I can assure you. I will go through it here, and just ask.

What I did in Estimates the other day, and the member was there and the minister was there, I went through all the different divisions in the hospital, and it is in Hansard.

**MS SULLIVAN:** A point of order, Mr. Speaker.

**MR. SPEAKER:** Order, please!

The hon. the Minister of Health and Community Services, on a point of order.

**MS SULLIVAN:** Thank you, Mr. Speaker.

Mr. Speaker, he is putting out false information again. He actually did not go through all of the divisions. He purposely left out two. He left out the ICU and he left out Peds.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

There is no point of order.

The hon. the Member for Bay of Islands, to continue.

**MR. JOYCE:** Just for the Minister of Health, I know you are a bit upset with this because you were exposed, I know. I ask the member, is ICU an acute care bed? Is ICU an acute care bed? Fifty-six medicine, which includes ICU. That is what is in there, and the Member for Humber East has it.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

I ask members for their co-operation, as the Member for Bay of Islands continues.

**MR. JOYCE:** Thank you, Mr. Speaker.

I know the Minister of Health is down there shooting off her face a lot, Mr. Speaker. I just ask her –

**MR. SPEAKER:** Order, please!

**MR. JOYCE:** I withdraw those remarks, but please let me speak. You will have lots of time. You will have lots of time to speak on this. You had lots of time in Estimates, you had to leave. You just listen now, if I have something to say you can –

**SOME HON. MEMBERS:** Oh, oh!

**MS SULLIVAN:** A point of order, Mr. Speaker.

**MR. SPEAKER:** Order, please!

The hon. the Minister of Health and Community Services, on a point of order.

**MS SULLIVAN:** Thank you, Mr. Speaker.

Mr. Speaker, at no time did I leave Estimates. I am just pointing that out to the House as well.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

There is no point of order.

The hon. the Member for Bay of Islands.

**MR. JOYCE:** Mr. Speaker, I can show anybody the e-mails where we had it until 7:00, she had to leave at 6:45 when I started asking questions.

Mr. Speaker, there were 199 beds, as we were told. When I asked, is palliative care, acute care? The answer from the officials was yes. Fifty-six for medicine, which is for strokes and diabetics, they said yes. Twenty-three mental health units, are they acute care beds? They said yes. Seventeen orthopaedic hip and knee, they said yes. Thirty-six general services –

**AN HON. MEMBER:** (Inaudible).

**MR. JOYCE:** I say to the Member for Humber East, the same ones you got from the hospital are the same ones that are here, and you can ask them yourself. The seventeen alternate care – they are the ones for seniors waiting to go into long-term care – seventeen; that is for long-term care. Maternity and new born, eleven, I say to the minister; fifteen women and children acute care beds; eight internal medicine acute care beds; and eight adult rehabilitation acute care beds. If you go and add them up, you will see how many acute care beds are there. Do it on your own. Call the hospital.

**MR. SPEAKER:** Order, please!

I ask the Member for Bay of Island once again to direct your comments to the Speaker. One of the reasons that we ask all members who are

speaking to direct all comments to the Speaker is because it reduces controversy.

I would ask the Member for Bay of Islands to speak to the Speaker.

Thank you.

**MR. JOYCE:** Mr. Speaker, this is such a serious issue, I ask for a bit of protection here; I ask for that.

Mr. Speaker, ask the Member for Humber East and the Member for Humber West to check it out; you can check Hansard: There will be a decrease in acute care beds at the new hospital in Corner Brook.

**MS SULLIVAN:** Wrong.

**MR. JOYCE:** Mr. Speaker, it is just getting annoying that the Minister of Health still wants to keep chirping and chirping. I challenged her to a debate out in Corner Brook about the hospital; she just will not do it.

Mr. Speaker, the Member for Humber West and Humber East should check Hansard. When I asked in the first Estimates we had in Health – they can check Hansard – do you know how they are going to make up for the lack of acute care beds? They are going to decrease the time of someone in hospital by 25 per cent.

To the Minister of Natural Resources, if he checks that in Hansard, that is how it is going to be done. This is not something that I am dreaming up. This is what is in Hansard. This is the official record. When I asked the officials how are they going to make up for these beds, we were told – the Member for Burgeo – La Poile was at the meeting also. If you do not believe me and if you do not believe him, it is in Hansard. That is how it is going to be done. It was in Estimates. It is very important, believe me.

I said it when the long-term care beds were done that we did not have enough because they cut down the long-term care facility. I am very

serious about this. Anything that I say here, you can check in Hansard.

Mr. Speaker, I know the Minister of Health is still going, but you will have your chance. This is too serious of an issue to play politics with. This is too serious for the Minister of Health to be playing politics with because what I am saying here is in Hansard.

**MS SULLIVAN:** A point of order.

**MR. SPEAKER:** Order, please!

The Minister of Health and Community Services, on a point of order.

**MS SULLIVAN:** Mr. Speaker, I have listened to about enough of this right now. First of all, I am not playing politics with this. This is exactly what is happening on the other side of the House, Mr. Speaker. I am really looking forward to an opportunity to set this straight because it is really disheartening.

I encourage anyone who is out there to listen up so I can set the facts straight in a few minutes.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

There is no point of order.

The Member for Bay of Islands.

**MR. JOYCE:** That is the third time I was interrupted on this very important issue. I have twenty minutes; I will be back again. So there is no thinking that I am going to be stopped on explaining this issue.

Mr. Speaker, when I asked the Minister of Health how many surgeries were cancelled in the last six months, I could not get an answer. I could not get an answer. If anybody does not believe I asked the questions, check Hansard. I asked that question in Hansard. Check Hansard, Mr. Speaker.

Again, this is in Hansard Estimates: What is the readmission rate for Western Memorial Hospital because people are being pushed out further, out in the general population, people are being pushed out in the general population without the services? I asked the minister and her officials: What are the readmission rates. Guess what? They did not even know that the study existed. Finally, someone came up and said yes, right, we can get it somewhere.

The readmission rates for Western Newfoundland are higher. When they push people out through the door and the service is not there to make sure that they have the services, if it a nurse to come see them or whatever it is, or if they never spent enough time in the acute care beds, they are readmitted. The percentage is higher.

Mr. Speaker, I say to the Member for Humber East, check it out. What I am saying here is not something I just made up. It is the reports that are being made. Anything that I am saying here, it is in Hansard.

Mr. Speaker, I am sure the Member for Humber East will check it out, and I am glad that the minister will check it out because this is too big of an issue to let the request for proposals to come out and have a mistake made on it. It is just too big.

I asked the Minister of Transportation and Works for a copy of the reports of Hatch Mott MacDonald and the Stantec report. I asked him in Estimates. He told me, he looked at his deputy minister, he said: Yes, sure, it should be no problem whatsoever to get a copy of those reports. I am still waiting. I asked the Minister of Health in Estimates if I could get a copy of the report. Well, I have to check with the Department of Transportation and Works because it is co-departments. I said: He already said yes. Well, what happened?

When I asked again in Estimates the other night, what was I told? Again, Mr. Speaker, this is in Estimates. This is such a big issue for Western Newfoundland. I wanted to look at the copies of the first report by Hatch Mott MacDonald so

you can see what was first put in there, and then when Stantec came in and did their review to see what changes, if any, and why the changes were made. That is what you want; you want to have an informed decision.

What the minister said – and this is in Hansard – well, I did not have time to speak to him. This was eight, ten days ago and they are sitting next door to each other, sitting seat by seat in the House of Assembly. This is such a major issue and we are hearing that the RFP is supposed to be out sometime in July.

If we do not get it right, we are going to be with a hospital out there in Corner Brook which is supposed to service all Western Newfoundland – people from Labrador come to Corner Brook also, Mr. Speaker, as the Member for Humber East realizes. Now people from Labrador will be coming down. We are encompassing more and we are going to have less acute care beds. We are going to have less acute care beds.

It is a bigger issue than any of us here. It is an issue that I started out with back when we were told – and I am not even going to give the history of it. I will not give you a history of it, but I am just so concerned that we are going to have less acute care beds, which I know we will have.

I do not care what anybody says, when you do that math, even the same numbers that the Premier – when the Premier made the press release, I challenge anybody to go to the press release that the Premier made. When *The Western Star* – not me, not Eddie Joyce – went down through the number of beds that are at the hospital, they are the same ones I just read out. The same ones I just put out, Mr. Speaker, the exact same ones that I just put out.

It is not me. These numbers that I have, Mr. Speaker, I called the hospital personally. When you correlate it with what *The Western Star* put in the press release, it is the same numbers. It is the same numbers.

I urge my colleague for Humber East and my colleague for Humber West that we work

together to go check the facts on this here. Once we get these facts here, Mr. Speaker, then you can say that we can make an informed decision. I can assure you that the information – I know what the Minister of Natural Resources said – does not jive; it does not represent what is actually being told by the people at the hospital and the press release when the media went in, called themselves, checked the beds and what was said to be in Hansard at the Estimates.

This is very important. The Minister of Health, Mr. Speaker, is still back there – what is this? This is not about me. This is about getting this right. Most of the people on this side and I look over and there are people on the West Coast who are going to be using this hospital. There are people we know going to be using the hospital. There are family members who are going to be using the hospital.

Just because I am asking questions that does not make me a bad person. It is someone who is doing their job. Mr. Speaker, if you want to get into this round of politics I can go back to 2007, but I am not going to do that. My goal here tonight – and I will have about two or three opportunities this week and next week – is try to encourage my fellow colleagues, Mr. Speaker, for Humber East and Humber West to re-examine the information that you were given. That is all I am saying.

If the Minister of Natural Resources, Mr. Speaker, and the Member for Humber West come back and say Eddie, boy, we went in, we dug into it more, and we really put into it. Eddie, here is what we have; let's sit down with the hospital bunch and figure out – because I can assure you, Mr. Speaker, in my closing minute, I can assure anybody here that we will have less acute care beds in the hospital. In Hansard, during the Estimates, Mr. Speaker, we were told that they are going to reduce the wait time when people come into the hospital by 25 per cent after surgery – by 25 per cent.

I challenge, Mr. Speaker, anybody in this House to get a copy of the Hansard first when we had health care Estimates and prove me wrong because it is absolutely 100 per cent true what I

am saying here. Mr. Speaker, it is in the official record of the House of Assembly which we call Hansard, that the people in Newfoundland and Labrador who feel now that they do not spend enough time in hospital after their surgery, I can assure you that this government has a plan to move you out 25 per cent quicker than what you are right now.

I challenge anybody to prove me wrong after they read the Hansard that I had in health. If there is some other reason why we need less acute care beds, please tell me and we can work at it.

Thank you, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** Order, please!

The hon. the Minister of Service Newfoundland and Labrador.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** Thank you, Mr. Speaker.

After listening to that for the last twenty minutes, I hope I never get sick and have to go to the hospital in Corner Brook when it is built, if that is what we have to depend on, if they ever get there.

**MR. JOYCE:** A point of order, Mr. Speaker.

**MR. SPEAKER:** Order, please!

The Member for Bay of Islands, on a point of order.

**MR. JOYCE:** Mr. Speaker, I say to the Member for Labrador West, I am glad of what you just said because that is why I am fighting to make sure we get the best hospital that we need, not what is going to be there now.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** Order, please!

The hon. the Minister of Service Newfoundland and Labrador.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** Thank you, Mr. Speaker.

Before I start talking about the Budget, I also want to clarify something else for the Member for Bay of Islands who stood up earlier on his feet and made comments about what I said when I spoke earlier concerning the Labrador Border Zone Tax Rebate.

If the Member for Bay of Islands had listened to what I said he would have realized and heard what I said that there is a quota on the Labrador Border Zone Tax Rebate and it was a quota of 110,000 cartons. If you check Hansard, Mr. Speaker, he will see that in there. He will also find out that on March 27, 2013, according to what I said this afternoon in Hansard, that they had already met their quota. Therefore, the tax rebate stopped on March 27, 2013 because the quota had already been met.

This particular member does talk to his constituents and passed that on to his constituents. I strongly recommend that the Member for Bay of Islands, the next time I stand on my feet and speak, listen to what I have to say and then you will understand it.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** Now I will move on to the Budget because I happen to think that this Budget, the 2013 Budget, is a very good Budget. When I sat here when the Budget was being read, I know a lot of my colleagues looked around me. I remember a colleague from the other side of the House also; his eyebrows raised a couple of times because I was very proud to hear some of the things that are happening for Labrador. I would just like to reiterate a little bit about what was happening in Labrador, what has happened since 2004, and what is continuing to happen and we have a lot of it in this Budget of 2013.

Overall the government has spent, before this Budget, \$3.5 billion within Labrador.

**AN HON. MEMBER:** How much?

**MR. MCGRATH:** Mr. Speaker, \$3.5 billion has been invested. With Budget 2013, it is over \$4 billion invested in Labrador. Let's talk about some of the things – and I have heard the members opposite question the Northern Strategic Plan and the Northern Strategic Plan talked about this and talked about that. Well, the Northern Strategic Plan is a living document. Because the Northern Strategic Plan was so successful, we no longer look at it as a plan. The plan outlived itself; it is now a guideline. I guarantee you that the guideline in the Northern Strategic Plan does not have your shrimp shells in it. We have no intentions of using those shrimp shells.

In 2007 that Northern Strategic Plan had \$250 million and 135 commitments. To date, we have close to 800 commitments with \$780 million invested through the Northern Strategic Plan. The Northern Strategic Plan now as I said, as the Minister for Labrador Affairs, I now look upon that plan as a guideline to continue to move forward.

I heard someone a while ago compare the Northern Strategic Plan to the Quebec Plan Nord and they have a twenty-five year plan. I would challenge anyone, in five years' time, to compare the Northern Strategic Plan and its success to the success of the Quebec Plan Nord. Let's see where that is at in five years. Let's compare apples with apples.

Let's talk about some of the stuff that is happening in Labrador. In natural resources, government 2007 in the Northern Strategic Plan, subsidy of electricity rates for coastal Labrador residents – I hope the Member for Torngat Mountains is listening to that one – it grew to \$1.8 million in 2011-2012; \$1.8 million up from \$1.6 million.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** That is an investment again.

**MR. JOYCE:** (Inaudible).

**MR. MCGRATH:** Mr. Speaker, I do not remember in the last thirty seconds referring to the Member for Bay of Islands so I am not sure why he is heckling over there now, but I will continue to talk to you and hopefully you will hear my voice over his heckling.

In 2009, Mr. Speaker –

**MR. JOYCE:** A point of order, Mr. Speaker.

**MR. SPEAKER:** Order, please!

The Member for Bay of Islands, on a point of order.

**MR. JOYCE:** Mr. Speaker, I spoke here for twenty minutes and I was stopped by yourself three or four times saying you have to refer your notes to your speech. Can I ask the same courtesy of the Member for Lab West? Because he mentioned me, he mentioned the member here. I ask that I be treated the same as any other member in this House.

**MR. SPEAKER:** Order, please!

There is no point of order.

The hon. the Minister of Service Newfoundland and Labrador.

**MR. MCGRATH:** I guess he is going to try and keep par with the number of points of order that were called against him. So I assume there will be one more coming in the next fourteen minutes.

In 2009, Mr. Speaker, the provincial government provided \$500,000 to conduct an alternative energy study for the energy efficiency community pilot project. Where? Coastal Labrador, Mr. Speaker.

I have just been ordered that I have to continue to look at you as well as speak at you, according to the Opposition. So I guess you are not allowed to look at them either.

There is \$500,000, Mr. Speaker, in an energy efficiency community pilot project. They cannot handle the truth and they do not want you to be looking at them when the truth is coming out. Hopefully, the Member for Torngat Mountains received both of that, \$500,000 into that program which was in Coastal Labrador communities. Of course, on December 18, 2012, Mr. Speaker, I was very proud to be part of the announcement when we said we sanctioned the Muskrat Falls project.

Let's talk about tourism in Labrador, Mr. Speaker. What happened in tourism, \$1.5 million since 2004 has been given to the Labrador Winter Games. The Labrador Winter Games, Mr. Speaker, is the same as the Olympics to Labradorians. It is an opportunity when you get thirty-two communities that come together, they put politics aside and they enjoy the cultures of all Labradorians. This government, since 2004, has invested \$1.5 million into the Labrador Winter Games.

For anyone who has been in Happy Valley-Goose Bay in the last few years, I am sure you got to visit the Lawrence O'Brien Arts Centre. It is a state-of-the-art auditorium, absolutely beautiful auditorium. It seats 276 people, a \$4 million investment by this government. On top of that, they also get an annual grant of \$160,000, Mr. Speaker. Every year they get \$160,000 operating grant for the Lawrence O'Brien Arts Centre. To me, that is money well invested into tourism.

In 2006, Mr. Speaker, government allocated \$5.2 million for an expansion at the College of the North Atlantic in Happy Valley-Goose Bay; at the campus in Happy Valley-Goose Bay, \$5.2 million.

In 2007, \$5.2 million was allocated to work with the partners of Aboriginal governments and organizations for the K-12 initiatives. That is an investment of \$5.2 million. Earlier today I was hearing questions and comments complaining about the education system. That is something I certainly do not mind complaining about, a \$5.2 million investment into Aboriginal enhancements in the K-12 initiatives program.

The Province contributed \$4 million towards a new school in Sheshatshiu; again investing in our education system into an Aboriginal school in Sheshatshiu. That opened in September, 2009.

In 2010, Mr. Speaker, the Labrador Aboriginal Training Partnership officially opened its head office in Happy Valley-Goose Bay. I am very proud to say that through a partnership with Nalcor, with the Nunatsiavut Government and with the federal government, our provincial government, all together we made an investment of \$30 million into the LATP program.

That program, Mr. Speaker, is designed so that we can get the Aboriginals into the trades so that they can get in on the job sites and have meaningful, good paying union jobs. That is the LATP program, a \$30 million investment there. Right now we are negotiating with the federal government, with the Nunatsiavut Government and with Nalcor to get another program started up, and hopefully another \$30 million into that.

Budget 2010, \$22 million – and I am very proud of this one – into a new College of the North Atlantic campus in Labrador West. That campus is open and has a full curriculum in Labrador West. The apprenticeship program is a perfect example of, you talk about a program working, the apprenticeship program in Labrador West no longer – with certain programs, now they can do their apprenticeship program right in Labrador West. They no longer have to come out to the Island to get their blocks done. That is something we are continuously working on improving.

A new K-12 school in L'Anse-au-Loup, again, on the Coast of Labrador, Mr. Speaker. That was only \$15 million invested into that. Again, another \$15 million that has been invested into the education system in L'Anse-au-Loup in Labrador, and that is a state-of-the-art school. I was in that school. I walked through the school, did a tour of the school.

It is amazing when you walk into a kindergarten classroom and they have whiteboards. I think every classroom should have whiteboards today.

That is where this government is going, making sure those investments are made so that we can continue to invest in our future, in our children.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** The K-12 school in Port Hope Simpson, again, on the Coast of Labrador.

**AN HON. MEMBER:** Another one?

**MR. MCGRATH:** Another one, \$10.3 million in a new K-12 school in Port Hope Simpson, again, state-of-the-art in that school; another school, a new francophone school in Happy Valley-Goose Bay, another \$2.3 million investment in our education system.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** When I sit here, Mr. Speaker, and I hear that we are not investing in our education system, that we are not investing in our future and we are making wrong decisions, I ask the NDP and I ask the Opposition: Which school would you not have built? Which one was a mistake?

Of all of those schools that I just named out there, all in Labrador, which one of them is a mistake? Which one would you not have built? Which one are you going to look up and tell we are not going to build your school because we do not think that is a good investment? I heard that from the NDP. I have heard it from the Opposition. Which one would you not build? Which one of those are you not going to build?

Seven million dollars to build short-term classrooms, again, education – where, Mr. Speaker? – Charlottetown, on the Coast of Labrador; another \$7 million. Mr. Speaker, in 2014 there is going to be a new school open in Charlottetown, but we are not going to take out these temporary classrooms. What we are going to do is make an investment into the municipality, so then they are going to convert those temporary classrooms into their new town hall. That is strategic thinking.

**SOME HON. MEMBERS:** Oh, oh!

**MR. MCGRATH:** Mr. Speaker, I recommend that they stop heckling on the other side and listen, because if you listen to what is being said you will learn. Then you learn, and we all know they need to learn.

Let's get off education for a little while and move into health. Let's move into health, \$116,400 to fund a pharmacist position in Labrador West in the Captain William Jackman Memorial Hospital; \$116,400 to make sure there was a pharmacist on duty all the time. That was in Labrador West, I am very proud to say, at the Captain William Jackman Memorial Hospital in Labrador West.

**AN HON. MEMBER:** (Inaudible).

**MR. MCGRATH:** It is a pharmacist position, Sir, in the hospital that was not there.

**AN HON. MEMBER:** (Inaudible).

**MR. MCGRATH:** Well, you should know being a pharmacist. Anyway, I digress as I listen to these guys.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

I ask all hon. members to be respectful of each other. I ask the minister to continue to direct his comments towards the Chair.

The hon. the Minister of Service Newfoundland and Labrador.

**MR. MCGRATH:** Thank you very much, Mr. Speaker.

I will continue to put my questions towards you because I know I am not allowed to look over that way. We will continue.

The Province contributed again in health, Mr. Speaker, \$3.7 million into a new administration building in Happy Valley-Goose Bay. They realized they need more room in the health facility, so they take the administration out and they put it in a new building; \$3.7 million in

health. So you wonder why our Health Minister gets a little bit perturbed when she has to listen to the rhetoric from the other side.

On June 29, Mr. Speaker, in 2010, a new long-term care fifty-bed facility in Happy Valley-Goose Bay opened their doors with four wings. One of those wings has a thirteen-bed protective care unit. I have toured that long-term care unit, a state-of-the-art care unit, and might I add and compliment, a very professional staff running it. That was at a cost of \$20 million.

In 2010, Mr. Speaker, government relocated – we will go on there, the construction of a new two-story twenty-eight bed acute and long-term care facility in Labrador West. I am very pleased to say that I was up and toured that facility a couple of weeks ago ahead of schedule. That facility is going to cost \$90 million.

**AN HON. MEMBER:** How much?

**MR. MCGRATH:** A \$90 million health care facility in Labrador West. Moving forward in health, Mr. Speaker, there is \$276,000 just to enhance dialysis service at the Labrador Health Centre in Happy Valley-Goose Bay.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** Mr. Speaker, I have to add, that \$276,000 was to enhance a service that was already there in order to look to the future. We realized with the population, especially in coastal Labrador, we are going to have a major need for dialysis. We want to be ready for it, we want to be prepared for it, and that is why that investment was made there.

There is another \$275,000 to put a road ambulance base from Cartwright, something that was desperately needed on coastal Labrador; \$275,000 into that road ambulance base from Cartwright.

In early 2013, Mr. Speaker, a contract was awarded – and I was very proud to announce it – for the medical X-ray audit for the dust study that has been happening in Labrador West. That was almost a million dollars. That was

\$900,000, Mr. Speaker, and that is for the silica dust study.

Let's move on to transportation, because I do not think you heard through your going on over there and the rhetoric that I was listening to earlier from the Member for Bay of Islands, I am not sure he heard what was being said about transportation, Mr. Speaker. So I would like to reaffirm some of the money that was invested through transportation by this government.

In 2005, \$750,000 towards a new highway maintenance depot, and that was down at Chateau Pond between Red Bay and Lodge Bay, again on the Coast of Labrador. In December, 2009, Phase III of the Trans-Labrador Highway connecting Central Labrador to the South Coast – a long time coming, Mr. Speaker, we were waiting for that. That was at a cost of \$152.9 million into the Trans-Labrador Highway to connect Phase III.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MCGRATH:** Two new highway maintenance depots were constructed along Phase III of the Trans-Labrador Highway. One at Crooks Lake for a cost of \$2.4 million, one at the Cartwright Junction for a cost of \$2.5 million, all together \$4.9 million in the two transportation depots. Obviously, Mr. Speaker, we have been doing something right in investing.

Again, I ask the Opposition parties: Where would you not have invested? What would you have not built? Which depot would you not have built? Which part of the road would they not have opened, Mr. Speaker?

A study has been initiated at Nain to collect environmental data at a cost of \$105,000. That study, Mr. Speaker, is for the future runway to go into Nain.

Mr. Speaker, I see I am running out of time. I could go on for another twenty minutes giving very valuable information to the Opposition, but they are going to have to wait until the next time.

Thank you.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER (Littlejohn):** The hon. the Member for Signal Hill – Quidi Vidi.

**MS MICHAEL:** Thank you very much, Mr. Speaker.

I am very happy to have the opportunity tonight to speak in the discussion on the Budget, a discussion that brings to an end the Estimates of the Government Services, Mr. Speaker.

As the Member for Exploits, who chaired this committee, said, this was an in-depth process, as we all know – at least we here in the room know. Maybe people watching are not aware, but we sit with the budgets for different departments and go through those budgets line by line by line. We spend a lot of time on details. We spend a lot of time on, if you are going to use the analogy you do not see the forest for the trees, we spend a lot of time looking at the trees during Estimates.

I think what I want to do tonight is take a broader look at what it is that we are dealing with. We have gone through the Estimates. We know all the details. We do not need them repeated over and over and over again. We know the government spends money on schools, whoop-de-do. That is what they are supposed to do.

We know the government spends money on our infrastructure, on our roads, that is what they are supposed to do. We know the government spends money on health care facilities. That is what they are supposed to do, and we have gone through all the details of all of that. What I want to do tonight is take a bigger look at the picture, looking at the wide picture of what we have been presented with by this Budget, Mr. Speaker.

Budget 2013, the government calls it *A Sound Plan, A Secure Future*. I call it a disaster, Mr. Speaker. They brought this Budget in on March 26, and there has been nothing but chaos since

that time. People in the Province are still in a daze. They are going around wondering what happened. They are going around wondering, what was this Budget about? They are shocked by this Budget, Mr. Speaker. They are in absolute shock because of Budget 2013.

This government has put forward a Budget that, Mr. Speaker, I am calling their omnibus bill. The Premier of this Province has really learned well from Stephen Harper, Mr. Speaker. They put in place a Budget that nobody could have expected. They could not have known the things that were going to be in that Budget because this government did not tell people what their real agenda was.

This government has been going around knowing what they want to do in this Province and not really telling people. They have hidden their agenda in this Budget, but people are starting to see what is there, Mr. Speaker. They are starting to see what is no longer hidden for them. They know there was no consultation. They know there has not been transparency around this Budget. They know there was no openness. They know this government went through the so-called pre-Budget consultations and held meetings but obviously, the ministers heard nothing of what was said in those pre-Budget consultations.

Mr. Speaker, people just cannot believe we have a government that put in place a Budget without planning, without assessing what the impact of their decisions was going to be, without looking ahead to find out the overall impact.

Mr. Speaker, a clear example was the fiasco of the Department of Justice and what happened with the Department of Justice. It was so bad, so absolutely bad that the minister had to go back to the drawing board with people from the department, from different aspects of the department –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MS MICHAEL:** - and say we have to undo some of the decisions. We have to undo some of the decisions, they cannot be left. It was so bad they had to undo them.

I would say, Mr. Speaker, and people in the Province are saying it, they need to go back and look at a lot more than just what they did in the Department of Justice. They tried to do something there and they did not get away with it.

Then, Mr. Speaker, we look at something else that they did. We look at the Family Violence Intervention Court, a program that was really working well. When you speak to the people inside of that program, when you speak to women who have gone through that program, when you speak to men who have abused their wives and their children and have gone through that program, they will tell you how good it was.

This government, which says it cares about women, it cares about trying to undo violence against women, took away one of the best tools they had ever put in place in the ten years they have been a government. They have not assessed at all what the impact of that is going to be. They have not in any way put out an assessment, an analysis of that because, Mr. Speaker, they did it with none of their decisions.

Mr. Speaker, I do not know which way to go next. I think I am going to say the devastation of the job losses. What I want to do is go look at our educational system. I said that this government did no consultation. They put things in place that has been part of their agenda and they asked for no input. They do not want any input because basically what their message to people is: Like it or lump it, this is what is happening.

Mr. Speaker, that they could bring in a total restructuring of our educational system without doing any consultation in this Province is unbelievable, that they are getting rid of the four English-speaking boards of education in this Province and having one board for this whole Province. The geography alone boggles the mind of trying to have one board for this

Province. They did that without asking anybody what they thought of it. Nobody in this Province could have imagined that was coming in this Budget.

We think we are getting a Budget, and what are we getting? We are getting a restructuring of our systems. This is their agenda, Mr. Speaker. Now we have trustees who resigned. They did not want to stay around on those boards during this transition period. They are so upset. You actually have a group in place, an action group of ex-trustees from the different boards who are speaking out, who cannot believe this is happening. You have ordinary people and parents all over the Province saying this cannot be happening. People are in shock. They cannot believe it is happening. This is the thing.

This government does not care. They do not care what people think. They really believe: like it or lump it, here it is, you cannot do a thing about it. Well, someday they are going to find out the people in this Province can do something about it. That is going to be the shock to them because, Mr. Speaker, you cannot treat people that way.

We have had two or three times in the history of our Province around our educational system where we made big changes, but at least the people were consulted in those changes. The last big one, I suppose, was when we changed from the denominational educational system to our current system. At least there was a process. Meetings were held. There was a referendum. You had an idea of what people in the Province wanted.

They do not care what people in the Province want. They do not care that everybody is upset about the fact we are now going to have one board. They do not care that people are saying the transition team is just toadies of their party. They do not care about any of that, Mr. Speaker.

All they care about is doing what they want to do, and not being open about it and not being honest about it. Using backdoor tactics, Mr. Speaker, to reduce specialists who are essential to the system and twisting the language inside

out all the time. Oh, no, specialists are not being touched. They create their own definitions of what is happening and try to make people think the reality they know really is not the reality.

We have been sitting in this House, I know, where members of my caucus have stood, Mr. Speaker, and presented facts and figures. You have the ministers over there turning them inside out, twisting them, doing anything but acknowledging the facts and figures. They think people do not see it. They think people are stupid. They have to. They have to think people are stupid.

Mr. Speaker, the use of doublespeak that goes on with this government is just tormenting. It just really torments me. They will not acknowledge in true language what is going on.

We have learner centres closed all over the Province. Now, they are saying they are not closed but they do not have people in them to run them. They do not have anybody there to help children who are going to come into them. The specialists who used to run some of them are now no longer specialists in learning centres.

According to this government, Mr. Speaker, that is not true. According to this government I am not saying a fact, but I know I am. Just as the Member for St. John's North has been putting that fact out day after day after day and he is told it is not a fact, yet we know that what is being said is factual.

Mr. Speaker, let's come and look at probably the worst thing that happened, and that is the job losses. I want to look at the backgrounder that was in the Budget. The backgrounder that is called, I love the language, Workforce Adjustment – Core Public Service.

This backgrounder, Mr. Speaker, I suppose is meant to explain to people the logic of what they have done with regard to the job loss in this Province. The language they have used in it, Mr. Speaker, I suppose is to try to make it sound nice, is supposed to make it sound not harsh. For example, the steps they took prior to Budget 2013 included attrition management. In other

words, we are going to tell you how many jobs are gone through attrition.

Then they talk about the Voluntary Retirement Program announced in early March. People having to make a choice, being forced to make a choice. Make it easy on yourself, take early retirement, get out and make it easier for us – whether they wanted to or not. I suspect by this time, Mr. Speaker, they probably wanted to get out because working under this government cannot be pleasant.

Then they talk about implementing a suspension of recruitment activities. In other words, we are not going to hire anybody. The language they have used is unbelievable, language that is trying to mask the harshness of what has happened.

They talk in this document, Mr. Speaker, about the fact that we have 8,900 employees in the core public service. The provincial government will be laying off approximately 485 employees, which includes people who received their layoff notice in March. They talk about 243 permanent positions, 206 temporary positions, and thirty-six seasonal positions. Then, they come over to the second page, Mr. Speaker, and we see numbers there. This was all done in preparation for March 26. I am going to take one department as an example because this was one where I was given an answer by a minister in Estimates and that was the Department of Finance. Here, it says that there are going to be thirteen vacant positions eliminated and there were going to be twelve layoffs, twenty-five people from a department with 399. It did not look too bad at first, I suppose.

Then, Mr. Speaker, in Estimates the minister talked about positions that were not going to be filled. I asked him how many of those there were. There were thirty-eight of those. They are not listed here. I got that figure directly from the minister. Now, we know, Mr. Speaker, that between unfilled positions, vacant positions eliminated, and layoffs the number is closer to 1,200, not the 700-and-something they have in this document. That is what I mean by hiding reality, Mr. Speaker. Anybody would look at

this and they think oh, that is not too bad: 485 layoffs, 246 positions; not too bad. Then you say 1,200 and it becomes a different story, Mr. Speaker.

Then when you talk about the system that has to be in play, the system of bumping where, first of all, people on contract or in temporary positions in particular, they were notified they were gone but if you had bumping rights you were told you had it and you had to make your submission of what your skills were, update your resume, let your people in charge know what was going on, what you might be able to be bumped into, Mr. Speaker. That process went on for a number of weeks.

Then, Mr. Speaker, the permanent people had to put in their resumes, had to update their resumes, had to put in what their qualifications were, what positions or what jobs they might be able to do. Their deadline for doing that was last week.

I had an e-mail today from somebody saying – he sent it yesterday, actually. He said: Not to be too graphic, but just to tell you that the way it is here today, now that the permanent workers know who is being laid off or not, all I can tell you it is nothing but tears. That was yesterday, Mr. Speaker. That e-mail was sent yesterday.

This government seems to be completely unaware of the devastation that has been wrought by this Budget. They seem to think we are supposed to forget what has happened to our learner centres. We are supposed to forget what has happened to our educational system, both in terms of jobs that are being eliminated, positions that are gone, and one English-speaking school board. We are supposed to pretend none of this is happening.

They are asking us to go around denying reality the way they deny reality, Mr. Speaker, and people are not going to do it. They are denying the reality of the impact of the Budget they have brought down. I hope they do not think that they are fooling people by the fact that this year is a deficit Budget, next year is a deficit Budget, and,

lo and behold, election year is going to be a surplus Budget.

Well, Mr. Speaker, people are not going to forget because they will have brought such devastation on this Province that people will not be able to forget in two-and-a-half years' time what they have done.

Mr. Speaker, I pick up this sheet and I look at it: Five Things You Need to Know about Budget 2013. The first thing, "A 10-year Sustainability Plan; continued commitment to strong financial management." Mr. Speaker, that Sustainability Plan is not a plan, number one; it talks about the first year, we are going to have a deficit Budget, the second year, a deficit Budget, the third year we are going to have a surplus Budget, and from year four to ten, we are going to do some planning – that is the Sustainability Plan. In year four to ten they talk about economic diversification, and they talk about we cannot rely on just our natural resources, and then in the whole section on four to ten all they do is talk about the revenue from oil and gas. Okay, that is a Sustainability Plan.

Another part of the Responsible Management, "A return to surplus by 2015-16." As I said, it is just in time for the election year. All of a sudden, miraculously they are going to make it happen and we are going to have the surplus by 2015.

"Vital programs and services are protected." What? Oh yes, our kids are going to school; that is a vital service. People could have an acute bed in hospital; that is a vital service. Mr. Speaker, what do they think they are supposed to be doing as government? This is their job. Their job is to have an educational system. Their job is to have a health care system. Their job is to take care of the infrastructure. That is where governments spend their money. They tax people –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MS MICHAEL:** – they tax corporations, they get the royalties from our resources, and then they spend and they spend where they are supposed to spend: on the needs of people. Except, Mr. Speaker, they are not doing that responsibly. That is the problem and that is why we have the deficit that we have because they have not planned. Maybe they have planned these deficits very carefully, Mr. Speaker, so that they can stage manage up to 2015 and have, all of a sudden, a miraculous surplus Budget in 2015.

Then they talk about investing in families. I love this word invest, Mr. Speaker; you see it all over their documents because we are supposed to believe – I am not saying it is wrong, but they use it in such a way to make us believe this is really special, they are investing in families, that means they are spending money on services that we need. It is an investment, but not the way they use it, Mr. Speaker.

They talk about investing annually in home care. They talk about investing in new drug therapies. That is investment in people all right, Mr. Speaker, but they use it to get people to think we are making something from your money. They are. They are making healthier people, but that is not how they mean it.

**AN HON. MEMBER:** (Inaudible).

**MS MICHAEL:** Mr. Speaker, I am well aware of the time that I have left, thank you.

What I want to say to this government is I do not know who you thought you were fooling and your omnibus bill, your Budget, has fooled nobody. People are naming what they are finding in it.

I hope you are happy that you are in the state that you are in because you are bringing the people of the Province down with you.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The hon. the Minister of Transportation and Works.

**SOME HON. MEMBERS:** Hear, hear!

**MR. DAVIS:** Thank you, Mr. Speaker.

Thank you for the opportunity to speak tonight as we continue the debate here in the House of Assembly. For the people who are tuning in at home tonight, being Tuesday night, it is not the replay of the events of the afternoon sitting because quite often that is what is there in the nighttime. This is actually a nighttime sitting of the House of Assembly as we debate parts of the Budget; it is under the Concurrence Motion of the Government Services Committee. What that means, Mr. Speaker, is that it is a debate over results of what we have done through the Estimates process.

What the Estimates process is for the people who are following along at home and wondering what all this is about, there is an Estimates book published with the Budget each year, Estimates 2013, it is listed department by department, the estimated expenditures of each department. We come in here in the House of Assembly not during the normal hours of the House sitting, but in the mornings and also in the nighttime, we come in here as a department. Senior officials and executive members of departments come with the respective ministers. The members of the Opposition come in and put questions to the minister and the executive, senior officials of the department, about their budget allocations and their plans for next year.

Now, I just heard the Member for Signal Hill – Quidi Vidi opposite. Earlier in her comments, she made a lot of comments that I am going to address during my comments tonight, Mr. Speaker. One of the things she talked about, she said: Through the Estimates process we had a lot of discussion, and I heard members opposite talking about all the investments we have made in schools, investments that government is making in schools and education, the investments government is making in infrastructure. She said: We heard all about how they are making investments in roads. She talked about hospitals. We do not need to talk about that. She said: We all heard that in the Estimates.

Then she went on for the next little while talking about that, talking exactly about her own position and her own take on the investments that government has made and the investments that government intends on making into the future. Her words were, I stand to be corrected, something like: I do not need to hear that again. That is what she said: I do not need to hear that again. Then she went on talking about it, Mr. Speaker. Talking about her spin, about her take, about her own spin on what is happening in the investments and the work that government is doing. That is what she did.

They like to talk about, and we all know about it because we heard it several times here in the House. She is the leader of the party that is promoting a diverse economy through the production and usage of shrimp shells. She is leader of the shrimp shell group over here. She talks about how that is what they want to do to grow our business, grow our economy. I do not want to use any terms that would be inappropriate or disrespectful because that is not my nature and I generally do not want to do that, but I would just like to lay out the facts. She stands here in the House, Mr. Speaker, and then criticizes us for the efforts that we make.

I can tell you, Mr. Speaker, and I tell members of the House here, I have never claimed to be perfect. I can tell you that. I never claimed to be perfect. I do not mind coming to work every day. I come to work early and I am here many nights, and many of us are. I know members of the Opposition as well do the same thing. They work all hours. They work hard in this business that we do. I never claimed that I do it all right, I can tell you that, and that is not the kind of attitude I hear coming from over there.

Over there in the Third Party, over there in the NDP, they have all the answers, Mr. Speaker. They have all the answers. She talks about and criticizes what we are talking about, the investments in schools, roads, infrastructure, and education, and then she says we are not doing enough of it.

You see, over on that side of the House they are not accountable to the taxpayers. They are not

accountable for the expenditures of the Province. We are as a government, and we have to govern, maintain, and manage to the best of our abilities. We have to manage the taxpayers' dollars and get the best results we can from the taxpayers' dollars that we have to utilize.

It is easy for the Member for Signal Hill – Quidi Vidi to stand in her place and put on the doom and gloom. Now, I do not know where she lives, Mr. Speaker, but I like to travel around this Province. I talk to a lot of people around this Province and it is not what I hear from the people of the Province. That is what I say to you, Mr. Speaker. I say to the members of the House, that is not what I hear from the people of the Province, that there is doom and gloom.

What I hear from them is that we have a thriving economy. We have businesses growing and doing better than they have ever done in the history of the Province. We have more people working, earning better wages. High paid union people getting better wages and better job opportunities than ever in the history of Newfoundland and Labrador, Mr. Speaker, because of the investments that we have been doing here in this government.

**SOME HON. MEMBERS:** Hear, hear!

**MR. DAVIS:** She stands over there in her place, stands here before the people of the Province and tries to suggest that we do not care. That is what she did tonight, and she has done it over and over. I tell you, Mr. Speaker, I am getting kind of tired of listening to it. I am getting tired of listening to it.

For a person who claims to be the person she is and to stand here and say we do not care about the lives of people in Newfoundland and Labrador. I am going to tell you, it takes everything I have to stay on track sometimes when I hear those kinds of comments coming from the Member for Signal Hill – Quidi Vidi, when we have more unionized people working in this Province than we ever did before. People who she claims to represent, Mr. Speaker. Better wages and better jobs, a better standard of living, a better quality of life than ever before,

and that is what she does. She stands over there and says doom and gloom and how bad things are.

Mr. Speaker, during the break tonight - because we sat until 5:30, and after 5:30 we had a break until 7:00 o'clock and then we reconvened at 7:00 o'clock - I left the House of Assembly and I had a bite to eat because I was hungry. I was a bit tired and I went back over to my office. Now I do not think members of the House had much of an opportunity to see any of the evening news tonight, but I caught a clip on the evening news and it was quite interesting.

It was: Today there was a Member of the House of Assembly who made a speech to a local rotary club. Yes, a member made a speech to the local rotary club today. The member was talking about out-migration, and he has the solution to it.

It was quite interesting, Mr. Speaker. It was the Member for St. Barbe, actually. I tell you, I will have to check it again when I go home because I almost fell on the floor when I heard it. I have to tell you, I almost fell on the floor when I heard it. *NTV News* tonight played the clip. Now I PVR the news, so when I go home tonight I am going to have to play that again. I am going to have to sit in my comfy chair and relax and say: Is that really what I heard?

I will tell you what he said. He said there are three things that the government needs to start doing – and I am paraphrasing because it happened really quickly. So I apologize if I am interchanging the words because I never really had an opportunity to play it over and over. I will play it tonight when I get home.

He said there are three things the government needs to do to change the out-migration that is hurting the Province. He said, number one, we need to have – are you ready for this? – a lean, efficient government. The Member for St. Barbe said on the news we need to have a lean, efficient government.

Now, if I am not mistaken, since we have been here discussing the Budget we have heard some

comments from the other side about having a lean government. I think there have been some criticisms over there. He says: Government needs to create the best climate for business of any province in Canada. I think that was the words.

**MR. BENNETT:** That is true.

**MR. DAVIS:** He says that is true.

Then he also said: We need to fully develop – or words to this effect – our natural resources. That is the three things we need to do. It sounds to me, Mr. Speaker, like the Progressive Conservative plan. That is what it sounds like to me.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** Order, please!

**MR. BENNETT:** (Inaudible).

**MR. SPEAKER:** There is no point of order.

The hon. the Minister of Transportation and Works.

**MR. DAVIS:** Thank you, Mr. Speaker.

You know, Mr. Speaker, I have to thank the hon. member opposite for confirming the fact he agrees with the Progressive Conservative plan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. DAVIS:** Not only that, Mr. Speaker, but he rose in his place to take the opportunity to make sure Hansard reflects that he agrees that his plan is consistent with the Progressive Conservative plan. Thank you to the Member for St. Barbe for doing that.

**SOME HON. MEMBERS:** Hear, hear!

**MR. DAVIS:** It was rather interesting, I have to tell you. I almost choked on my dinner tonight when I was listening to it, a lean, efficient government, because that is the same type of thing that we have been talking about, Mr.

Speaker. That is the same thing we have been discussing and working towards, and working hard to create in this Province, because the Government of Newfoundland and Labrador should not be the centerpiece for employment opportunities in the Province.

The government itself should not be the place where Newfoundlanders thrive to go get work. It should not be that. It should be a mechanism that leads the Province. It should be a mechanism that stimulates the economy. It should be a mechanism that helps businesses grow and develop. It helps to foster the development of communities and organizations within communities. It helps to foster neighbourhoods so that everybody in the Province gets an opportunity and so that the opportunities are there for all the people of the Province, especially young people in the Province, Mr. Speaker. That is what we should be doing.

Government should be efficient. Yes, it should. It should not be oversized. It has to be rightsized. It has to be lean, to use the words of the Member for St. Barbe. We do have to create a climate for business opportunities for the Province, and we should be the best Province in Canada. Mr. Speaker, I would say the studies are showing that we are. We are becoming the best Province in Canada for stimulating the economy.

**SOME HON. MEMBERS:** Hear, hear!

**MR. DAVIS:** He also referred to our natural resources. He said that we have to develop the full potential of our natural resources. Now, I do not think he was talking about shrimp shells. I think he was talking about the natural resources.

We are sitting on so much here in Newfoundland and Labrador. We have so many natural resources in Newfoundland and Labrador. We have just come through and are working our way through the largest natural resource project in the history of the Province with Muskrat Falls and the Lower Churchill. The Lower Churchill, Mr. Speaker, is the

greatest opportunity. It is an opportunity that is going to create the future for the Province.

As an individual, my hair is greying, I am getting a little older, and I am aging. I am going to tell you –

**AN HON. MEMBER:** More mature.

**MR. DAVIS:** More mature, more experienced, and I will not be around long enough to appreciate the full potential of our natural resources. I know our children and our grandchildren will because that is what it is about. It is about creating that economy that can continue to flourish and thrive in today's climate. It is creating that economy and that Province where people have the opportunities they should have. It is about creating a Province and a climate that holds the future for us.

That is what the Budget is about, A Sound Plan, A Secure Future, which the Member for Signal Hill – Quidi Vidi related to. She talked about our plan.

**MR. JOYCE:** (Inaudible)

**MR. DAVIS:** I would like to thank the Member for Bay of Islands for his comments over there. He has not gotten up on a point of order on me yet. I know he likes to pop up every now and then. Now I have recognized the fact he is here in the House tonight and he is participating, so he should be good with that.

The Member for Signal Hill – Quidi Vidi talked about a plan. It is important to have plans and, I can tell you, it is important to talk to the people. When we were doing the ferries, we were looking at ferries – when I came into this department last year, it is a big department and there are many operations that occur that are very critical to the people of the Province. I started to try to get my head around the ferry services in the Province. I tell you, it is immense. The ferry services in the Provinces are immense.

We spend over \$80 million a year in operating our ferry services. We are spending towards \$76

million in ferry replacements, which is to keep that fleet going. We know it takes a long time to build ferries, and we know it is a hard business in securing those significant assets to operate in the climate that we have in Newfoundland and Labrador.

The Member for Signal Hill – Quidi Vidi talks about consultation. I agree with her; consultation is important. It is not always possible to do the consultation you would like to do. It is a hard process in consultation, but it is also important to listen.

I have taken some time since I have been in this department to try to visit some of the ferry communities in the Province, to meet with ferry communities, to meet with the ferry users committees, to meet with mayors, to meet with councillors. I have spoken to the MHAs who have ferry services and I talked to them about the ferry services. I talked to them about what are the priorities.

I also had a hard look at the usage of ferries and the schedules of ferries. Understanding that even though in some of those communities there are small numbers of people who utilize the services, there still has to be a balance in trying to provide those services to the people, while maintaining the cost at a reasonable level. It has to be, because we cannot do everything for everyone at any cost. We just cannot do that.

That is what the NDP would have you think we should do. We should provide the best of everything. We should provide everything free. We should provide everything free to everyone who wants it, or asks for it, or feels they need it or deserve it, and not worry about who is going to pay for it. It is very simple. If you increase the uses of ferries as an example, your costs go up. If you increase all of your operations within the government and you increase your budget, your costs, and your expenses, if you increase your expenses, then you have to balance that out with the funds from revenue to balance your books or you drive up your debt.

Our debt was up to \$12 billion a decade ago. This government has worked really hard to

wrestle that debt down. We have to try to manage that and keep it down and lower it as best as we can. When times are good, we manage to lower that debt. When times are tough, we cannot let it balloon back out of control again.

I say, Mr. Speaker, to you, and I say to the Members of the House of Assembly, that would be the easy thing to do. Let's continue to provide all the services that people want. We will respond to all their requests and all their demands. We will drive up the debt. Do you want to increase taxes to help pay those costs? No, do not want to do that. So the only other alternative then is to drive up the debt, and that is the easy thing for a government to do.

We could do that and say oh, times are bad, we have to keep you services, and we are going to bankrupt the Province. That is okay; we can keep going. Our Premier was not prepared to let that happen. She was not prepared to let that happen. She said: We have to try to find that balance.

Mr. Speaker, I want to tell you, that was a hard job. For me, as a minister, I have a department that is heavily weighted in human resources, the people in the Province – almost 2,000 employees in my department. I can tell you that in the days and nights and hours and hours that my Cabinet colleagues and I spent working through a Budget process, it played a lot on me; because, in the back of my mind, all the time were the things that the Member for Signal Hill – Quidi Vidi would say to you and has said: we did not care; we did not care about employees and we did not care about people.

I can tell you, that is about the most insulting thing that anyone could say to me, and I know could say to my colleagues as well, that we do not care about people. That is why we are doing what we are doing, is for the people of the Province.

We understand that the things that we are doing and the decisions we are making have implications on people's lives and on people's careers. We understand that. The bumping

process is a hard process, but it is a process that is in the union agreements. It is a process that protects the union members who are senior people who can bump junior people when the qualifications and the processes allow that to happen.

It is not about bumping positions; it is about bumping people. That is what the union, the NDP process, allows us to do. The management and non-union positions, they are out of work; they do not have those bumping rights. The bumping process, as tough as it is, and it is a tough process, is a process that is allowed within the collective agreement – and it is called an agreement because it is an agreement between the two parties, between the union and between the employer.

So, Mr. Speaker, I had fully intended tonight, during this process – and I know I am going to get a chance to speak in the Budget again as we proceed to talk about some more of the investments and the decisions that we have been making within the Department of Transportation and Works. It is a big department; it is a 365-day a year operation. We have had some really tough and challenging times with ferry services; we continue to work through those. I continue to build, through the time I have been in this department, relationships, either directly by myself to members of ferry communities, or through senior officials or my staff to ferry communities. I think that is very important to have.

I have taken some time since I have come into this department, with time allotted, to travel around the Province, to get on our ferries, and to meet with ferry committees to consult with them and talk to them about the services they receive and how we can make improvements to the service within the budget that we have. We know, as I said, it is an expensive investment and operation that we continue to do and we want to find ways to do it better. To do it better within our means, is the way we are trying to do that, Mr. Speaker.

That is what this Budget is about. It is about maintaining what we have today. It is about

setting up a bright and solid future for our children and our grandchildren to make this place the best that we can make it, Mr. Speaker, and that is what the Budget is all about.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile.

**MR. A. PARSONS:** Thank you, Mr. Speaker.

I am pleased to stand here and speak again to the Budget. I did not know I was going to get another opportunity. So having this unexpected opportunity to speak is certainly a pleasure here tonight.

We have heard speakers from all sides speak about the Budget tonight, just talking about different things. Depending on which side you are on, the comments are different, obviously. Listening to the Minister of Transportation, he said the members on the other side are not accountable. I disagree with that, though, because we are accountable.

Our job is to hold government accountable for the expenditure of public funds. Our job is to keep them accountable to the people of this Province, and we get elected to do that. So we are going to continue doing that. That is why we like to stand up and ask these questions, to make sure that the money is expended in the best way possible because it is all of our money. It is public money. So I appreciate that.

Mr. Speaker, I do not have a lot of time, so I am going to try to cover off as much ground as possible because there are certainly a lot of things. I listened to the Minister of Service NL. He stood up and spoke about Labrador, and that is good for him. That is his job. He is the minister for Labrador and he is going to speak about it. He referenced a lot of the spending that is going on. A lot of what he talked about was spent in 2005.

What I am going to try to do is limit what I am talking about to 2013. I am going to limit what I am talking about to the Budget this year. What I

would like to talk about is – let me see, I have a top ten.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. A. PARSONS:** I have a top ten. Again, I know the noise coming from the other side shows that they do not want to hear about Budget 2013, but I am going to keep talking as best I can. It is kind of hard because there is some commentary from the other side, but I will overcome that.

Now, one of the things I want to talk about is, let me see, there is a number here. How about we talk about the Department of Advanced Education and Skills? We will start there. That is the department that was created just after this government was elected. Actually, we are doing the Estimates for that department tomorrow. That is going to be very interesting. We have three hours to go over this, and we have the benefit of having the report done by Mr. Noseworthy.

I had a member on the other side Tweet me tonight, saying it was ironic that we are referencing the Noseworthy Report. I would say the fact is he was hired on a six-figure untendered contract to critique the department and figure out how it should run. The least that the government could do is actually look at the report, read the report, and use that report if they paid for it.

Again, he identified a lot of stuff here. I do not have all the details here, there is a lot to it, but some of the words he came up with, it was absolutely ridiculous how poorly managed and configured that department is. It is funny, because in order to make these changes to that department, you are looking at about ten years to get there and you are looking at an amount of staff. The irony is that they cut the guts out of that department in order to make those changes happen. I find that interesting. You are going to make these changes, yet you cut out the people on the front line who were supposed to do it.

There are a number of different areas, because it is mishmash, a hodgepodge of different things tossed together in the hopes that it would all work, and unfortunately it is not. That is evidenced by the people who call us with complaints about the department and the running of the department. Whether it is Income Support, whether it is apprenticeship, whether it is the labour market, whether it is JCPs, you name it.

One of the things they talk about, we talk about this labour shortage that gets talked about all the time. We just made that labour shortage – we have actually flooded the market with a number of new people, people who came from public jobs who are tossed out here because of the cuts of this government.

Now, it is funny, we talk about a labour shortage, at the same time we have a literacy plan that was looked at and never completed and never put in place. That would have helped people work towards that. We had EAS workers, people whose job was to help people attach to the labour market. They are cut adrift and tossed to the side, too.

We have the apprenticeship program. Again, there have been some investments made there, but I still get a lot of complaints. People calling that department cannot get calls back, cannot get calls answered. That seems to be rife in that department, when you call in and you cannot get somebody on the phone. It is funny because the statement you get is: There is a higher than anticipated volume of calls. That is not the case. It is the same number of calls. There are just less people to handle the calls. That is what it comes down to.

That is an example on Income Support. That is a department that gets anywhere from 400 to 600 calls a day, and there are actually less people to handle the calls. They are batting about 40 per cent right now on calls answered in a day. That is what the department is averaging, four out of ten calls answered. Now, that has gone less because we have cut those people who were doing it. Vacant positions, people there,

and we have cut it. So actually they are going about 25 per cent now.

**AN HON. MEMBER:** (Inaudible).

**MR. A. PARSONS:** Yes, 25 per cent. You imagine now, these people –

**MS SULLIVAN:** (Inaudible).

**MR. A. PARSONS:** I will say to the Minister of Health, I will get to your department now in a second. We have some issues there. I might talk about the hospital, the dental plan, the drugs you will not cover, or the people who cannot get access to drugs if they are not on insurance plans. I will get there. I am going to stick to Advanced Education, so let me get through that and I will get to your department. You let me get there. We will continue on.

**AN HON. MEMBER:** (Inaudible).

**MR. A. PARSONS:** I say to the Minister of Service Newfoundland and Labrador that is right. He is over there. He is sitting down. He is certainly not standing up for Labrador. That is what is going on right now.

Now, I am going to continue on. Actually, we talk about Advanced Education, so I am hoping three hours is going to be enough time to continue on with the multitude of questions we have. We talk about the literacy plan. That ties right in with poverty reduction. Poverty reduction is that we are going to have the best results in Canada in eight months. How are we going to do that when we cut out all the people working in poverty reduction? That is funny. We cut out all the people working in poverty reduction, yet we expect us to hit the best levels.

I think, Mr. Speaker, that is evidenced by the fact there are more people on Income Support today than there were in 2009.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER (Wiseman):** Order, please!

**MR. A. PARSONS:** Now, I have not heard anybody come back at me with –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. A. PARSONS:** Mr. Speaker, I have not had anybody come back to me with an answer on that yet. We talk about poverty reduction. We talk about the great things. There are more people in the Province today on Income Support than there were in 2009. That is a fact. We can talk about the white-hot economy. We can talk about the steps we are making in the investments. There are more people on Income Support right now. Those people when they call in, they are not getting the calls through. They are not getting answers.

Now, we will continue on here. Actually, it is funny. Advanced Education, we are saving this one for last and it is probably the one I had the most questions for.

We can talk about the Noseworthy report, the fact that this crowd promised action within sixty days of reports and they are making all reports public. Now, they did make this report public. They tossed it out I think it was Budget day or the day after, a good way to divert attention away from the Budget. They did put it out, and to that I credit them.

They made it public but you are supposed to act on it within sixty days. Right now, you are not going to get those actions. There is nothing going to be done on that. It is going to take years to implement half of these (inaudible). We look at the fact that there are seventy programs and they were all critiqued very, very intricately by Mr. Noseworthy. I am wondering how the changes are going to come.

I am going to try to move off this. I can look at all the different jobs that were cut and all the different aspects of this department. It is amazing how we are going to provide the same service with less people.

We could talk about efficiencies, but that is absolutely amazing.

It is funny; I hear the minister over there talking about 2003 – the minister of history –

**MR. JOYCE:** Ask him how many boil order advisories (inaudible) –

**MR. A. PARSONS:** We can talk about 2003 and how many boil water advisories are still in the Province right now – how many were there then and how many are now.

I digress; I am trying to stay on track, Mr. Speaker. I am trying to stay on track.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. A. PARSONS:** I am going to continue on now. I will move on to – let me see what else. The Minister of Health wanted me to talk about health. Well, I will talk about health.

The fact is we are getting the worse bang for the buck in health spending – the worse bang for the buck.

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. A. PARSONS:** Thank you, Mr. Speaker, for the protection.

We have a Budget that the highest percentage goes into health and we are not going to be able to continue sustaining that, so when you make those cuts in health, what happens then? Do we still get the same level of service? Do we get the same delivery?

One of the reasons why we have had this high Budget is you take things like the dental plan. This dental plan that was started – and the dental plan is good. The problem that I have is next year – this is coming from Estimates; this is actually going to be in Hansard when we get it – you are going to get your dentures one half at a time.

What kind of Province do we live in when this is the kind of care that comes out to the people of this Province? The minister can actually laugh about it; she can talk about it. That is the answer that I got when it came to dentures, to dental care. We budgeted \$6.7 million, we spent well over \$20 million, and this is what we got. We can talk about the Ondansetron. That is the drug for the children with cancer who are having nausea, but they cannot get it covered. We are the only Province in Canada that cannot get it covered; \$20 a day for the pill and we cannot get that covered.

**MR. JOYCE:** Can they get a meeting?

**MR. A. PARSONS:** No, I do not think they can get a meeting either, but the fact is this is something that we asked for, so I have to put that out there.

We can talk about Cystic Fibrosis. We can talk about the TOBI Podhaler – again, something that cannot get covered. We can talk about screening, something that all the other provinces – actually the Western-developed world is moving towards that, but we are not. We are still stuck here, not moving forward. Actually, we are not doing anything when it comes to the preventative side and it will save us money down the road.

I heard a good analogy today, preventative medicine – when they look at the cost, it is like the resettlement program. The fact is the Province is looking at it saying we are going to save money down the road by making the package so much higher. The costs right now are greater, but down the road we are going to save. We look at the same in medicine. Make that investment now and we are going to save in the end.

Mr. Speaker, it appears that my time may be coming to a close. I appreciate the time to speak to this Budget again and remind them of some of the other decisions that they made.

**MR. SPEAKER:** Standing Order 76.(2) provides for three hours of debate on each of the

Committee reports, so we will now call for the motion.

The motion is that the report of Government Services Committee be concurred in.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, 'nay'.

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Motion carried.

On motion, Report of Government Services Estimates Committee, carried.

**MR. SPEAKER:** The hon. the Government House Leader.

**MR. KING:** Thank you, Mr. Speaker.

I move, seconded by the Minister of Innovation, Business and Rural Development, that the House resolve itself into a Committee of the Whole to consider Bill 1, An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland and Labrador Act.

**MR. SPEAKER:** It has been moved and seconded that the House do now resolve itself into Committee of the Whole and that I do now leave the Chair.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, 'nay'.

Motion carried.

On motion, that the House resolve itself into a Committee of the Whole, Mr. Speaker left the Chair.

Committee of the Whole

**CHAIR (Verge):** Order, please!

The Committee of the Whole will consider Bill 1, “An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act.

A bill, “An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act”. (Bill 1)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, ‘nay’.

Carried.

On motion, clause 1 carried.

**CLERK:** Clauses 2 to 43 inclusive.

**CHAIR:** Shall clauses 2 to 43 inclusive carry?

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, ‘nay’.

Carried.

On motion, clauses 2 through 43 carried.

**CLERK:** Be it enacted by the Lieutenant-Governor and House of Assembly in Legislative Session convened, as follows:

**CHAIR:** Shall the enacting clause carry?

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, ‘nay’.

Carried.

On motion, enacting clause carried.

**CLERK:** A bill, An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act. (Bill 1)

**CHAIR:** Shall the title carry?

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, ‘nay’.

Carried.

On motion, title carried.

**CHAIR:** Shall I report the bill without amendment?

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, ‘nay’.

Carried.

Motion, that the Committee report having passed the bill without amendment, carried.

**CHAIR:** The hon. the Government House Leader.

**MR. KING:** Thank you, Mr. Chair.

I move that the Committee rise and report Bill 1.

**CHAIR:** The motion is that the Committee rise and report Bill 1.

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay'.

Carried.

On motion, that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

**MR. SPEAKER (Wiseman):** Order, please!

The hon. the Member for Lewisporte.

**MR. VERGE:** Mr. Speaker, the Committee of the Whole has considered the matters to them referred and have directed me to report Bill 1 carried without amendment.

**MR. SPEAKER:** Order, please!

The Chair of Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 1 without amendment.

When shall the report be received?

**MR. KING:** Now.

**MR. SPEAKER:** Now.

When shall the said bill be read a third time?

**MR. KING:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

**MR. SPEAKER:** The hon. the Government House Leader.

**MR. KING:** Thank you, Mr. Speaker.

Mr. Speaker, this time I call from the Order Paper, Order 4, second reading of a bill, An Act To Amend The Revenue Administration Act No. 2, Bill 4.

**MR. SPEAKER:** The Member for The Straits – White Bay North.

**MR. MITCHELMORE:** Thank you, Mr. Speaker, for the opportunity to speak to Bill 4, which is An Act to Amend the Revenue Administration No. 2 by repealing the Labrador Border Zone Tax Rebate on tobacco products.

I listened to the debate earlier today by a number of members, and one of the concerns that was put forward as to why the government is looking at removing the Labrador Border Zone Tax Rebate is that there is no rebate provided by any other province when it comes to tobacco sales. I listened intently to what the Minister of Finance had said previously about the cross-border shopping basically. He had talked quite a bit about how New Brunswick is connected to the United States; they share a border.

There are quite a number of restrictions and limitations when people go and cross-border shop. One of those things is that they have to overnight. If they are going to bring back any type of quantity, there is a certain amount that anyone can purchase when it comes to tobacco products. Those are restrictions that are placed that would prevent people from crossing the border and actually doing that type of out shopping.

If we look at the location of Labrador and how it shares boundaries with Quebec, especially the towns of Labrador City and Wabush, and how close they are connected to the community of Fermont. As well as on the South Coast when we look at from the Labrador Straits side from Red Bay to L'Anse au Clair, these communities are very close to Blanc Sablon and other parts of the Lower North Shore in Quebec.

The minister had said that there are about thirty-three businesses that receive this rebate. My big concern is eliminating this rebate and removing it since March 31 without passing legislation, how damaging this could be to local business, and if there was any type of consultation.

It seems like, from what the Member for St. John's North said, the Mayor of Wabush, Ron

Barron, had really not been informed that this type of legislation would be coming to the House. There was not a high level of consultation.

What government is saying is that removing this rebate could save government approximately \$3.4 million annually. We have not seen how they are going to save this money. If there has been an analysis on the basis that if you increase the rate of tobacco products, then certainly there may be people who will cross-border shop into Quebec. As well, will this mean that there will be less people purchasing cigarettes because the price would be cost prohibitive? Those are the types of things that need to be looked at. We have not seen that type of analysis.

One thing government said is that they want to remove this type of incentive because government is committed to the promotion of health and well-being, but we are not seeing in this Province where there have been investments into trying to invest in therapies like smoking cessation to help alleviate that.

One of the things we see when we look at business – I do quite a bit of travelling and when you look at going into other countries and you look at the duties and the elimination of duties when you go duty-free shopping, you look at being enticed to make purchases because of the savings. Then if you look at a rebate that has been in play in communities that are very geographically distanced from other communities, but very close to a border where there are products that are going to be cheaper – and I know that the Minister of Finance had talked about that Quebec is increasing the rates of their tobacco products, but they still will be cheaper.

We have to look at all levels of taxation that is going to put into play – that includes the federal excise duty, which is a standard duty, but looking at the provincial excises. Quebec has a far lower excise than what the Province of Newfoundland and Labrador is charging. As well as looking at the overall tax of Harmonized and where Quebec is – because Quebec charges

just the federal GST. So this as well can create a broader price disparity.

In the short term, where retailers are not given much notice, this can have a detrimental impact on them and their line of business. If you look at the corner store, as the Member for Lab West had talked about, they have a set amount of product that they have right now, and if they are going to be losing revenue from one product stream, then they have to make it up somewhere else – and giving them time to look at expanding their products so that they can generate that revenue from their storefronts, and things like that, as the Member for Humber Valley had talked about with pharmacies. When they removed the tobacco products from their shelves, there was a transition period where they could look at other types of revenue streams that they could get into.

In the very short term this can be highly damaging to businesses, even if they are a small number of businesses, the thirty-three. Retailers in Quebec on these border communities would look at having various specials on product to attract and compete, to have new customers come in and purchase other things besides tobacco, whether it would be alcohol, whether it would be other consumer goods, whether it would be confectionary items, or whether it would be groceries.

The longer this goes on, the more loyal, then, and the more routine a customer would get to another retailer. That could have an impact on the current retailers, quite significantly. If they are currently having removed a rebate they have had for quite a number of years and now they are going to be placed at a disadvantage when it comes to being competitive, they are going to have to also look at lowering prices and things like that, which certainly in the short term may be good for consumers.

What it could end up doing is it could create a level where businesses just cannot survive. We may see job losses. We may see a number of things happen that can impact these small communities, especially in the Labrador Straits. They have a very strong, independent business

community there. There are no big box stores like the Walmarts of the world. They really are focused on the small convenience stores and the small retailers, but just down the road there are other retailers as well that are going to now have a competitive advantage. That will have an impact on sales.

When you look at any type of amount of income that a business has, and if it is lower, if for example these small businesses now fall under the threshold of under the \$500,000, then they are paying the small business tax. If because the removal of these rebates contribute to a high loss of sales, then what is going to happen is they are going to end up not paying the higher level of corporate income tax that the Province certainly needs for its provincial revenues and what is in the Budget Estimates as being an increase this year. If that is happening, even on a small level between these retailers, that will have an impact.

If the sales are down in these businesses as well, then that is going to potentially lead to loss of employment. It is certainly not going to help the employer in any shape or form in these places like Red Bay, or in Forteau, or L'Anse-au-Loup, looking at business expansion, and looking at new product lines in the short term.

I question how the government has said since 1998 that the amount of cigarettes purchased in Labrador West has more than doubled, and with the end of this program it is the hope that cigarette sales will also decrease. It is likely that cigarette sales will likely decrease because people will out shop.

That might be a nice step for the Department of Health and Community Services to say: Look, tobacco sales are reduced in Newfoundland and Labrador, we are making great strides. There is no indication that Newfoundlanders and Labradorians have actually purchased less tobacco products because of out shopping. That may have a detrimental impact as well to our overall health care system. Those are types of things that we certainly need to look at when it comes to how we do things in border towns.

We have to look at how much is this going to take out of the rural economy of the Labrador Straits, as well as looking at the Towns of Labrador City and Wabush. We have a significant commuter economy, especially in the Lab West area with the high economic climate there. It would be reasonable to think with the boom that has happened and the amount of workers who are there; it is not just the residents who are actually purchasing these tobacco products.

There are some transient workers who are coming in and working there for the short term and purchasing these products as well. We have to look at the true economic climate of these regions and what is really happening. It is not to say that just because there is a rebate there, that people are purchasing more and more tobacco products.

We need to look at these communities. Are there better retail options in Lab West, Wabush, and in the Labrador Straits to see if this is actually having an overall impact and maintaining competitive prices for other consumer goods? All of these things have a certain impact.

I think a more comprehensive strategy to reduce smoking in the Province was needed. One of the things that government may have considered was to look at maybe something like how other borders – when you go into other jurisdictions, what they have is a limitation for a certain timeline and a certain period as to being able to go to the US for a certain number of days. You are able to purchase a certain amount of product at that rebated or that lower duty rate.

Maybe that is something government could have done when looking at this rebate. Is to consider looking at maybe some sort of timeline and looking at allowing the business community, allowing the retailers, the people who are availing of this rebate, time to adequately transition so that they can then make wise business choices to expand their product stream.

I talk to small business in my district all the time. I go in and the small stores are talking

about the products that they sell. The Member for St. John's North had talked about it, is that when you look at beer, when you look at tobacco products, if you look at lottery tickets, the regulated prices, like gasoline, retailers make very small margins on these products. It is the other products they have in the store that really helps. These products that are regulated by the government, that the government is making huge profits for, these are things that are bringing customers in the door.

In small rural communities there are less and less customers, in particular if we look at the Labrador Straits region. You have to look at the change in population dynamics. In many rural communities you have an older population, so it has an impact on the viability of these businesses for the long term.

Removing these rebates is a detrimental impact to the small business community. It is really an attack on small business. It is not progressive to look at taxing small business more. That is kind of exactly what this government is doing by removing such a rebate. It is taking money out of the pocket of small business and making them less and less viable. That is something that I think needs to be understood because if we look at the Budget and we look at what is in the Budget this year for small business, if we look at the fees and increases that are there, some of them go up to 700 per cent.

This is another case where government is trying to say it is saving money and it is trying to say it is doing this for the health and well-being, but if they really wanted to do things for health and well-being when it comes to reducing tobacco products or health care costs pertaining to it, then we would see more progressive policy around preventative care. That would be things like the smoking cessation therapies and nicotine replacement therapies, which we do not see.

What we are seeing is government hinder economic development in the Labrador Straits region, as well as Lab West when it comes to the removal of such a policy that is going to make them less competitive when it comes to a product that they do sell, and in a very short time

frame to adequately plan. This is kind of a shock to small business.

When you look at implementing something very quickly without consultation and it is a shock to small business, then it has a trickle-down impact and there will be repercussions for small businesses. You may see closures. If you see even one business close, that is one too many for our rural economy. We need to really look at the policies of what we are doing and how we could do things better.

I think if we looked at the health care side of things, where we look at the therapies, we could have savings from our nearly \$3 billion health care budget, and the savings would be quite tremendous. Right now this policy may lower the statistics of tobacco sales in the Province. You are certainly going to see a lot more out shopping in Newfoundland and Labrador.

I do not think I am going to be able to support Bill 4 because of the implications it is going to have on small business. I have certainly made my points, and I will have an opportunity to ask questions as this bill goes into third reading.

So, thank you, Mr. Speaker.

**MR. SPEAKER:** The hon. the Member for Mount Pearl North.

**SOME HON. MEMBERS:** Hear, hear!

**MR. KENT:** Thank you, Mr. Speaker.

We have heard from the Liberals earlier this evening, it sounds like they are not going to support Bill 4. It looks like the Member for Bay of Islands is prepared to speak, so maybe he will enlighten us further shortly.

Then, of course, the New Democratic Party calls Bill 4 an attack on small business, the Member for The Straits – White Bay North said, taking money out of the pockets of small businesses. On one hand he acknowledges the profit on cigarette sales is minimal for retailers, and on the other hand he calls this bill, which will eliminate the subsidization of cigarette sales in a

certain region of the Province, an attack on small business. He goes on to talk about how badly impacted by this recent Budget small businesses are in Newfoundland and Labrador. So, I am not sure what Province he is living in, Mr. Speaker. I am not sure what region of the Province he is living in.

When I look at this Budget, when I look at the improved, enhanced suite of programs available through the Department of Innovation, Business and Rural development as a result of this Budget, we are driving growth in rural Newfoundland and Labrador. We are driving growth in every region of the Province. We are driving growth and key sectors. We are seeing incredible growth in Ocean Technology, in the Information and Communications Technology sector, in Tourism, and 80 per cent of our investment through the Department of Innovation, Business and Rural Development is in rural Newfoundland and Labrador.

Some of the comments made by the Member for The Straits – White Bay North I find rather challenging and certainly difficult to accept and extremely difficult to even understand, to comprehend.

This is a simple bill, Mr. Speaker. This bill will amend the Revenue Administration Act by repealing the Labrador Border Zone Tax Rebate on tobacco products. I support the legislation and I believe it is the right move to make at this time. It was in late March that the Minister of Finance announced that we would be bringing forward these amendments during this spring session. It is part of Budget 2013. We are bringing forward these amendments for a number of reasons. It is important to consider that there is no other rebate provided in any other part of the Province for tobacco sales, and no other province in Canada offers a similar rebate.

The savings that will come to taxpayers as a result of eliminating this program is about \$3.4 million annually. Mr. Speaker, this reduced tax rate on tobacco products was introduced in 1984 in Labrador at the request of some retailers in the area. In 1997, the Labrador Border Zone

Rebate was linked with taxation levels of tobacco products in Quebec in an effort to limit the incentive for cross-border shopping in the Labrador West and the Southern Coast areas of Labrador. The rebate has been provided to approximately thirty-three retailers in Lab West and on the South Coast.

The provincial government has made a number of changes to legislation to discourage tobacco use: banning promotion of tobacco products, for instance; eliminating smoking from bars and restaurants; and banning smoking from areas around public buildings. Really, this move we are making through Bill 4 is consistent with those efforts to discourage tobacco use among the people of Newfoundland and Labrador.

The member opposite suggested somehow we are not interested in promoting the health and well-being of people in this Province and that we are not making efforts to reduce the prevalence of smoking in this Province, and nothing could be further from the truth.

The fact that we are, in this day and age, providing a tax rebate that really provides an incentive for increased tobacco sales, it goes against the commitment of this government, Mr. Speaker. We want to promote health and well-being of the people of this Province.

I think previous speakers have acknowledged that since 1998 the amount of cigarettes purchased has more than doubled in the Labrador West region. We really hope that with the end of this program and with the end of this rebate cigarette sales will decrease. We think this is a positive move for all the right reasons.

Mr. Speaker, each year retailers were given a quota for tobacco sales. The quota consisted of a subsidy to retailers based on tobacco sales, which allowed them to sell tobacco at a reduced cost. The program was costing taxpayers about \$3.4 million a year, so that will be the savings that we realize as a result of eliminating this rebate.

The program will officially end on July 1, but affected retailers were given notice. The

member opposite suggested no notice was given. That is also false. They were given notice on March 27.

As well, Mr. Speaker, providing a tax rebate on tobacco that serves as an incentive for increasing tobacco sales just does not make logical sense in this environment we find ourselves in. It creates an unfair advantage and really it is not consistent with the aims, objectives, and principles of the health policies of this government. I think this is a positive move.

It seems members opposite disagree, and they are interested in continuing to subsidize tobacco sales, but that is not something we are prepared to continue to endorse on this side of the House. We are concerned about the prevalence of smoking, particularly among young people in Newfoundland and Labrador. High tobacco prices discourage smoking, and hopefully high tobacco prices actually are effective in preventing youth from taking up the habit.

It is interesting to note that since July 2008 the RCMP have had an additional presence on the West Coast of the Province to address contraband issues. Canada Border Services has also increased enforcement presence to address the contraband trade in our Province.

Some people are probably wondering why we have not raised tobacco taxes more, while we are talking about tax rebates on tobacco. We have to weigh concerns for public health with the potential for increasing the demand for contraband products, so that is a key consideration as well. To increase tobacco taxes significantly would actually fuel the demand for black market tobacco products and it would result in an increase in unregulated product in the Province.

We have raised taxes on cigarettes, but not on fine cut tobacco. The Province's current tax rate on fine cut is significantly higher than it is in other provinces, Mr. Speaker. It was considered sufficient to raise the taxes on cigarettes to be more in line with the tax levels in other provinces. No equivalent increase was considered necessary for fine cut tobacco.

Mr. Speaker, I think I have had enough to say on Bill 4. I think this is a move that makes sense. I am surprised that the NDP does not support it. I do not find the explanations provided by the Member for The Straits – White Bay North reasonable in this day and age. I think it is opposition for the sake of opposition, but it is typical of the small-minded politics we see from the NDP on a consistent basis.

Thank you, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** The Member for Bay of Islands.

**MR. JOYCE:** Thank you, Mr. Speaker.

I just rise to have a few words on this Bill 4 and I will give an explanation on some of the comments that I made earlier.

I just heard the Member for Mount Pearl North, I think, talking about the small business, how they do not think this is going to hurt the small business. I can tell you what, if anybody does not believe that this is going to hurt the small business, ask the former Minister of Finance in 2010 who said the reason why we have to keep this in place is to keep the businesses in Lab West and Southern Labrador competitive.

If you want to just criticize us and say, oh, how dare you think that we are attacking small business? ask the former Minister of Finance. Ask the Minister of Finance back in 2004, who stated that we must keep these small businesses competitive. I can go through a litany of people here, a litany of members opposite, Ministers of Finance who said we have to keep this in place.

Now, Mr. Speaker, all of a sudden everything that was said, it is a budgetary item and we needed the funds, now we do not need it. Those businesses up there do not need it. Let's scrap it; they do not need it.

Mr. Speaker, you can see why we can ask questions and realize when you go back and how this came into being back in 1984, supported in

1997 – and again, if you go through each minister, even since 2003, I can read Hansard each time it was brought in with the press releases how they all supported this. This here has been all throughout.

When you want to talk about businesses, Mr. Speaker, and you are saying oh, small businesses do not need it, I say you should all get together because up to this year, before this year, it was very well needed. That is why each Minister of Finance since 2003, when they made the announcement, said at the big press release about keeping this in place. How they needed to protect these thirty-three businesses, how they needed to ensure.

Mr. Speaker, I have to get back to some of the comments the Member for Labrador West and the Minister of Service NL said today. One of the things he said is, and I quote what he said. If I am incorrect I ask the minister to stand: up to March 27, they have the quota for this year.

When does the quota end? That is something we are not sure of. If the quota ends April 1, and it starts again April 1 –

**MR. MCGRATH:** No, no, no, the quota ends June 30 (inaudible).

**MR. JOYCE:** June 30.

**MR. SPEAKER:** Order, please!

**MR. JOYCE:** Just say the quota ends June 30, Mr. Speaker. The minister is saying June 30. From June 30 last year to this year they have the quota. How can the minister say that from June 30, 2013 onward there is going to be no impact when we have not even reached the date yet?

What you are saying is they have the quota. There is no impact now because they already got the quota. They are up to the height of the rebate, so there is no impact. Let's wait until after June 30, Mr. Speaker, this year and wait until June 30, 2014, then come back in this House and say there is no impact. That is what you need to do.

You cannot say there is no impact when someone has the rebate in place right now, and cannot get it any more until June 30. By the time the next season comes around, which is July 1, 2013 up to July 1, 2014, you cannot say: oh, there is no impact. Let's wait for that year. When you give out this information: oh, they are at their quote, and I spoke to the businesses and there is no one hurt.

I also heard the minister make the comments on several occasions that there is no one who built a corner store on cigarettes. That is a simplistic attitude towards this problem, very simplistic. If you ask anybody in this House, 99 per cent of the time when you go into one of those corner stores if you pick up one thing, you pick up three or four other things. It is very simplistic.

It is almost like, do not give these thirty-three businesses the service they need, Mr. Speaker, and they deserve by saying: Well, no one built it just on cigarettes. If the cigarette industry goes and if they do not sell as many cigarettes, therefore, it is not a big deal because they do not build it on it.

We all know ourselves, when someone goes in for something cool, a few Diet Coke, Pepsi or 7UP, we are going to get a bag of chips with that, we are going to get a bar with that. If we are into a retail store we are going to pick up something else we need. We do it on a regular basis.

When the minister stands in his place and says it is only cigarettes, it is not, and you know that minister. You know that. These thirty-three businesses, Mr. Speaker, they know it also. They know the impact it is going to have because if there was no impact on these businesses, I ask the question: Why did every Minister of Finance, since 2003 up to 2013, send this out as a good news story, how they supported businesses on the border of Labrador? Can anybody opposite explain that to me, if this was not a great story?

Mr. Speaker, I do not want to be political here because it is very obvious this is very important to these thirty-three people. I ask the members

opposite: Did it take twelve years to realize this had no impact? Is this part of your ten-year study that you supposedly had for 2003, that all of a sudden you realize ten years later this has no impact on business? Of course not, Mr. Speaker, we know what happened here.

We had the Minister of Finance stand up here tonight talking about smoking cessation. This is why we did it, to help the smoking cessation. Then we had the Minister of Service NL, the Member for Lab West stand up, and I have to give him credit, he stood up and said: No, this is a budget item that we cut because of a budget. I have to give you credit for that.

We have one minister here trying to sugar coat it: Oh, there is a smoking sensation; we are going to do this now just for these border –

**AN HON. MEMBER:** Cessation.

**MR. JOYCE:** Sensation, cessation. It is good to see that the minister knows what I am talking about. Obviously, he never spoke about it with the Minister of Finance because that is what the Minister of Finance was trying to justify here tonight, Mr. Speaker.

If this is the case, why don't we have one all across the Province? If it is going to work in the border towns up in Lab West and down in The Straits in Labrador to help curb smoking, why are we just targeting those two areas? Do you know why, Mr. Speaker? Because that there is just a falsity. That is not the reason why they doing this. They are doing this because it is a budget cut. They are doing this because they are saying we need the funds. They are saying we are doing this because, listen, we mismanaged over the last ten years when every one of us supported this.

Mr. Speaker, the sad part about it, this is happening now. The Member for Lab West is not standing up for the people of Labrador. The reason I say that, and I say that to the people in Lab West and the people in Labrador, because I stood in this Legislature when the Member for Cartwright – L'Anse au Clair was sitting here, and he challenged her to stand up for Labrador.

It is time for her to stand up for Labrador. I always said you should never challenge people because you never know when that challenge is coming back.

I say to the Member for Lab West, if it was good enough for you to challenge the Member for Cartwright – L'Anse au Clair to stand up for the people of Labrador, I think you should follow your own words and stand up for the people of Labrador, the people of Lab West, the people of The Straits of Labrador because, Mr. Speaker, they are going to be affected.

I challenge, Mr. Speaker, because you always like to know the facts. I challenge any member opposite, the Minister of Finance, the Minister of Service NL, the Member for Lab West, I challenge them to produce a report where they did a financial analysis where they said if we decrease this here, it will help with the taxes in Lab West and The Straits and there will not be any financial loss to these businesses, job losses, or any negative impact. I challenge the ministers here to produce that report so we can review it.

Now, if you ever want to stand up and talk about decisions, just go into a budget item and let's pick out decisions, let's just grab one. This is one of them that was grabbed out. As the minister said, and I give him credit for saying it, it was just a budget item. They are just having one. They said, okay, I will bite the bullet. I will take one for the team. I will go up in Labrador, I will take one for the team, and I will say: Okay, Labrador, I never stood up for you here. I never stood up because we needed the money here.

The Minister of Finance said, I have to take it out, we need the money. We mismanaged for ten years. We supported this for ten years. The members opposite, the government opposite supported it for ten years but now all of a sudden they have to put it out. Guess what, Mr. Speaker? This government cannot produce a report which shows the cost benefit or the cost negative effect if they withdrew this funding, these rebates to the thirty-three businesses.

Here is an opportunity for the Minister of Service NL, Mr. Speaker, the Member for Lab West, I will sit down and give him the rest of my time if he tables that document so we can all look at it. If you cannot table a document and you cannot table a report, going by someone at a corner store and said, I spoke to one of the boys at the corner store who already has his full quota for now up to June, he is not affected.

That is the research that the minister did. Go back in a year's time and ask those same businesses in a year's time, are you affected? I say, Mr. Speaker, this is very touchy to me because I know the Member for Lab West challenged the Member for Cartwright – L'Anse au Clair on several occasions on issues for Labrador. He actually challenged her. Mr. Speaker, I always said in life, especially when you are in politics, you have to be careful because if you are going to say one thing it will always come back on you the next day.

Here is an opportunity for the Minister of Service NL, the Member for Lab West to stand up in his place here today and say no, I am going to support the people who elected me. I am going to produce the report which I made a sound decision on because I know there is going to be thirty-three businesses, plus the workers, plus the families who are going to be affected here. I, as the minister, will never make a decision without proper consultation with the people who elected me and without proper information that I can make a decision on, that I would not do it, therefore I am going to vote against this.

Mr. Speaker, I am willing to bet that this minister does not have the intestinal fortitude to do what he asked the Member for Cartwright – L'Anse au Clair to do. Do you know why? He is in Cabinet, and when you are in Cabinet you have to toe the line. You have to toe the line.

When you stand there and the minister wants to do that, this is going to be affecting a lot of people. We should go and review this. We should do a review, and I am sure it was not done. I am absolutely sure the review was not done.

When the Member for Mount Pearl North wants to stand up and say: Well, this is not going to affect small businesses. Do me one favour? I ask the Member for St. John's North, walk down and speak to the former Minister of Finance who said in 2010 how he had to keep this in place, how this was directly affecting businesses in the Labrador region, with the border of Labrador and The Straits.

Just walk down and speak to the former Minister of Finance, and ask him. If he does not want to talk to him, come over and I will show him the press releases from 2004, 2005, 2006. Every press release, right up until 2013, said how we have to support the businesses in these areas.

Mr. Speaker, I will not be supporting this bill. This is a bill that is going to affect a lot of people.

**MR. MCGRATH:** (Inaudible).

**MR. JOYCE:** The Minister of Service NL is still over there, he had his opportunity to speak. I did not say anything to him. This is a very serious issue.

**SOME HON. MEMBERS:** Oh, oh!

**MR. JOYCE:** He is over there laughing, Mr. Speaker, he has to be able to take the facts.

**MR. SPEAKER:** Order, please!

**MR. JOYCE:** You have to be able to look at the facts. It is easy to criticize me, it is very easy.

Mr. Speaker, I know the viewing public cannot see this. There are about ten or fifteen of them over there who cannot handle what I am saying. I will ask ten or fifteen of them – do you want me to go through each one, Mr. Speaker, I can? One of you ten or fifteen over there now who is heckling me, show me the report that shows this will have no effect on the businesses in Labrador and in Southern Labrador. Show me the report.

Mr. Speaker, guess what? Just to let the viewing audience know, it has gone silent. It has gone silent, Mr. Speaker, because they do not have the

report. I have in my hands here press releases from 2003 right on up to 2012, supporting it, Mr. Speaker.

**MR. MCGRATH:** Table it.

**MR. SPEAKER:** Order, please!

**MR. JOYCE:** I say to the Minister of Service NL, I do not need to table it. Go in your caucus room, I am sure they are in there because you have every press release in there about it. Go in there and look at it. I do not need to table it. If you want them, I will get them for you, not a problem. You can have a copy of them. There are a few of them marked up, Mr. Speaker, and I will tell you why they are marked up, because I wanted to make sure I had the quotes right when I did it. I am sorry for marking them up but you can have them.

Mr. Speaker, we are looking at some of the quotes here, just to give you a few little hints of what they said. This is the Minister of Finance when they were on the other side: Decrease cross-border shopping to make businesses in Labrador border zones more competitive with their Quebec neighbours.

On March 29, 2010, the Minister of Finance issued a few information bulletins that said the following, "Tobacco tax rates in the border zones have been linked to the tax rates in Quebec since 1997. The reduced rates effectively match the Labrador border zone rates to those in Quebec. This is designed to decrease cross-border shopping, and to make businesses in the Labrador border zones more competitive with their Quebec neighbours."

If you really want a copy, go down to the former Minister of Finance and I am sure he is a man of his word. He would say he said it because it is here in the press release. I can give it to you.

Mr. Speaker, I can say again, even back in 2004 the Auditor General asked the government for a report, if there was any negative impact or positive impact on this. Guess what, Mr. Speaker? There is nothing yet. Since the Auditor General produced this report in 2004,

there has been nothing to prove that there is any negative impact caused by Quebec coming over with this tax in place, absolutely none. He asked for it and this government had nine years now to do it and there has been nothing produced.

Mr. Speaker, I am going to sit down now and take my place. I say to the viewing audience, I am sorry for pointing people out. I like asking members – if they want to criticize me, ask for the reports that I am asking for so I can make an informed decision. You cannot make an informed decision when there is no report on it. It was hauled out of mid-air.

It is time for the Minister of Service NL, the Member for Lab West, to do what he asked other members to do. Stand up for the people who elected you, if you have the intestinal fortitude. If not, I say to the Member for Lab West, do not ever challenge anyone again. If you do not have the guts to do it yourself, you should not ask other people to do it.

Thank you, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** The hon. the Leader of the Third Party.

**MS MICHAEL:** Thank you very much, Mr. Speaker.

Though it is getting late at night, I am happy to have an opportunity to speak to Bill 4, An Act to Amend the Revenue Administration Act No. 2, dealing with putting an end to the current Labrador Border Zone Tax Rebate on tobacco. It will be effective as of July 1, 2013. I was not sure I was going to get a chance to speak to this bill. I am glad I am able to.

This bill, Mr. Speaker, is pretty straightforward. The government is trying to make it more than it is. In Budget 2013, the Budget includes the clause in there that has to do with removal of this tax. A Budget news release was put out by the government at the time. It basically deals only with the reduced tax rate, pointing out when it came in and why it came in.

Basically, it came in 1997 in order to link with tobacco taxation levels in Quebec. That would be to put an end to the cross-border shopping that was going on by Labrador West residents. Now we know that when it came in it also affected the South Coast of Labrador as well, not just the Labrador West area of Labrador. It is pretty straightforward. We know why it was brought in and we know why government is ending it, because they were going around looking for money and this was another place they saw where they could grab some money. A very small amount, Mr. Speaker, really, \$3.4 million, because that \$3.4 million actually is coming from only thirty-three retailers. When you look at that, for each retailer that is relatively a small amount of money but for small retailers it is a lot of money. Government is basically saving \$3.4 million and saving it on the backs of Labrador retailers who are going to lose revenue.

I was shocked, Mr. Speaker, by the fairly cavalier attitude of the Member for Labrador West. He did acknowledge that he spoke to people in his district who disagreed with it. Basically, he said: Well, you know, we will see. We will do it and we will see, not convinced that anything bad is going to happen but we will see.

Well, that is not good enough. That is an example to me of the lack of analysis that this government has done around different things they have in Budget 2013. Oh, this looks good; we will take the \$3.4 million. Do you know what? Maybe it will be okay. Maybe it will not hurt the small retailers. We will see. That is like the jobs that were lost: Oh, there are not very many, we will see. It is not good enough, Mr. Speaker.

When I hear them saying, putting into the discussion that this program, hopefully, could help cigarette sales decrease and that could be a cessation of smoking going on. Well, I say, Mr. Speaker, it is just putting up a smokescreen when it comes to this bill. This bill is about saving money for the government and taking the money off the backs of retailers in Labrador. I am really shocked that the Member for Labrador

West has portrayed the Labrador attitude that he did portray.

When we say, as the NDP, we cannot vote for this bill, it has nothing to do with the cessation of smoking. I would love to see, we have said it here in this House and I will say it again, I would love to see a real program to help with cessation of smoking in this Province, a real program. Money put into it so that people who want to give up smoking can really be helped to do it.

I am not going to get into the therapies and what needs to be done. We do know that every province in Canada, except New Brunswick and Newfoundland and Labrador, puts money into programs to help with the cessation of smoking. If this was what this bill was about I would be all for it, but that is not what the bill is about. The bill is about this government once again trying to find a way to grab some money to make up for the deficit that it has created. To do that on the backs of small retailers is not acceptable.

The Member for The Straits – White Bay North spoke eloquently to this issue. The Member for St. John's North did as well, coming from his own personal experience from a family that had a small business. The case has been made very clearly I think, and I think the government side of the House knows what is going on. That is why they are making the noise that they are making instead of being quiet and realizing: Okay, once again we have made a decision. We are going to do it and we are going to stick by it; that is it.

That is what it is all about, Mr. Speaker. Let's not play games. Let's not pretend it is about helping with smoking cessation. I would like to point out to the government, for example, that if cigarette sales decrease it is not going to be a sign that smoking has decreased in Labrador.

I would like to know if this really were what they were interested in, then part of the legislation would be putting in place a program to monitor whether or not with this action smoking actually decreased in Labrador on the

borders, not just the sales of cigarettes. Undoubtedly, the sales of cigarettes are going to go down. It is not far to cross the border, either up in Lab West or certainly not down in the south, to go to a store on the other side of the border.

I am not going to take time to go through that whole analysis again because it has been done clearly by people, but I did want to add my voice to the discussion because I am quite unhappy to see the government, a government that says it believes in small business but then does nothing about it. That is what this government has to be seen for, saying one thing but doing another. If they really cared about small business they would not be doing this to the small retailers in Labrador. Having said that –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MS MICHAEL:** Thank you, Mr. Speaker.

Having said that, Mr. Speaker, I think the point has been made clearly and I will be voting against this bill.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** The hon. the Member for St. Barbe.

**MR. BENNETT:** Mr. Speaker, just in case there is anybody watching and they do not understand because they may have come in late, what we are discussing is a tax break that has been provided to –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. BENNETT:** - small retailers in the communities in Labrador that are near the Province of Quebec, so that they are competitive with the retailers in Quebec. Prior to the tax break being offered, which was many years ago, more people were more likely to shop in Quebec, because Quebec with economies of

scale and lower taxation on tobacco products, could simply undercut all of our tobacco retailers.

This is not about whether tobacco sales or cigarette sales is a health issue. It is purely and simply a tax break that was provided to –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please!

**MR. BENNETT:** It was a tax break that was provided to these small businesses so they would be more competitive with their Quebec counterparts. When you consider who will be affected here, besides the businesses in Labrador West, being Labrador City and Wabush, you also have the communities in the southern coastal Labrador region from L'Anse au Clair nominally north to Red Bay.

Mr. Speaker, when you go from the Island across the Strait of Belle Isle you actually land in Quebec. You do not land in Labrador. You land in the Province of Quebec, and then you drive into Labrador, which is Newfoundland and Labrador. So the anomaly was for many people, that on one side of an imaginary, unseen line you will pay one price for a Canadian-produced tobacco product, and immediately on the other side of the line you pay a higher price. Clearly, consumers were motivated to go to the lower price place, and why would they not?

Mr. Speaker, this tax break has been around for decades. It has been supported by all parties, both governments. Everybody has supported it, including this government until today. This government is going to use their majority to take away this tax break to make these businesses in the Labrador communities that are adjacent to Quebec less competitive.

Now, if we look at the competition they face in any event. If you look at the communities in L'Anse au Clair, L'Anse-au-Loup, Forteau, and these communities, they already face competition from Quebec-based communities in Blanc Sablon, and further south from Blanc Sablon. If there are nightclub types of

industries, first of all, Quebec tends to be open later than Newfoundland and Labrador businesses.

Furthermore, there is a one-and-a-half-hour time zone difference just by going across a simple line that you cannot even see. In the half-a-dozen kilometres from L'Anse au Clair to Blanc Sablon, the time changes by an hour and a half. So you can leave –

**SOME HON. MEMBERS:** Oh, oh!

**MR. SPEAKER (Verge):** Order, please!

**MR. BENNETT:** Mr. Speaker, you can leave when the bar closes in L'Anse au Clair at the Northern Light Inn and it might be 1:00 o'clock at night. If you go five kilometres away to Blanc Sablon, it will be 11:30 at night. They will stay open until 3:00 a.m., which is 4:30 o'clock. Hours-wise they are already more competitive.

The additional sales, it is not because tobacco sales and cigarette sales necessarily generate a lot of revenue. It is something that attracts buyers. People who come to small stores to buy cigarettes typically buy cigarettes, they buy lottery tickets, they buy beer, they buy milk, and they buy whatever they need. It is not the ten, fifteen or twenty cents that the retailer makes on a pack of cigarettes.

**MR. O'BRIEN:** (Inaudible).

**MR. SPEAKER:** Order, please!

**MR. BENNETT:** Mr. Speaker, I might mention to the Member for Gander, I can tell him that for many decades I have been involved in businesses that have sold tobacco products, and I still own one. I understand the concept. So he does not need to comment on my business background by way of convenience stores. In any event, the sales that will be lost to these small businesses are not just the sale of the cigarettes. What would be lost are all of the other sales.

Mr. Speaker, to give you an idea of the type of discrimination that our residents face versus Quebec-based businesses – and they do face discrimination, particularly in Southern Labrador and the Quebec North Shore. Many years ago in the 1970s, I was dealing with an individual who was one of my clients. He was in L'Anse au Clair and he had a Home Hardware store. In discussing with him I asked: how did you get into this business?

This is one of the businesses typically that would be affected by the loss of this tax break. He said: Well, for twenty years or so I worked for the Hudson's Bay store in Blanc Sablon and no way could I ever make manager. There was no way. Because I was not from Quebec, I could not get the promotion. I was from Newfoundland and Labrador. I could not get the promotion. Because I could not get the promotion, I came back here to L'Anse au Clair and I set up my own business.

Mr. Speaker, he was very, very successful. He made quite a bit of money. I think it was the Hudson's Bay store that was the loser. That demonstrates the type of discrimination our people face when they deal with the handful of border communities that are close to Quebec. There is no doubt that it is in Fermont, having done business in Wabush and in Lab City. We see it there.

What we have here today is a member of Cabinet who is not defending this position. It is a tax break that is going to be lost to all the small businesses in his community that are tobacco retailers.

We have another community in Cartwright – L'Anse au Clair where there is a by-election pending, and the political party that supports the government has not even been able to find a candidate for that by-election. Good luck to them in finding a candidate to contest that seat. If they are going to sell out these little retailers, they will give them absolutely nothing. Mr. Speaker, they do not have nerve enough to go up there and face the people, and now they are going to take away this tax break.

So, Mr. Speaker, it may be a very simple thing, but it is a small-minded miserly act by this government to simply take away the little bit of competitive advantage that fewer than three dozen of our small businesses had in competing with a bigger Quebec culture. This government has railed on and on and put us in hock for \$8 billion or \$10 billion for Muskrat Falls because they want to take a few kilowatts around Quebec, yet they sell out to Quebec on this basis.

They will sell out our small businesses and these small communities, and they are going to say: no, we are going to leave you to the wolves. We are going to let the Quebec retailers have at you, and we are going to abandon you and leave you.

Even though the Peckford government had vision enough to do it, the Wells government had vision enough to do it, the Tobin government, the Grimes government, and the Williams government had nerve enough to back up our retailers, but this government is going to take away that rebate. It is absolutely shameful and disgusting that they would do this to small businesses in the Labrador communities that border Quebec, and have the nerve to go back to the voters.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Is it the pleasure of the House that the said bill be now read the second time?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, 'nay'.

Carried.

**CLERK:** A bill, An Act To Amend The Revenue Administration Act No. 2. (Bill 4)

**MR. SPEAKER:** This bill has now been read a second time.

When shall the bill be referred to a Committee of the Whole House?

**AN HON. MEMBER:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

On motion, a bill, "An Act To Amend The Revenue Administration Act No. 2", read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill 4)

**MR. SPEAKER:** The hon. the Government House Leader.

**MR. KING:** Thank you, Mr. Speaker.

I move, seconded by the Minister of Environment and Conservation, that the House do now adjourn.

**MR. SPEAKER:** It is moved and seconded that this House do now adjourn.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, 'nay'.

Carried.

This House now stands adjourned until 2:00 p.m. tomorrow, Wednesday, being Private Members' Day.

On motion, the House at its rising adjourned until tomorrow, Wednesday, at 2:00 p.m.