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*Speaker: Honourable Tom Osborne, MHA*

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The House met at 1:30 p.m.

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

Admit strangers.

**Statements by Members**

**MR. SPEAKER:** Today for Members' statements we have the Members for the Districts of Exploits, Cartwright – L'Anse au Clair, Labrador West, Burin – Grand Bank and Terra Nova.

The hon. the Member for the District of Exploits.

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

I rise today in this hon. House to congratulate the Salvation Army Peterview Corps for 105 years of good works in the community.

I had the pleasure of celebrating this significant milestone with the Peterview faith community on April 23. The event featured an evening of song, prayer and good food, with representation from the Peterview town leadership and the fire department.

The Salvation Army has long been a pillar of community support and fellowship in our province. They have an extensive history of ministry, community-building, and charitable works and a tradition of helping the needy that goes back over a century.

I was deeply honoured to take part in the celebration, and I wish the Salvation Army Peterview Corps many more years of faith, fellowship and good works.

I ask all hon. Members to join with me in congratulating the Salvation Army Peterview Corps for 105 years in the community.

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

**MR. SPEAKER:** The hon. the Member for the District of Cartwright – L'Anse au Clair.

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

I rise today to recognize an aspiring young lady who has demonstrated keen entrepreneurial capabilities from a very young age. Hailey Turnbull of Charlottetown made her first quilt at 11. In the three years since, she has been painting shells, making Christmas decorations, designing bracelets, necklaces, keychains and much more.

Hailey sold her hand-crafted items at the local flea markets, and then after a positive response she took it a step further setting up a Facebook page called Hailey's Little Treasures to sell her products. Since then, she has shipped all over Canada, as far away as British Columbia.

Hailey is the sole proprietor of her business venture, and she administers all of its finances. From ordering to managing receivables and payables, Hailey has a strong knowledge of business operations, and she excels in it.

She also excels in school, partaking in sports and volunteering in the community. She has doggedly pursued her ambitions at becoming a marine biologist, with a wall in her bedroom devoted solely to this journey.

I ask all hon. Members to join me in applauding Hailey on her drive as a budding, young, independent entrepreneur, and to wish her much success as she pursues her dreams.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for the District of Labrador West.

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

Last evening, the Town of Labrador City held their annual Volunteer Awards Appreciation Evening to thank all the volunteers in the community. The awards are designed to honour the citizens of Labrador City who have made outstanding contributions to the community through their involvement in the areas of sport, recreation, leisure and volunteerism during a calendar year.

The most prestigious of those awards is the Town of Labrador City Builders Award. There

were two recipients last evening. Heather Bartlett, who has contributed 25 years to softball and minor hockey, and Kay Wall who has been a major force in building the youth centre and promoting youth activities. Congratulations to both of those most deserving recipients.

Volunteers are the life blood of any community and nowhere is that more evident than at the Smokey Mountain Ski club. I would also like to recognize members of the Canadian Ski Patrol who were recognized for their many hours of service: Beverly Flynn, Chris Janes, Sean Harkins, Jim Jewer and Cory Walsh. Al Cooper was awarded the highest honour, the Division Executive Award for his 27 years of service.

I ask all hon. Members to join me in congratulating and thanking all volunteers for their contributions.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for the District of Burin – Grand Bank.

**MS. HALEY:** Mr. Speaker, I rise today to recognize the staff and volunteers of the Burin Peninsula Health Care Foundation. The foundation often partners with other organizations and businesses in the area to raise funds to enhance health care services on the Burin Peninsula.

This past weekend the annual Kin and Friends Radiothon was held in support of the foundation. Despite a power outage that delayed the airing of the event for more than an hour, Mr. Speaker, the Radiothon brought in more than \$106,000.

Proceeds from this year's fundraiser will go towards upgrades to the chemotherapy unit at the Burin Peninsula Health Care Centre and other health care projects on the Burin Peninsula.

Mr. Speaker, I ask all Members to join me in thanking chairperson, Jerry Pike, and all members of the board of the Burin Peninsula Health Care Foundation: Stephen Baker, Dave Brenton, Shirley Coady, Fred Dodge, Edgar Fancey, Loretta Lewis and Rita McCarthy, for

their tireless commitment to helping health care institutions to better carry out their mandate to provide quality health care to our residents.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for the District of Terra Nova.

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

Mr. Speaker, it gives me great pleasure to rise in this hon. House to recognize an outstanding group of young people and volunteers in my district.

The Air Cadet League of Canada, formed in 1941, is celebrating 75 years of encouraging the development of civic minded youth to undertake leadership roles through enrichment activities such as effective speaking and music, community volunteering, in addition to academic awards and scholarships.

On May 14, I had the distinct honour to attend as a Reviewing Officer at the Annual Inspection Ceremony of the Royal Canadian Air Cadet 567 Random Squadron. Mr. Speaker, the squadron is celebrating its 63rd anniversary this year.

During the event, I witnessed the marching coordination of 29 youth and their extensive knowledge in emergency first aid. I was particularly pleased to participate in the annual awards of achievement: the Commanding Officer's Cup for outstanding cadet was awarded to Warrant Officer Gordon Cooper; the Royal Canadian Legion Medal of Excellence for volunteer leadership was awarded to Sgt. Cassidy Pardy; and, the Lord Strathcona Medal for excellence in physical fitness and leadership was awarded to First Sgt. David Drodge.

I ask all hon. Members to join me in congratulating the members of Royal Canadian Air Cadet 567 Random and the accomplishments of all recipients recognized at this event.

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

**The Commemoration of the First World War  
and the Battle of Beaumont-Hamel**

**MR. SPEAKER:** For Honour 100 today, we have the Member for the District of Mount Scio.

**MR. KIRBY:** Mr. Speaker, I will now read into the record the following 40 names of those who lost their lives in the First World War in the Royal Newfoundland Regiment, the Royal Newfoundland Naval Reserve, the Newfoundland Mercantile Marine, or the Newfoundland Forestry Corps. This will be followed by a moment of silence.

Lest we forget: Stewart Pinsent, Archibald J. Pitcher, Charles Pitcher, Corbett Pitcher, Walter Pitcher, Richard Pitman, Percy William Pitt, Abel Pittman, Arthur Henry Pittman, James Warren Pittman, William Pollard, Robert Pope, Archibald Harold Porter, Henry Porter, Josiah Porter, Robert Branfitt Porter, Garland Powell, Francis Power, James M. Power, James Matthew Power, John Power, John Joseph Power, Nicholas J. Power, Patrick Power, William Joseph Power, Edward Pretty, Edward Pretty, John Pretty, Frederick Joseph Price, Harold Heber Prince, William Patrick Prowse, William Puddicombe, Edward Pye, Jack Pynn, Michael Joseph Quigley, Albert Edward Quinton, Augustus Quinton, Cecil Ralph, Charles Ralph, Frederick Randall.

(Moment of silence.)

**MR. SPEAKER:** Please be seated.

Statements by Ministers.

**Statements by Ministers**

**MR. SPEAKER:** The hon. the Minister of Health and Community Services.

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

I'm very pleased to rise in this hon. House today to announce a new safe prescribing course being developed for health professionals in Newfoundland and Labrador.

The abuse and misuse of prescription drugs have become significant issues both in our province and across all of Canada. As a government, we

have opted to take concrete actions to address these issues here at home, and this initiative represents one of those actions.

The new training tool comes at the recommendations of Newfoundland and Labrador's multi-stakeholder advisory Committee on the Abuse of Prescription Medications. It identified increased education as a keystone for reducing inappropriate prescribing of certain targeted medications – namely opioids, stimulants and benzodiazepines. These three drug types are the most commonly abused and misused prescription medications in Canada.

The new course had been developed in partnership with Memorial University's Faculty of Medicine and the College of Physicians and Surgeons of Newfoundland and Labrador. It's expected to launch in January.

It will be mandatory for all new physicians seeking a licence in the province, and will also be available to the health care provider groups who prescribe these medications, such as nurse practitioners, dentists and pharmacists.

Thank you, Mr. Speaker.

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

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

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

I thank the hon. minister for a copy of his statement today. I would like to, first of all, thank Memorial University Faculty of Medicine and the College of Physicians and Surgeons of Newfoundland and Labrador, as well as the hard-working staff in the Department of Health and Community Services for their efforts in designing this new safe prescription course. I'm glad to hear this will be available for new and experienced health care professionals in our province.

However, Mr. Speaker, I would like to take a moment to talk about the Newfoundland and Labrador Prescription Drug Program which, through this year's budget, we've seen a reduction of \$7.5 million. We've seen a

reduction in over-the-counter drugs and diabetic strips, the adult dental program, all impacting people in Newfoundland and Labrador. If you think about mental health, the reduction in policing, access to courts and services and health funding will all have negative impacts, Mr. Speaker.

We hope this goes some way to help people of the province, but these cuts are not going to help those who are dealing with drug additions today.

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

**MR. SPEAKER:** The hon. the Member for St. John's East – Quidi Vidi.

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

I too thank the minister for the advance copy of his statement. I am pleased to hear about the safe prescribing course being developed by the faculty and the college and by the department as well. It is a step towards prevention and all who prescribe drugs should get this training.

Given that our prescription medication abuse is a problem right now in the province, I would have liked if the department could have found a way to make the course mandatory for all physicians who are here – if it's a problem now, they are part of that problem – and for others who prescribe.

Thank you very much, Mr. Speaker.

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

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

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

Mr. Speaker, May 17-23 marks the National Road Safety Week throughout the country.

Whether you are a new driver or someone with a licence for many years, safety risk are ever present on our roadways.

As we approach the May long weekend when many residents will be travelling throughout the

province, I want to offer some timely advice on how motorists can stay safe.

Before beginning a long drive, always get enough sleep and eat something before you start. Pull over and take breaks every couple of hours, even if you don't feel sleepy. Grab a snack, get some fresh air and stretch your legs by walking around. If you can, share the driving responsibilities with someone else.

If you have to pull over for any reason, move your vehicle off the road. Never drink any alcohol before your trip. Always monitor the weather forecast in the event of a storm or heavy rain.

Before setting off on a long car trip, ensure that your vehicle is in good working condition – ensure that the tires are properly inflated, all fluids are at their proper levels and you have sufficient fuel.

Make sure everyone in the car buckles his or her seatbelt. Drive according to road conditions and always be aware of your surroundings. Keep a keen eye for moose and other wildlife. Most importantly, reduce your speed.

Road safety is everyone's responsibility. This National Road Safety Week, I encourage all Newfoundlanders and Labradorians to take an extra minute to think about safety on our roads and highways and to adjust their own driving habits so they arrive at their destination safely.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Conception Bay South.

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

I want to thank the minister for the advance copy of his statement as well. Mr. Speaker, on behalf of the Official Opposition, I would like to recognize May 17-23 as National Road Safety Week in our country. The title of this week, sponsored by the Canadian Safety Council, is Reduce the Strain on Your Muscles.

The Canadian Safety Council encourages all to be mindful of our driving posture and strain while sitting in the same position, while driving a long period of time, can have on our bodies.

Mr. Speaker, I'd also like to take this opportunity to wish everyone a safe long weekend, as this is the unofficial first weekend of summer. I encourage everyone to play safe, drive safe.

Before setting out this weekend, ensure your vehicle is in good working condition, and that you, as a driver, are also in optimal driving condition.

Thank you very much.

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

**MR. SPEAKER:** The hon. the Member for St. John's East – Quidi Vidi.

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

I too thank the minister for the advance copy of his statement. There's no doubt that these are important safety tips, but I'm going to add to what the minister said, because I'm surprised he didn't include the move over legislation in his message.

It we're on a highway and see road crews or emergency vehicles pulled over, slow down and give them a wide berth. Move over legislation needs stronger enforcement in the province. We're hearing on the news some danger points that have been happening. People are ignoring the law, putting themselves and others in danger. No one should be hurt or killed while trying to do their job, and no driver should be killed either for just driving.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Oral Questions.

### Oral Questions

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

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

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

Mr. Speaker, here in the House yesterday we witnessed the Premier and his team of leaders trying to pull a fast one. The amendment introduced by the Minister of Education on the private Member's motion was the height of arrogance, designed only to keep the Liberal caucus in line, and we've seen where that got him.

So I ask the Premier: Is it your plan to continue to hijack private Members' motions to keep your caucus in line?

**MR. SPEAKER:** The hon. the Premier.

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

Well, as you know, in this House of Assembly and as you go through you debate certain pieces of legislation or a private Member's resolution, as we seen yesterday, it is not at all unusual to see parties and Members that would actually offer amendments.

I think what the Member opposite and the Leader of the Opposition is missing that those amendments actually go through a due process that happens here in this House of Assembly. I'm a little surprised today by the comments that have been made by the Leader of the Opposition, that he would question what happened here yesterday.

It's a very common occurrence that we see in debate, as we've seen with the Independent Appointments Commission. Often there are amendments that are put in place, they're received, they're debated, no different than what we saw here yesterday in the private Member's resolution. There was no intention here to hijack, which led to healthy debate here in this House of Assembly yesterday. So this is something that I anticipate we'll see into the future.

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

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

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

I think that was a yes.

Mr. Speaker, there's been more confusion between the Premier and his Finance Minister. The Finance Minister has stated that the \$30 million slush fund would be used for emergency situations. Now the Premier has said it was going to be used to leverage other funds. So, Mr. Speaker, we're not sure who's in charge there right now.

I ask the Premier: With no clear plan for the \$30 million slush fund, will you now use some of this slush fund to reverse some of the terrible decisions that you have made in your budget?

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

**MR. SPEAKER:** The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Mr. Speaker, the \$30 million amount that's in the contingency fund is clearly for contingency. The \$20 million that is in the budget related to leveraging the federal infrastructure programs is exactly for that.

I'd ask the Member opposite: Is he suggesting that we continue to borrow money that we don't know if we need spend to put into programs? Is he still maintaining his position that the province should spend more than it takes in, Mr. Speaker?

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

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

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

So that seems to be different from what the Premier said yesterday. Is it a \$30 million slush fund or the \$20 million? Maybe they have a \$50 million slush fund, Mr. Speaker.

Mr. Speaker, Liberal MHAs have been placed in a terrible predicament with this budget. The Premier has access to a \$30 million slush fund, which could be used to reverse some of the terrible decisions that are impacting people throughout Newfoundland and Labrador.

So I ask the Premier: Will you consider reversing the Liberal levy, placing a cap on gas

tax, or reversing the closure of libraries? Will you reconsider some of the choices you've made in this budget?

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

**MR. SPEAKER:** The hon. the Premier.

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

Well there's no doubt that Budget 2016-2017 was a difficult budget based on information and the place that this province is actually in as a result of the prior administration's mismanagement and poor planning. Do you know what we see currently? No matter what the fund is in this particular government, most of that right now is being borrowed.

I think the Member opposite has kind of lost sight that even with this budget and the measures that have been taken, there is still a \$1.8 billion deficit in this province today. This is actually borne by Newfoundlanders and Labradorians. These are very extremely difficult times.

As the Member opposite mentioned about the temporary reduction levy, that is indeed temporary. We look forward to a day when the position of this province is in better shape and we have access to make lives of Newfoundlanders and Labradorians much easier, and we will do that because we are concerned about the future of our province.

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

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

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

The Premier talks about the tough, difficult decisions they had to make, yet they put a \$30 million slush fund aside to use how they see fit instead of reversing some of the decisions that are having significant impacts on the people of our province.

They may not reconsider some of their decisions. I think the people are reconsidering their choice, who they elected in their Liberal government and the Premier they elected last

year. We know the Premier last year, during the election campaign, made several promises. One was a commitment to invest \$8 million in economic diversification to turn that into \$78 million this year.

**Premier:** Where's that money budgeted, and will people see that \$78 million return this year?

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

**MR. SPEAKER:** The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Mr. Speaker, the Member opposite continues to use language like slush fund, and I would beg to differ with his choice of language. The \$30 million contingency fund – as I have explained in Estimates, as I have explained in this House of Assembly – is particularly for contingencies, emergencies.

If we have a forest fire that costs the province in excess of what is already budgeted inside Fire and Emergency Services, that's what the contingency fund is for. We will come back into the House and table those expenditures in this House.

For the Member opposite to insinuate that this is a slush fund for political purposes is disingenuous and it's not reflecting the accuracy of what has been presented in this House, Mr. Speaker.

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

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

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

Well, I don't remember saying it was going to be used for political purposes, but I thank the Minister of Finance for letting us in on that secret. Mr. Speaker, now we're starting to hear something. Now we're starting to hear a little bit more.

Now I'll ask the Premier again, because he didn't know what the slush fund was for. I'll ask him again. He committed to invest \$8 million in economic diversification to create a \$78 million return. Now I just asked, but the Minister of

Finance got up. Maybe she's upset because I asked that question.

I'll ask the Premier again: Have you budgeted the \$8 million? Will you return the \$78 million? Where is that money budgeted?

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

**MR. SPEAKER:** The hon. the Premier.

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

Well, throughout the budget there are many opportunities to actually help diversify the economy in Newfoundland and Labrador. Obviously, that would be foreign language to what we seen from the Leader of the Opposition because that is not something they were able to do in 12 years with \$25 billion.

Indeed, what they did is they structured an economy, they structured a province today, Mr. Speaker, that requires \$148 a barrel knowing that production would fall off. They had an opportunity to create economic diversification in this province. They refused to do it. They ignored it, and here we are left with the situation that we are in today.

It is our intention with the group we have here, that I have here standing with the government, to help diversify this economy. It's what it's all about. We cannot continue to put all our eggs in one basket, that is the oil basket which is what the previous administration did.

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

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

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

That's another great campaign speech from the Premier we hear today.

The question was very simple, Premier: Have you invested the \$8 million? Where is it in the budget, and when are we going to see your \$78 million return? A simple question.

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



**MR. SPEAKER:** The hon. the Premier.

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

As you know, economic diversification doesn't happen in five or six months I would say, Mr. Speaker. This crowd knows all too well that they could not do it in 12 years. There are many opportunities and we are working with groups in our province right now in the agriculture industry, in the forestry industry, within the fishing industry, leveraging that with our federal colleagues, putting in place an environment where you can actually have a chance to be successful. This was ignored.

All they did was depend on oil revenue, waited for production, did nothing to secure the future of our province except for put it on their kids' credit cards.

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

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

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

It's three times I asked and three times he never answered the question. It's obvious the Premier is focused on the past. The people of the province are focused on the future and they're looking for answers from this government, Mr. Speaker.

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

**MR. P. DAVIS:** Mr. Speaker, it's another commitment broken. That's what it is. The Premier campaigned on listening. The truth is they're not listening at all. They've chosen to ignore the outcries from the public. They decided to ignore the outcries from their own caucus on how this budget directly impacts the people of our province.

I'll ask the Premier: Will you listen? Will you finally put people first? Revisit some of these host of taxes and fee increases that are going to drive many people into poverty.

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

**MR. SPEAKER:** The hon. the Premier.

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

First and foremost, we are focused on people in Newfoundland and Labrador. We are focused on all generations in Newfoundland and Labrador. We understand the difficult decisions that had to be made. They are not always popular political decisions, which is what the Members opposite decided that's the route they would want to take.

We have sat here or we've been in this House of Assembly for weeks and weeks now debating the budget, but not once have I heard from the Members opposite a solution. They continue to come back and say change nothing. Change nothing means this: You are prepared to double our debt in just five years to go to \$2.7 billion.

Is that how you would measure success, I would say to the Members opposite, Mr. Speaker? Is success continuing to borrow for the next generation to pay for the benefits that you want to receive today?

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

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

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

The Premier campaigned on attracting business, providing incentives for young families and businesses to put down roots in our province. He pretty much said he's going to do everything for everybody in the campaign – is what he said, Mr. Speaker. The budget has done the opposite of that.

So Premier, tell us: How much revenue will be generated for the government this year on your diversification plan?

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

**MR. SPEAKER:** The hon. the Premier.

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

As I said, economic diversification takes an incredible amount of time to get done. It doesn't happen in five months, I'm sure, or six months. If that could have happened, I would have

assumed the Members opposite would have been able to have some success with that.

We are having great conversations with small- and medium-sized business, some large businesses that are interested in doing work in Newfoundland and Labrador. First and foremost, before you can get any success – any success you create jobs for Newfoundlanders and Labradorians, you have to get your fiscal house in order.

The Members opposite seem to want to ignore the fact that what they want to do is just go out and to continue to borrow and borrow. Borrowing and borrowing does not necessarily mean that success will be had. It's quite the opposite I say, Mr. Speaker.

We will work with our young people. We will work with the business community. We will work with communities in all Newfoundland and Labrador to make sure our future is sustainable.

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

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

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

I'd suggest the Premier has already done that. They did their LEAP. They travelled the province. Their captains of industry went around. They did their on-board tour. I don't think there is very many people in the province on board today, mind you, Mr. Speaker.

Very simply, he's talked about diversification and investment. He made a commitment – in all the things they've said – to create \$78 million this year on an \$8 million investment.

It's very simple, Premier: What's the number? How much will you generate in new revenue from diversification this year?

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

**MR. SPEAKER:** The hon. the Premier.

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

I call tell the Member opposite when those plans were put in place, it was based on information he was giving to us. The information he gave to people in Newfoundland and Labrador, forecasting a \$1.1 billion deficit in our province which turned out to be \$2.7 billion this year.

The Member opposite had that information in October of 2015. Had it before that, I would suggest, if he had been doing the job he said he was going to do. He kept the information from Newfoundlanders and Labradorians. He kept the information from us. Then he's expecting this group here to come in and in just five or six months, to clean up the mess they created, which they did not even share with us prior to the election, did not share with people during the campaign.

It's shameful where he's going with this message today, I say, Mr. Speaker.

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

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

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

The campaign continues and the history lessons continue, but as I said the people of the province are focused on the future and they want answers. Public servants are looking for answers as well because we're contacted by public servants every single day.

Now, the Members opposite campaigned on no job cuts. When the reality is we know hundreds have already lost their jobs. The likelihood is there may be many more coming in the fall.

I ask you Premier: When will you inform public servants what they can expect for long-term employment with the province? How many jobs are you going to cut this fall?

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

**MR. SPEAKER:** The hon. the Premier.

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

Well, the Member opposite quite often today in this Question Period talks about focusing on the

future. Well, it's too bad he didn't take lessons from his own misgivings in our province because he wasn't concerned about the future at all. He wasn't concerned about the future, only his political future. That's the reason why he didn't share information with people in Newfoundland and Labrador.

Mr. Speaker, when it comes to our public sector workers, we value the great work they do in providing critical services. We've committed to entering into a good-faith bargaining. That is exactly what it will be.

Is the Member opposite suggesting what we should do is have this to be a public negotiation? Is that what he thinks would be fair and indeed good faith?

We will answer into good-faith bargaining with our organizations. We look forward to that.

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

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

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

Well, part of their good-faith bargaining, government has admitted they've hired an external crisis communications manager.

I ask the Premier: How much have taxpayers paid to date for your highly paid spin doctor?

**MR. SPEAKER:** The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Mr. Speaker, the Member opposite is not accurate. We have hired, through the Department of Justice, the firm of McInnes Cooper, who have brought with them the services that they feel are appropriate to support the incredibly talented individuals that will be representing government as part of collective bargaining.

For the Member opposite to suggest that government made a direct hire is factually inaccurate, and the Member opposite continues to muddy the waters by not talking about the facts. Maybe it's time for him to start being honest, Mr. Speaker.

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

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

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

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

Anyway, I'll move on from that one for this movement.

Mr. Speaker, the minister just said they've hired McInnes Cooper, who has hired a communications consultant.

So I'll ask a question, and I'll be honest and truthful: How much have you paid McInnes Cooper to pay your highly priced spin doctor?

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

**MR. SPEAKER:** The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Mr. Speaker, I appreciate that the Member opposite finally has accurately reflected what has been said in this House on numerous occasions, and I thank him for his honesty this afternoon.

Mr. Speaker, the collective bargaining process, as it unfolds over the next number of months, will include a number of talented individuals, including our very valuable public sector negotiators and members of the Human Resource Secretariat. And as the collective bargaining process unfolds and as we bargain in good faith, the costs that may be associated, that will be determined.

At this stage I'm sure the Member opposite can appreciate that we haven't sat at the tables and the costs will be determined after we get at the tables.

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

**MR. SPEAKER:** The hon. the Member for Conception Bay East – Bell Island.

**MR. BRAZIL:** Mr. Speaker, so the Minister of Finance won't supply us with that information.

Mr. Speaker, Memorial University's Department of English is the latest group to voice its strong opposition to the government's proposed closure of libraries. They said it is their responsibility to speak up when elected representatives make a short-sighted decision that will deprive the people of Newfoundland and Labrador of extremely important social, cultural and educational services.

Does the minister think his professor colleagues' concerns are just nonsense?

**MR. SPEAKER:** The hon. the Minister of Education and Early Childhood Development.

**MR. KIRBY:** Mr. Speaker, we take everyone's advice and feedback and criticism. We take it under advisement and we welcome people to give feedback. Unlike the previous administration, I'm not putting my thumb down on teachers and telling them to clam up. I've been encouraging everyone to give feedback to us.

The provincial libraries board made a decision to move to a regional model. They made that decision based on a number of factors, including library usage, population and ability to support a regional model. Unlike the previous administration, we're not going to have a library system that's 50 per cent underfunded in comparison to other jurisdictions in Canada. That's criminal in my opinion.

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

**MR. SPEAKER:** The hon. the Member for Conception Bay East – Bell Island.

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

**MR. BRAZIL:** Mr. Speaker, my understanding from the libraries board is that you just dismissed their input and the advice that they've given.

Many are surprised how quickly your conviction has changed since becoming Minister of Education in the Liberal government. Many ask is this a case where the minister has traded principle for promotion.

Can the minister clarify for the people of the province?

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

**MR. SPEAKER:** The hon. the Minister of Education.

**MR. KIRBY:** Mr. Speaker, the fact of the matter is that the public Treasury was raided; the previous administration thought that we could borrow our way to prosperity, and we most certainly can't. We were facing a \$2.7 billion deficit that we were misinformed about. The previous administration had a number that was about one-third of that.

We've had to make difficult decisions – one that, otherwise, we would have chosen not to make. But the cold, hard facts are that the previous administration thought they could borrow this province's way to prosperity, and that's simply not the way it works.

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

**MR. SPEAKER:** The hon. the Member for Conception Bay East – Bell Island.

**MR. BRAZIL:** So your government's process and principles on education is about making it regressive, making it non-inclusive and being detrimental to learning? Great principles for education.

Helen Fogwill Porter, writer and recipient of the Order of Canada, says she can't believe that the Minister of Education would cut libraries to save such a pitiful, small amount of money.

I ask the minister: While you're constantly saying people's concerns are nonsense, would you not agree that Ms. Fogwill's concerns are legitimate?

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

**MR. SPEAKER:** The hon. the Minister of Education.

**MR. KIRBY:** Mr. Speaker, the amount of money that is going to be saved as a result of this decision is approximately \$2.8 million.

Almost \$700,000 of that is going to be reinvested into the regional libraries model.

I know that the Member opposite and his colleagues think that \$2.8 million is a small amount of money. For them, that's the way they operate; that's the way they view the world. Millions of dollars is just a negligible amount of money. That's how they managed to dig such a deep hole that we're trying to dig our province out of today. It's that mentality that created this problem.

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

**MR. SPEAKER:** The hon. the Member for Fortune Bay – Cape La Hune.

**MS. PERRY:** Mr. Speaker, yesterday I asked a question about funding for inclusion grants to the Minister Responsible for the Status of Persons with Disabilities, for which the Education Minister gave us a non-answer.

I ask the minister again today: These are the people you used to advocate for; these are the people that you represent today. Which groups are going to be affected by the cuts you've made to inclusion grants?

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

**MR. SPEAKER:** The hon. the Minister of Child, Youth and Family Services.

**MS. GAMBIN-WALSH:** Mr. Speaker, we are committed to working with persons with disabilities. We are committed to working with the experts who are the persons with disabilities. Right now we are working with the Coalition of Persons with Disabilities, we are working with the Association for Community Living, and this is where the grant money is being spent.

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

**MR. SPEAKER:** The hon. the Member for Fortune Bay – Cape La Hune.

**MS. PERRY:** Mr. Speaker, we strongly feel the people deserve to know.

Can you please tell us which groups will be affected by these cuts?

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

**MR. SPEAKER:** The hon. the Minister of Child, Youth and Family Services.

**MS. GAMBIN-WALSH:** Mr. Speaker, these grants are an ongoing process. The community groups apply to us to do initiatives that meet our action plan, and we address them, on an ongoing basis.

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

**MR. SPEAKER:** The hon. the Member for Fortune Bay – Cape La Hune.

**MS. PERRY:** Mr. Speaker, yesterday the minister stated that funding for certain groups was being reviewed.

So I ask the Minister of Seniors, Wellness and Social Development: What criteria will seniors' groups need to meet in order to obtain their funding, and when will you let them know?

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

**MR. SPEAKER:** The hon. the Minister of Child, Youth and Family Services.

**MS. GAMBIN-WALSH:** Again, Mr. Speaker, that is a system we are committed to developing and we are reviewing and evaluating. It will be done over the course of this fiscal year.

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

**MR. SPEAKER:** The hon. the Member for Cape St. Francis.

**MR. K. PARSONS:** I guess we got no answer there again, Mr. Speaker.

The Mayor of Bay de Verde says it was ridiculous that the Minister of Municipal Affairs could say that his town didn't ask for government assistance. The mayor says a lot of people will see their income cut by 50 per cent.

I ask the minister: Government has a \$30 million slush fund; will government use this to help the workers?

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

**MR. SPEAKER:** The hon. the Minister of Municipal Affairs.

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

Once again, I think it's kind of sad that the Member would use such a tragedy in Bay de Verde for political purposes. Not once did that Member come over and ask me what's happening in Bay de Verde. Not once did he come over and say what programs are available, yet we hear him stand in this House of Assembly, for a second day now, asking questions.

We met with the mayor. Myself, the Premier and the Minister of Fisheries met with the mayor. What the mayor said at the meeting, in front of about 15 people, he asked for a Guaranteed Income Supplement and he said I know there's no such program.

We offered programs after the fishing season if there is any – the Community Enhancement Program. We offered several other programs. We offered them through the Department of Advanced Education and Skills, Mr. Speaker. To this date, I did not receive one response from the mayor. We are there for the people of Bay de Verde.

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

**MR. SPEAKER:** The hon. the Member for Cape St. Francis.

**MR. K. PARSONS:** Mr. Speaker, I don't know who's telling the truth. It's either the mayor or the minister. One of them has to get their story straight, I suppose.

On Monday, the Minister of Municipal Affairs said: "We're helping. We're working with Quinlans, Mr. Speaker. We're committed to Quinlans. We offered assistance."

I ask the minister: When are you going to offer assistance to the workers? Quinlans has insurance.

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

**MR. SPEAKER:** The hon. the Minister of Municipal Affairs.

**MR. JOYCE:** Mr. Speaker, I find it kind of offensive that you stand up and say that we're not here for the workers. We went out and we met with the workers. We offered any assistance to the Town of Bay de Verde and the surrounding areas. We are helping Quinlans because that's what the town and the mayor asked us to do.

We will be there for the people of Bay de Verde and the surrounding area. We would offer any assistance that we already did to the mayor.

To this date, Mr. Speaker, there has been no request, except the Guaranteed Income Supplement which the mayor stated himself. If you think I'm wrong, ask the other 10 to 12 people who were at the meeting. He said: I know there's no such program.

I ask the Member opposite, name once that you offered any assistance to come over and meet and say what can we do for the people of Bay de Verde. Not once.

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

**MR. SPEAKER:** The hon. the Member for Cape St. Francis, for a very quick question.

**MR. K. PARSONS:** Mr. Speaker, I don't know if the minister wants me to do his job, but it's his job to communicate with the town.

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

**MR. K. PARSONS:** The mayor of that town is a volunteer that does hard work for his people and stands up and speaks for his people. I hope the minister will listen –

**MR. SPEAKER:** I ask the Member to get to his question.

**MR. K. PARSONS:** Minister, when are you going to go out and talk and help the people of this area?

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

**MR. SPEAKER:** The Minister of Municipal Affairs, for a quick answer.

**MR. JOYCE:** Mr. Speaker, I don't ask him to do my job, but I ask him: Will he stop playing politics with the tragedy that happened in Bay de Verde. That's what I would ask.

Mr. Speaker, I offered the mayor and town council any time they want a meeting, just contact us. I'll even tell you what I'll do. If you want to come along to the meeting, you come along so you can help out.

Instead of standing and making politics, come and help the people of Bay de Verde. Stop playing politics with (inaudible).

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

**MR. SPEAKER:** The hon. the Member for St. John's East – Quidi Vidi.

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

From increasing class-size caps to turning Intensive Core French into a lottery, the Minister of Education and Early Childhood Development has laid immense pressure on the shoulders of school administrators who have to make the changes work and take responsibility for accountability for those decisions.

I ask the Premier: What direct consultations were held with school administrators prior to *Budget 2016* to see how they could deal with these new restrictions?

**MR. SPEAKER:** The hon. the Minister of Education and Early Childhood Development.

**MR. KIRBY:** Mr. Speaker, one of the first things I did when I was appointed to Cabinet was I met with the bargaining agent for all of the teachers and school administrators in the province. I asked the NLTA to help us to find solutions to the problem we're facing, to try to find efficiencies in the education system.

The NLTA provided a submission that I had costed, that involved hiring some 600 new teachers to the tune of about \$50 million and increasing taxes way, far beyond what has been done in this budget. So I did consult. I wasn't able to move forward with the advice I was

given because increasing the budget by \$50 million is not finding efficiencies.

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

**MR. SPEAKER:** The hon. the Member for St. John's East – Quidi Vidi.

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

So it seems that listening to their 500,000 advisors means nothing.

The NLTA heard everything for the first time on budget day. All of these changes that are in there, first time on budget day. They had no idea what was happening.

I ask the Premier, if he can inform us of the analysis that was done to determine what impact those decisions would have on school administrators, teachers, students and parents?

**MR. SPEAKER:** The hon. the Minister of Education and Early Childhood Development.

**MR. KIRBY:** Mr. Speaker, everyone will remember that in January all departments of government, agencies, boards and commissions funded by government were asked to try to find savings in all of their budgets.

The English School District and the French School District both submitted detailed proposals to the Government Renewal Initiative process. Those detailed proposals included everything from anticipated feedback from teachers or parents, impact on student achievement, if there would be any.

We based our decisions on empirical evidence and best practices in other jurisdictions in Canada. I'm proud to say that I believe these decisions are going to work for our students and there will be no impact on student achievement.

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

**MR. SPEAKER:** The hon. the Member for St. John's Centre.

**MS. ROGERS:** Mr. Speaker, the Minister Responsible for the Status of Women said she had the Women's Policy Office apply a gender

analysis to Bill 1, An Act to Establish an Independent Appointments Commission.

Will she tell us what the recommendations were of that analysis?

**MR. SPEAKER:** The Minister Responsible for the Status of Women.

**MS. C. BENNETT:** Mr. Speaker, I'm one of the Members of this House, and certainly I'm flanked by my many Members of this House that are extremely proud of Bill 1, this government's first bill.

From the perspective of my accountability and responsibility as the minister responsible for Women's Policy Office, we were engaged in the discussions, the formation of the bill. We had lengthy discussions about how to not only ensure that the bill provided the merit-based identification that we wanted, but also how we could, when we operationalize the bill, we could ensure that we had very much a focus on ensuring that boards, agencies and commissions reflect the community, including a gender representation. I look forward to executing that plan, Mr. Speaker.

**MR. SPEAKER:** The hon. the Member for St. John's Centre.

**MS. ROGERS:** Mr. Speaker, the minister also told us she had the Women's Policy Office apply a gender lens to her budget to assess how her budget will affect women.

Will she tell us some of the recommendations of that analysis? Was a specific gender analysis done on the budget by the Women's Policy Office?

**MR. SPEAKER:** The Minister Responsible for the Status of Women.

**MS. C. BENNETT:** Mr. Speaker, the budget process and all of the things that we looked at as part of the Government Renewal Initiative – all of those things went through the normal policy process that government undertakes, which includes the role that the Women's Policy Office plays in doing analysis around policy changes that may have been reflected in the budget.

As a matter of fact, one of the things I've spoken about in this House in the past is that the Newfoundland Income Supplement was driven from our recognition that the budget was going to have an impact on low-income seniors, particularly which there's a large representation of women in that group. We felt very strongly about doing something to offset that, Mr. Speaker.

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

**MR. SPEAKER:** The time for Question Period has expired.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

#### Notices of Motion

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

**MR. A. PARSONS:** Yes, thank you, Mr. Speaker.

Pursuant to Standing Order 11, I give notice that the House do not adjourn at 5:30 p.m. on Tuesday, May 24.

Further, I give notice pursuant to Standing Order 11, that this House do not adjourn at 10 p.m. on Tuesday, May 24.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

#### Petitions

**MR. SPEAKER:** The hon. the Member for St. John's Centre.

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



To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents humbly sheweth:

WHEREAS the government has once again cut the libraries budget, forcing the closure of 54 libraries; and

WHEREAS libraries are often the backbone of their communities, especially for those with little access to government services where they offer learning opportunities and computer access; and

WHEREAS libraries and librarians are critical in efforts to improve the province's literary levels which are among the lowest in Canada; and

WHEREAS already strapped municipalities are not in a position to take over the operation and cost of libraries;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to keep these libraries open and work on a long-term plan to strengthen the library system.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, again, these petitions are flowing into our office. There are hundreds and hundreds and hundreds of signatures. People are angry. People want their libraries. Not because people feel they're living in a utopia, not because people have felt that they are entitled, which the Members of government have said time and again in this House, but because they know the important role that libraries play in their community, for their young people, for their parents, for their senior citizens, for the health and the wellbeing of the community.

I find it very interesting, Mr. Speaker, that today the Minister responsible for Education said that \$2.7 million was cut from libraries and \$780,000 will be reinvested. He said the libraries had to be cut because they were so grossly underfunded. So he's going to consolidate and he's going to put money back into the library systems to make the libraries that will continue to be better funded.

Well, Mr. Speaker, the money is gone. The money is gone. From \$2.7 million, all that is being reinvested, all the minister said is being reinvested right now is \$780,000 to be reinvested. That's only 30 per cent of the money that he is taking away from rural communities all over the province. That's not a reinvestment. Does he think that people can't add? He's taking away \$2.7 million from rural communities and then only giving back \$780,000. That's not a reinvestment. That's pocket change compared to what he's taking away from the people of rural Newfoundland.

It makes no economic sense if he's saying that what they are going to do is bolster up the existing libraries when he has already said they are so grossly underfunded. If they are so grossly underfunded, why does he not take the money that he has taken from those libraries and reinvest it into the others? No, Mr. Speaker, this is pocket change compared to what he's taking away from rural Newfoundland and Labrador.

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

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

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

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

I'm glad today to rise and put this petition before the House.

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth:

WHEREAS changes to bus routes will impact start up time at St. Bernard's Elementary and Mobile Central High; and

WHEREAS these changes were put in place with no consultation with school councils or parents; and

WHEREAS this will cause issues for parents, after-school programs and students;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the government to immediately instruct the English School District to reverse the decision regarding busing and start time for these two schools.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, I had an opportunity last night to meet with residents of the area, from Bay Bulls to Bauline, to look at this budget and the repercussions of some of the choices that have been made in regard to our children from the very youngest, from K to grade 12, and for the two schools we have in Mobile from seven to 12 and the K to six in St. Bernard's. There's been a lot of outcry in terms of how this was done, the repercussions of it for our families and for our children in regard to start times for our very youngest.

I think we're going to look at times of 7 o'clock and shortly after of young children waiting at stops for bus pickups, which is very serious in terms of our very youngest. As well, changes in regard to earlier dates that, as a result of the reduction in buses, are going to be resulting in pickups where we have families with kids that the older sibling may take care of the younger.

People commute for work and for their profession. Right now they're able to access, because of the schedule now, after-school care. I know in Bay Bulls there are after-school programs and in Witless Bay. All of those kids now, their schedules and after-school help – whether that's involved with academics or schooling or for sports – all of that is now in place.

So this totally disrupts that pattern for students and for families. It really needs to be addressed in terms of why it was done. The parents I met with last night were unclear in terms of what the return was for this and how it's so disruptive for our children. We know a day that gives children time to access what they need to access in the run of that day is important. That's strictly tied to busing and their trip to school and back from school.

I'm certainly delighted to be able to present this on behalf of the constituents in that region. I call on government to address this and address it immediately.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The hon. the Member for St. John's East – Quidi Vidi.

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

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents humbly sheweth:

WHEREAS the Deficit Reduction Levy is an extremely regressive surtax placing a higher tax burden on low- and middle-income taxpayers; and

WHEREAS surtaxes are typically levied on the highest income earners only as currently demonstrated in other province, as well as Australia, Norway and other countries; and

WHEREAS government states in the 2016 provincial budget that the personal income tax schedule needs to be revised and promises to do so;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure that the Deficit Reduction Levy be eliminated and any replacement measure be based on progressive taxation principles, and that an independent review of the Newfoundland and Labrador provincial income system begin immediately to make it fairer to Newfoundlanders and Labradorians.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, again, this petition coming to the floor – and I'd like to point out that a large part of the petition says that the House of Assembly urge government to ensure that the Deficit Reduction Levy be eliminated.

As somebody who receives this petition, I am duty bound to bring this petition to the House of Assembly. And we've paid attention to it. Yesterday we brought a private Member's motion to this House responding to this request of the petitioners that the levy be eliminated. Yet, we had a fiasco in this House where the government side of the House couldn't just accept that motion and say 'aye' or 'nay.' They had to play a game, twist everything and make us have a discussion that was disgraceful in this House of Assembly on their side.

We have had so many emails overnight and phone messages overnight since the fiasco in this House yesterday, performed by the government side of this House. I am very happy that we still have petitions that are coming in and now I know we're going to be flooded with even more petitions after what happened here yesterday, because they have no sense that this government understands what the levy is doing to people.

As some of the emails that came to me today said, they don't think the government cares any more. They think the government does understand and doesn't care, and that's even worse, Mr. Speaker. That's what I'm asking this government is to listen to the plea of the people who are signing these petitions. Remember, yesterday we had 18,000 that came in electronically, separately, that we cannot present here formally as I'm doing with the hand-written ones, which is something I think we need to think about in our House, but that's another issue.

I will continue presenting these petitions, Mr. Speaker, as they arrive.

Thank you very much.

**MR. SPEAKER:** The hon. the Member for Cape St. Francis.

**MR. K. PARSONS:** Thank you very much, Mr. Speaker.

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth:

WHEREAS changes to the bus routes impact start times at Holy Trinity Elementary, Cape St. Francis Elementary and Holy Trinity High School; and

WHEREAS these changes were put in place with no consultation with parents, families and against all the recommendations of the school council;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to immediately instruct each school district to reverse its decision regarding busing and start times for these schools.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, I attended a silent protest this morning at two schools in my district, and it was amazing. At the high school there were at least 100 high school students there, and they are so upset over this and fear what's going to happen next year. They're looking at times they'll get home in the evenings – Torbay, some students told me this morning, they figure it's going to be a little bit after 4 p.m. For people in Pouch Cove, Flatrock and Bauline, they figure 4:30, quarter to 5 p.m.

Anyone that's involved in any after-school activities, that's very, very serious for these people. Just think about the safety aspect of it all. We're going to have children get on the bus in the dark. I know it's done in other parts of the province – the minister said yes, it's done in other parts. Yes it is, but that doesn't make it right for the safety part of it. We're talking Torbay area where traffic is high. Right now, the last study that was done by the Torbay Elementary School showed something like 11,000 cars a day that passes by that school. That's a very heavy traffic area, and you're going to expect children from kindergarten to grade six to get on a bus in the dark. Students told me the other night that 56 days a year, they figure, that it's going to be dark when they get on the bus.

There's no need of it. There is a solution to it. Right now there are some double bus routes. I witnessed this morning that two buses were

there at the door and the students stayed on the bus for 15 minutes before they were allowed to get off. So the buses were there a little earlier this morning in the elementary school. So if these children were allowed to get off a little early, that will give them the time to go take the high school students.

Mr. Speaker, I was presented the other night at a meeting that was held with about 150 people that showed up – and a lot of students, parents, grandparents, and everyone. I was asked by the students of Holy Trinity High School to present a petition to the minister, and I have the petition here today with 480 names of students. If you're not going to listen to the parents, if you're not going to listen to the grandparents, please listen to the students, listen to their concerns.

Here's a petition that I present today with 480 names on it.

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

**MR. K. PARSONS:** Please, Minister, listen to these students.

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

The time for speaking has expired.

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

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

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

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth:

WHEREAS an extension is urgently needed at St. Peter's Primary school in Mount Pearl in order to accommodate full-day kindergarten and the growing school population;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to clarify its position and plan so that St. Peter's Primary and other schools in Newfoundland and

Labrador can properly accommodate students when full-day kindergarten commences in September 2016.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, I have brought similar petitions to this House of Assembly before signed by residents of both Mount Pearl and St. John's. I'd like to pick up on a couple of the points, specifically, in the petition that have come up recently in the House of Assembly.

Most parents, I won't say all, obviously, but most parents and most educators believe that the correct thing to do is delay the implementation of full-day kindergarten. I'm disappointed we're in that position. I'm an advocate for full-day kindergarten. I think most people agree it's the right thing to do, just not now.

It's being implemented this year at the expense of the rest of the education system in this province. It's just not right. There is a better way. A delay is unfortunate, but it would solve some other problems that are now being created in our education system.

The minister has said in this House recently that I should have pushed the previous government to advance the extension for St. Peter's Primary school. Well, it's this current administration that has delayed the extension by a year. It was on track for 2017. Now it will be 2018. So we're talking about two school years where there's going to be grossly inadequate space at St. Peter's Primary. A couple of portable classrooms are being added. Unfortunately, there's no space on the school grounds for more, but the school could actually use four more. So it is a real overcrowding problem.

Meanwhile, down the road, elsewhere in Mount Pearl, at Mary Queen of the World, we have a school that's going to have six empty classrooms in September. The answer – and I know members of the school council agree because I talk to them, and I talk to them far more often than the Minister of Education. The answer is to create a French immersion stream at Mary Queen of the World and address the zoning issues which would help deal with some of the space issues at St. Peter's Primary.

Instead, we have a situation where classrooms are going to sit empty in one school, while another one is bursting at the seams. There is a solution. If the school board would listen and if the government would listen and if the Minister of Education would listen, then we could make some progress.

I look forward to speaking to this further, Mr. Speaker.

Thank you.

**MR. SPEAKER:** Further petitions?

Orders of the Day.

### Orders of the Day

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

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

I would call Order 3, third reading of Bill 27.

I would move, seconded by the Minister of Finance and President of Treasury Board, that Bill 27, An Act To Amend The Law Respecting Statutory Offices Of The House Of Assembly, be now read a third time.

**MR. SPEAKER:** It is moved and seconded that Bill 27, An Act To Amend The Law Respecting Statutory Offices Of The House Of Assembly, be now read a third time.

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.

**CLERK (Ms. Barnes):** A bill, An Act To Amend The Law Respecting Statutory Offices Of The House Of Assembly. (Bill 27)

**MR. SPEAKER:** Bill 27 has now been read a third time and it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act To Amend The Law Respecting Statutory Offices Of The House Of Assembly," read a third time, ordered passed and its title be as on the Order Paper. (Bill 27)

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, for leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act No. 6, Bill 23, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded – I apologize, which bill number?

**AN HON. MEMBER:** 23.

**MR. SPEAKER:** 23.

It is moved and seconded by the hon. the Government House Leader that Bill 23 be now read a first time.

Is it the pleasure of the House that the minister shall have leave to introduce Bill 23 and that the said bill be read a first time?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act To Amend The Revenue Administration Act No. 6," carried. (Bill 23)

**CLERK:** A bill, An Act To Amend The Revenue Administration Act No. 6. (Bill 23)

**MR. SPEAKER:** Bill 23 has now been read a first time, when shall the said bill be read a second time?

**MR. A. PARSONS:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

On motion, Bill 23 read a first time, ordered read a second time on tomorrow.

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

**MR. A. PARSONS:** Yes, thank you, Mr. Speaker.

I move, seconded by the Minister of Finance and President of Treasury Board, that the House resolve itself into a Committee of the Whole to consider Bill 15.

**MR. SPEAKER:** The motion is that the House resolve itself into a Committee of the Whole to debate Bill 15 and that I do now leave the Chair.

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.

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

### Committee of the Whole

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

We are now debating the related resolution and Bill 15, An Act To Amend The Income Tax Act, 2000 No. 3.

### Resolution

"That it is expedient to bring in a measure respecting the imposition of taxes on corporate income."

**CHAIR:** Shall the resolution carry?

The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Thank you, Madam Chair.

Certainly I am humbled to stand in this hon. House today to speak to any legislation, in particular Bill 15, the corporate income tax rate increases.

Madam Chair, the uncontrolled growth in expenditures, the dramatic fall in revenues and oil production, exacerbated by the poor decision making from the previous government, has produced a serious and unsustainable fiscal imbalance that must be corrected. The choices we have made are not easy and every Newfoundlander and Labradorian, wherever they live and whatever services they use, will have to be part of the solution.

As part of these difficult decisions made in *Budget 2016*, an increase in the corporate income tax rate is being introduced. Retroactive to January 1, 2016, government is increasing the general corporate income tax rate, or the CIT as it's referred to, from 14 per cent to 15 per cent as a means of generating additional revenue. This change is expected to increase revenue by about \$17.2 million annually.

The provincial CIT rates are set out in the *Income Tax Act, 2000*. The small-business rate for Canadian controlled private corporations will remain unchanged at 3 per cent on the first \$500,000 of active business income which is competitive with other jurisdictions. The province supports small business because it is an important component of the local economy.

Due to the serious fiscal challenges currently facing our province, this government made a decision to introduce a separate bill to eliminate the Manufacturing and Processing Profits Tax Credit effective January 1, 2016. The manufacturing and processing profits will now be subject to the general CIT rate of 15 per cent. The M&P Profits Tax Credit provided a significant rate reduction of 9 per cent on M&P profits, a rate difference not provided by any other jurisdiction. Only two other jurisdictions provide a rate preference for M&P. The elimination of this rate preference will generate about \$8.8 million annually.

The decision to include a series of new initiatives to increase revenue for Newfoundland and Labrador was essential to address the unprecedented fiscal situation that we were facing. Based on the status quo, had we done nothing, the projected deficit for the province for 2016-17 would have been \$2.7 billion.

Given the actions that we've taken to date, we've been able to cut that projected deficit by one-third with the actual budgeted deficit for 2016-17 now at \$1.8 billion. The tax measures being implemented as part of *Budget 2016* will realize a total revenue in '16-'17 of \$647 million, annualizing to \$882 million.

*Budget 2016* lays out a credible plan with clear objectives, transparent goals and targets that employ an evidence-based process and a plan that will provide for fiscal security in the years to come, Madam Chair.

Thank you.

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

**CHAIR:** The hon. the Member for Fortune Bay – Cape La Hune.

**MS. PERRY:** Thank you, Madam Chair.

It's a pleasure for me to rise in the House again on behalf of the people of Fortune Bay – Cape La Hune and speak to Bill 15. Madam Chair, austerity is something that we have seen in great measure in this budget, and it brings me no pleasure to stand in this House and speak to a bill that imposes additional taxes on the private sector in Newfoundland and Labrador because the commercial private sector is indeed the engine of growth. All economists will tell you that in times of economic uncertainty, simulation of the private sector is a key to ensuring growth continues.

By increasing the corporate taxes, Madam Chair, we may unfortunately see some closure of businesses, particularly in rural Newfoundland and Labrador, and we're going to see compounded job losses in addition to the cuts that will be made by the Government of Newfoundland and Labrador. Unfortunately, some businesses will have no choice but to lay off employees as well to compensate for all the

additional taxes and fees that we are going to see in great measure, unlike we've ever seen before in Newfoundland and Labrador, Madam Chair.

We're very gravely concerned about the impacts of this budget. As a rural Member, and the only Member from outside the overpass in Opposition with a free voice to speak up on behalf of the people of Newfoundland and Labrador, I bring their concerns to this House of Assembly about the austerity measures and the devastating impacts they will have on the people all across this great province, Madam Chair.

And everywhere we go ever since the budget was brought down, whether I'm in a grocery store here in town or whether I'm in a grocery store home in rural Newfoundland, everyone is talking about the budget; everyone is extremely worried about the budget, Madam Chair.

It gives me, as I said, no pleasure to be here in this House debating a bill that actually imposes greater hardship on the hard-working folks of Newfoundland and Labrador who take a lot of risks, Madam Chair, and take a lot of chances in starting a business. I strongly believe we should be applauding the efforts of our entrepreneurs and doing what we can to support them, not stifle them, as they endeavour to create jobs and be the innovators that we need them to be to move our province forward and to help create the jobs that will retain our young people and those who are either in the middle or nearing the end of their careers.

No one wants to see job losses in Newfoundland and Labrador. The austerity measures that this bill imposes, in part, I think, will contribute to further decline in this province. It brings none of us any pleasure, Madam Chair, to see what's happening to this province.

It's so frustrating because in recognition last year of the fact that oil prices were dropping and changes were required, our government announced an increase in HST and, boy, were we ever attacked for that measure. The people were led to believe, mistakenly, that the Liberal government would impose no taxes. They would not increase the HST. Heaven forbid that you do such a thing in a time of austerity. Job killer they called it – job killer.

And we have bill after bill after bill after bill that will be read in this House of Assembly over the next few days that will kill job after job after job after job, both in rural Newfoundland and Labrador and right here in the province's capital, and in the great Big Land of Labrador.

I certainly take no pleasure in this bill. I certainly do not want to support this bill, Madam Chair. Like I said, I truly believe if we're going to overcome this hurdle that we face – it's a global oil crisis that we're facing. We will have seen other jurisdictions take the measures that are required to actually move us forward. I truly believe that history will tell us that this budget was the worst thing that could possibly have ever happened, with the worst kind of measures introduced to improve an area's economic performance.

With that, I will take my seat and I strongly present my opposition to the measures taken by the Liberal government on the people of Newfoundland and Labrador when they are regressing our economy to a point where I don't think we've ever been before.

Thank you so much, Madam Chair.

**CHAIR:** The hon. the Member for Cape St. Francis.

**MR. K. PARSONS:** Thank you very much, Madam Chair.

I just want to get up and say a few words – we're talking a money bill – related to the budget and how it's affecting different people and different things like that. Also, as I always say, it's an honour to just get up here to represent the people from Cape St Francis, the beautiful District of Cape St. Francis.

Madam Chair, this bill that we're bringing in today with corporation taxes and stuff like that, we have to look at what we're doing to small business and what this budget is going to do. There is a ripple effect that it's going to have on businesses right through all of Newfoundland and Labrador, and maybe even more so in rural Newfoundland and Labrador than anywhere. Everyone in here will agree that small business plays such an important role in our economy, but

it plays such an important role in our communities.

I just look at what small business does as a charity thing. I know in the district that I'm from, anytime there's a fundraiser, if there is anything that's needed – I'm sure, Madam Chair, in your district it's the same thing.

The people who are running small businesses in our towns and in our communities, and it can be in St. John's or it could be in a small community like Bauline. No matter where you go, people need to go and they need support from people. It could be a fundraiser for someone who is sick. It could be a fundraiser for a team that's going away. Small business in Newfoundland and Labrador – it's who we are as people – always come through.

I've talked to a lot of small business owners and this budget is really going to affect them. It's really going to affect what they can do. It's the difference of having, probably in some businesses, two employees or three employees and they probably have five now. Because they're not going to be able to afford to keep the number of people, if they want to keep their businesses going.

Like I said, charities, you have to look and see what happens in – we look at everywhere in the province, again I'll say, we're very charitable people. We are the best in all of Canada, bar none. When there's something in our communities that is needed, we have people who step forward. We have people who step forward to help a school band or to help a sick child, whatever it is.

These small businesses have a very small margin to operate on. What it costs for somebody to come up from Springdale to go to Grand Falls, it's an extra 16.5 cents on that gas bill to go there to fill up that tank of gas. That person comes in, he's a small business owner, he has three or four employees, and he looks and says: okay, my gas bill, I make this trip every day now, it has gone an extra \$20 a day for me to go and do what I have to do. For a month's expense it goes up \$500 or \$600, along with everything else. Along with these taxes we're going to put on, the extra fees he's going to have to pay, the insurance he's going to have to pay on his



vehicle, or she's going to have to pay on her vehicle.

Just think about what this is going to do to small businesses. I'm hoping it doesn't shut them down altogether, but they're going to have to make serious choices. The choices they're going to have to make, are they going to lay someone off. In a small community, you just can't have that. That hits home because it affects the whole community.

Like I said earlier, when you look at small business, what they bring to Newfoundland and Labrador is unbelievable. I look in my own community and I look at a festival that we have. We have a store owner down there. They get all their supplies, they get all their ice and all the beer and everything else they need for a festival, like you would, and he arranges it all for them. Then he goes and makes sure that if it's not used, this can be brought back and all this. That's done in every community in the province.

We have great business people in our communities, but what are we doing to these people? They're supporting our communities. The extra tax, and the cost of doing business now is going to skyrocket. It's going to skyrocket.

So they're going to have to make a decision. They're going to make a decision on what they have to do. Okay, well listen, the \$100 we gave towards the school band, we can't afford that anymore. We probably have five or six employees, so we have to reduce how many employees we have.

It's the little things that are really going to affect communities, and there's no need of it. We're looking at this government with a slush fund of \$30 million; \$30 million that wasn't in the – now, they can say what it is, contingency fund, whatever they want to call it, but this wasn't in the budget in the last 15 years, I believe. It wasn't there. It's something they added. This is something new. You're talking libraries, let's make it a \$29 million slush fund and give a million dollars to the libraries so 54 libraries can stay open.

Listen, I know they're talking about the fiscal situation we're in, yes, no doubt about it, but

these are choices that you make. You made a choice to put \$30 million in a fund that you're not sure whether you're going to use, or you may use it, and please God you don't have to use it. I really hope you don't have to use it. I really do. I don't want to see any disaster or anything in our province. We see what the people in Fort McMurray are going through now and it's devastating to those people. I don't want to see it here, and I'm sure nobody does.

You know what, this is something that you put in place, but if you took a million dollars, make it 29 and save all our libraries. Save what you're doing to small businesses in our towns. Just save what you're doing so you can give them a break so they can do what they're doing, the great job they're doing for their communities, for their volunteer organizations, for all the charities that are in their communities.

You're looking at a slush fund that wasn't there in the first place. This is something new that you put there. You put \$30 million to the side, yet you cut all these services. I'm sure if you asked the people on the other side, most of them, I would imagine knowing the cuts that are in most of their districts, they'd come up with a great idea to spend that \$30 million on. They'd tell you exactly what the people are – I hope they are, I know they are. They're listening to their constituents. They're hearing their constituents. Their constituents are telling them, listen, I don't want cuts in education. I don't want the school bus.

I presented a petition here today with 480 names on it from students, young people, who are saying we don't want to have to wait until 4:30 or 5 o'clock in the evening to get home. Can we leave it like it is?

Can you take out of that slush fund, the \$30 million, I don't know how much – it's four new bus routes, I think. Would you be able to take whatever money it is, maybe it's a couple of hundred thousand or a hundred thousand dollars and save them so that they can have the education, so the families wouldn't be so stressed out of what this is causing their families. That's happening everywhere.

I don't know how many. I think I heard that it's 37 new bus runs that they're going to eliminate

anyway, but I'd like to know what the cost is. We have a \$30 million slush fund that's there. Perhaps that can take away the stress on students and everything else.

For students to sign a petition to come here to the House of Assembly, that shows me what this means to them. That really shows me that they're really concerned. It's not too often you'll get 14, 15, 16 year olds to come and sign a petition about something like that because most times they're so busy with everything else they have.

Listen to the concerns they had the other night. It was about their activities after school. Their classes will start now at 9:15 and they'll get out around 3:30. By the time they get home their evening is gone, especially here.

There was a report or something that was given. It was saying how this is so much better for high school students. The report was done in the United States. The time of the evening that the sun goes down in the United States in the area they were looking at was a whole lot different than what it is in Torbay, Flatrock, Pouch Cove and Bauline – a whole lot different. We know what it's like here in the wintertime, 4:30 in the evening, 5 o'clock, most of the winter it's dark. That's when these students are going to be getting home from school.

They're just asking – look, this can be done better. This is something that can be done and should be done. I'm just asking the minister and the people over there to listen to them. I don't think it's too bad of a request.

We have a fund that wasn't there since 2002, a new \$30 million that was put in. Just think about all the requests, just think about all the things in your districts that people are upset about. Just think about all the libraries, like I said earlier, school, education. Small things, I know. Money wise it's not, but that \$30 million could be used for a lot of things and it's something new that you put in the budget this year.

Listen, I hope we never have to use it for a disaster or anything else because I don't want to see that happening. We all know that. I'd also like to see – and I know the minister talked about the regional thing with libraries. I tell you,

the library in my district that I'm going to lose, in Pouch Cove, gets well used. I tell you, seniors in Pouch Cove use the library. If you ask them to choose between losing their library and a seniors' advocate, they're going to tell you don't lose our library. We'd rather not have a seniors' advocate. That would be asking the people a question. Is there something wrong with that? Is there anything wrong with making a choice?

**CHAIR:** Order, please!

I remind the hon. Member his time for speaking has expired.

**MR. K. PARSONS:** This is all about choices.

**CHAIR:** The hon. the Member for St. John's Centre.

**MS. ROGERS:** Thank you very much, Madam Chair.

I am happy to stand and speak to Bill 15, An Act to Amend the Income Tax Act. Basically, what we're debating here today is this bill would amend the *Income Tax Act, 2000* by increasing the tax on corporations from 14 per cent to 15 per cent. So I'm very happy to stand and to speak this bill.

We all know the very tough economic situation that we're facing here in our glorious Newfoundland and Labrador. The interesting thing, though, is that our corporate tax regime is among the lowest in Atlantic Canada, even when we increase the tax regime by about 1 per cent.

We also know that what has happened in Newfoundland and Labrador is that the corporate profits that have been made – the previous government did, in fact, lower the corporate taxes with the hope that the money made, money saved by corporations, would be reinvested into the province. But, in fact, that's not what has happened. Basically, they've put it in their pockets. They have not reinvested that money into the province.

So what we need to look at: Does Newfoundland and Labrador have room to move in terms of corporate taxes? And we believe that yes, in fact, the province does have room to move.

Particularly we need to move; we need to be able to generate new revenue.

What has happened with this budget is that we don't see a whole lot of new revenue generated. It's not new money. In fact, what's happened is, again, it's the government's p3 approach to picking people's pockets, and that we can see that some of the measures that have been undertaken by this government, particularly with the levy, places an unfair percentage burden on those who have less. We're seeing that because that's what the people of the province are rebelling against.

So many people have really sat down to figure out what are the implications for them and their families with all the additional taxes, the additional fees, the increase in fees, the levy, the cut in programs like the cut in the adult dental program, the complete cut of the over-the-counter drug program that will affect, again – it affects mostly people who are working and who are in around the \$30,000 to \$50,000 to \$60,000 range, people who are just getting by; oftentimes with mortgages and car payments and kids, child care payments, student loan payments.

The unfortunate thing is that it is really frightening people because with the one-two punch of this government's budget approach where we know that there is something coming in the fall – as I mentioned yesterday here in the House or the day before yesterday actually about the bond rating agencies talking about they know that the cuts will even more severe in the fall budget and that they were looking forward to that. So obviously government has been speaking with them.

People are sitting on their wallets. So what the measures of government has done is really put the brakes on the economy and it is shrinking the economy; people are afraid, and understandably so – really understandably so.

Just by putting the province's tax system in line with those of neighbouring provinces and if we adjust our corporate tax incomes, our personal income taxes, make them more progressive – and, of course, what we need and what people want is a review of our tax system to make it more progressive, to make it more fair. People don't mind paying taxes; we know that. Surveys

have been done. People in Canada do not mind paying taxes for services they believe that's part of what makes our country great, but they want those taxes to be fair.

Who wouldn't? Fairness really makes it more palatable and fairness is what I think our country is about. It is about opportunities for everyone. So if we looked at adjustments to corporate income taxes, personal income taxes and sales taxes, the province could raise on the order of \$300 million to \$600 million – nothing to sneeze at.

Adding in a carbon tax, which this government has not done, hasn't done a carbon tax – instead, what it is doing is increasing the taxes on gas by 16.5 cents per litre. Adding in a carbon tax, which other provinces are quickly doing, that's become best practices – makes sense; that's where we need to go – would raise another \$200 million, bringing the total up to \$500 million to \$800 million extra revenue for the province. In our current fiscal situation, that's really important.

So what that would do, that would also reduce the province's deficit by roughly 25 to 40 per cent. That's nothing to sneeze at. That's really important.

We know that we can't eliminate this deficit quickly; it's going to take a long time. Government has said that and we have said that. So we have to make sure that the measures that are undertaken are fair and that they stimulate the economy, they don't grind the economy to a halt.

If all we're doing is picking people's pockets and reducing jobs, we are no further ahead if we are increasing unemployment. Then what we have are unemployed people. That costs government money. It also is a loss in tax revenue as well. We need as many people working as possible. We know that the people of the province are hard workers and we know that the people want to get to work.

So far, government hasn't been able to prove to us where they are creating jobs. All we know for sure is that 650 jobs are being cut in this particular budget. That's public service jobs. We

know that for every public service job that's cut, we lose 1.5 jobs also in the private sector.

The increase to the corporate income tax – I'll have to look at that fact again. The increase to the corporate income tax rate was only 1 per cent. That's what this bill is suggesting. So that leaves our province, Newfoundland and Labrador, a rate of 15 per cent for our corporate income taxes.

Nova Scotia and PEI are already at 16 per cent. New Brunswick is currently boosting its rate by 2 per cent to 14 per cent. Nova Scotia and PEI are already at 16 per cent. We are suggesting going to 15 per cent. It would make sense for us to also – for our corporate income tax to go to 16 per cent. Alberta, who's in a really bad way – not as bad as we are right now – are increasing their corporate income tax by 2 per cent.

One of the things is that we know corporate income tax is not the main reason whether a corporation will set up in a certain location or not. There are other variables. Some of those variables are accessibility to market, also lifestyles and social programs and services that are available to their employees. A 2 per cent increase in corporate income tax is not going to send our corporations away. Do we believe that a 2 per cent increase would send away ExxonMobil or Suncor? No, there are other more important considerations to them before they would say, okay, we are out of here.

Also, compared to Canada, when we look at what's happening in Canada, more of Newfoundland and Labrador's economic growth went to profits and less went to wages. So because of that – again, that's what I started with, we saw that what happened with our corporations – when government did cut the tax rate to corporations they did that thinking that money would be re-injected into the economy and create more jobs. That's not what has happened.

In Newfoundland and Labrador, actually we have a lower percentage of corporate profits going to wages than anywhere else in the country. This raise in corporate income tax would be a fair thing and it would be a good thing for the province. A 2 per cent raise in corporate income tax is not going to drive

corporations away. It is not to cut jobs. As a matter of fact, it is one way to increase –

**CHAIR:** Order, please!

I remind the hon. Member her time for speaking has expired.

**MS. ROGERS:** Thank you very much, Madam Chair.

**CHAIR:** The hon. the Member for Topsail – Paradise.

**MR. P. DAVIS:** Thank you, Madam Chair.

I appreciate the opportunity. Thank you for recognizing me and allowing me to rise today to speak to this bill which is related to the budget, Bill 15.

For those people who are watching at home and they're kind of wondering, well, is this the budget or is it not? Well, there are many different bills that go through the House that are sometimes related to the budget and that are attached to it because there is separate legislation needed to enact certain parts of the budget.

If people look on the Order Paper at home, you can look at it online from your own computer. If you go into the House of Assembly you will see proceedings, and there's a long list of bills there. There's a long list of bills that refer to taxation measures. That is the taxation measures or the bills that allow for the taxation measures that are part of *Budget 2016*.

Madam Chair, they are fairly lengthy. That is one of the concerns we're hearing from the people of the province. Many people are saying, I understand an increase in HST or I understand an increase in income tax. I understand an increase in corporate tax, which is what this one is. I understand fee increases, but what they can't understand or accept is when you put them all together. The overriding impact on people of our province, especially people who live in rural areas, in remote areas.

We know in many parts of our province people are challenged just to be able to access fresh food. You look in Labrador and the Straits of

Labrador – Madam Chair, you are quite familiar with it, much more than I am, how living in a remote community can be very, very challenging. When you add all of these taxes and fees on the people who are challenged to get the everyday needs that many of us who live in urban areas take for granted.

I can stop at any one of a number of grocery stores on the way home this afternoon. I'm about a 20 to 30 minute drive to get to my home from Confederation Building. I can stop at one of a large number of grocery stores and outlets to pick up fresh fruit, vegetables, breads and so on, or any item we may need in a grocery store, as an example.

I can stop by any number of service stations to fill up my car with fuel or to get a repair, or fix a flat tire, but in rural parts of the province, those types of what many urban people see as just a matter of finding the right place or it's an inconvenience, for many people it's very, very difficult and very, very challenging. When you add on the significant increase in taxes and fees to people, especially people who live in those areas, then it becomes really difficult. That's why all Members of the House have been receiving so much impact from the people of the province.

I had a Member opposite in a discussion, said: Well, you know, we're going to get through this. I know Members in the Liberal caucus are being told all the time: Look, this is going to pass. It will calm down. Everything is going to be okay. Just remember the Clyde Wells days, remember the Roger Grimes days, remember what Danny Williams did.

I'd say to people, this is very different from any one of those because Clyde Wells, Roger Grimes and Danny Williams were much to do and focus was on public servants, reduction in services and reducing the size of the public service. Well, this government hasn't done that yet. This government hasn't started that process yet. That process is not going to start until the fall. We won't see what happens until the fall. Now, they are going to be several more months in. If the price of oil stays as strong as it has been it's probably going to soften what they have to do. If the price of oil doesn't, it's probably going to impact it.

We know there is no diversification actually happening. We had questions on that in Question Period today. We asked several times: What are you doing to invest? How are you going to create this money? Where is that in the budget? We couldn't get an answer. So that leads us to believe it's not there. It's not going to happen.

The only revenue fluctuations are still tied to oil. If oil stays strong they're going to be in a better position and do less of an impact, but those hard hits on the people of the province financially in taxes and fees has already happened, and it's already had an impact on our province. It's had an impact on corporations and business.

At this of year we quite often think, well, it's time to paint my patio. I was looking at a portion of mine the other day and I saw some wood rotting and so on. I said, I'm going to have to replace some of that this year later on when we get time to have a look at it – and people will do that. Or they have to replace their windows. Or their roof is leaking and they've tarred it as a temporary measure. Now they have to replace shingles.

If they don't know where the province is going to go and where the economy is going to go, if they are any way tied to an income from the government or public service – we know there are probably 45,000 people who earn a paycheque from public service either directly or indirectly – then they're not going to do that. That's 45,000 families who are not going to go to the hardware store and buy new lumber to fix their deck. They're probably just going to buy a can of paint or stain, and stain it again.

Instead of making those repairs and those investments, are you going to replace your windows? Probably not. Are you going to take a vacation? No, I probably shouldn't do that this year because we don't know what's going to happen in September or October when the Liberal government comes out with their budget number two. Let's go to a restaurant. No, we probably shouldn't. Let's eat at home tonight. We'll haul out the barbecue, throw on some burgers, and we'll have a barbecue at home because that's a lot less expensive than going to a restaurant.

Well, what happens then is the restaurant says, I don't need all of you staff anymore. You young students, who quite often are the ones who work in the restaurants, I don't need 10 of you anymore. I only need eight of you or seven of you. You're going to have to find work somewhere else. So they're off.

Now they're out added in the job market and trying to earn some money during the summer before they go back to university in the fall. I mention them because in many, many restaurants and bars and those social types of establishments, especially here on the Northeast Avalon, that's who works there. That's who works there on the weekends, the Friday nights and Thursday nights or Saturday nights or whatever the case may be, are students. Once that implosion starts to happen, it just continues to grow.

The hardware store; we know many of the hardware stores, Kent and the Home Depots and the Ronas, they quite often hire people who are retired. Many people who are retired go to work there. A lot of them tell me they go to work there because they get a good discount and they've got some repairs to do on their house. But guess what? They're not going to buy those items, that lumber and those supplies to do the repairs because people aren't going to be in buying the lumber and repairs that the business usually does.

So the employer is going to say, you know what? I don't need all of you retired people anymore because our business has gone down. So I'm going to lay off one or two or three or five or 10 of you. They're going to be losing their opportunity for part-time work. I know lots of them who are retired who work in those types of businesses. If they don't have that extra money that's coming into them, they're not going to spend it.

I've used the term before, that's how that economic implosion happens. While we haven't seen what's going to happen this fall, the expectation that's been set up by this government is that budget number two in the fall is going to be tough on people. That's the expectation that's been set up – not my words, the words of Members opposite – that it's going to be more difficult decisions.

People are going to stop spending. They're going to put their money back in their pocket and they're going to stop spending. That has significant negative implications on the economy of our province.

We saw what's happening in schools over the last couple of days. I was out to Paradise Elementary this morning and stood with some parents and children. We're hearing the stories. There's one I'm going to share with you. I don't have time to do it today. Another time when I get up, this afternoon or another day, I'll be glad to share it with you. We have many of them.

One I heard was twins, siblings. I don't know if they're brother and sister, or sister and sister, or brother and brother – I don't know, but twins who both wanted to do Intensive Core French. One of the twin's names was picked out and the other one wasn't. One of the two children gets to do Intensive Core French and the other one doesn't.

That's shameful. There's no other way to describe it. How do you tell your children, who work hard and want to excel in school, there's no benefit to working hard and doing good in school, there's none of that. It was done on a draw and one of the twins gets to do Intensive Core French and the other one does not.

I don't know how when – I know there's huge pressure on all of us. There's pressure on us too to do everything we can to make sure this budget doesn't go through and doesn't carry forward without significant changes. Members opposite are under the same amounts of pressure, but those are your constituents, those are the people of the province who are impacted.

When I heard that story this morning I was kind of left – I don't know what to say about it. I don't know how to respond to someone who – when a parent says what do I do and my child never got Intensive Core French. We saw one in *The Telegram* today where I know the parent was irate of how this was done, how they found out. The aspirations and desires of their child for that education is gone.

Madam Chair, I thank you for the time. I know time is short during these types of debates.

**CHAIR:** Order, please!

**MR. P. DAVIS:** Hopefully later today or tomorrow or the next day, I'll have more time to discuss more of these matters.

**CHAIR:** Order, please!

**MR. P. DAVIS:** Thank you, Madam Chair.

**CHAIR:** I remind the hon. Member his time for speaking has expired.

**MR. P. DAVIS:** Thank you.

**CHAIR:** Seeing no further speakers, we'll call for the vote.

Shall the resolution carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, resolution carried.

A bill, "An Act To Amend The Income Tax Act, 2000 No. 3." (Bill 15)

**CLERK (Ms. Murphy):** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 1 carried.

**CLERK:** Clause 2.

**CHAIR:** Shall clause 2 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 2 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.'

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, enacting clause carried.

**CLERK:** A bill, An Act To Amend The Income Tax Act, 2000 No. 3.

**CHAIR:** Shall the long title carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, title carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

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

**MR. A. PARSONS:** I move, Madam Chair, that the Committee rise and report Bill 15.

**CHAIR:** The motion is that the Committee, report resolution and Bill 15, An Act To Amend The Income Tax Act, 2000 No. 3, carried without amendment.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

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

**MR. SPEAKER (Osborne):** The hon. the Deputy Speaker.

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

The Committee of Ways and Means have considered the matters to them referred and have directed me to report that they have adopted a certain resolution and recommend that a bill be introduced to give effect to the same.

**MR. SPEAKER:** The Chair of the Committee of Way and Means reports that the Committee have considered the matters to them referred and have adopted a certain resolution and recommend that a bill be introduced to give effect to the same.

When shall the report be received?

**MR. A. PARSONS:** Now.

**MR. SPEAKER:** Now.

On motion, report received and adopted.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the House resolve itself into a Committee of the Whole to consider Bills 16, 18 and 21.

**MR. SPEAKER:** It has been moved and seconded that the House resolve itself into a Committee of the Whole and that I do now leave the Chair to consider Bills 16, 18 and 21.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

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

#### Committee of the Whole

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

We're now debating the resolution on Bill 16.

#### Resolution

"That it is expedient to bring in a measure respecting the imposition of taxes on capital income."

**CHAIR:** Shall the resolution carry?

The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Thank you, Mr. Chair.

I didn't hear the Clerk. Is it Bill 16?

**CHAIR:** Bill 16, yes.

**MS. C. BENNETT:** It's an honour to stand in the House again to speak. As was discussed earlier this afternoon, the decisions that been outlined in *Budget 2016* are meant to deal with the fiscal situation that the province finds itself in.



We have a fundamental problem of poor planning and mismanagement that had been identified by the Auditor General and others and, quite frankly, the inability and inconsistency of the former administration to manage a fiscal plan has left the province to deal with an unprecedented deficit, unprecedented borrowing requirements and unprecedented fiscal pressures.

This meant difficult decisions had to be made and through the leadership of our Premier, we've developed a plan to regain control of the province's finances. As part of the difficult decision made in *Budget 2016*, an increase in the financial corporations tax rate is being introduced. Effective January 1, 2017, the tax rate will increase from 5 to 6 per cent. Due to the significant financial problems facing the province, the government has considered increasing various taxes and fees.

Increasing this rate will raise approximately \$5.8 million annually in additional revenue. It is not anticipated that a 1 per cent increase will have any impact on the activity of the companies which pay the Financial Corporations Capital Tax or the size of that tax base.

While there may be an opportunity for financial institutions to utilize the interprovincial capital tax allocation formula, which is based on the location of salaries and loans to shift some of their tax base to lower capital tax rate jurisdictions, such risk is low; given the Financial Corporations Capital Tax burden is minimal compared to the broader financial positions and the interests of those taxpayers.

Prior to the change announced in *Budget 2016*, banks, loans and trust companies with permanent establishments in Newfoundland and Labrador have been paying capital tax at a rate of 5 per cent. It is payable on capital allocated to Newfoundland and Labrador including paid up capital stock, contributed surplus, retained earnings, long-term debt and reserves. Other companies with aggregate capital less than \$10 million, the first \$5 million is exempt.

Our government has a plan for the future of the province, one that will not leave the burden of debt on our children's shoulders like the previous administration was willing to do.

Thank you, Mr. Chair.

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

**CHAIR:** The hon. the MHA for Mount Pearl North.

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

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

I'm glad to have an opportunity to speak in debate today. What we're seeing here are a number of bills that relate to the budget. It's not the budget bill and it's not the budget motion, or I expect there would be a lot more discussion. These are still matters that relate to the province's finances and it's important for people to have their say.

One of the real beauties from a Member's perspective of bills that are financial in nature is it allows you a fair bit of latitude. It allows you to raise issues in the House that you might not otherwise get a chance to raise. That's particularly valuable when you want to raise concerns on behalf of your constituents.

There are communities and constituents all over the province who have been negatively impacted by this budget. We've heard some of those stories in recent days and recent weeks. I think we'll hear a lot more before all is said and done.

I got a note today that was particularly disturbing. Members know I have been speaking frequently about some of the issues related to schools in my community. While I've focused a lot of my remarks around St. Peter's Primary, there are other schools that have significant concerns as well, such as the one I'm about to speak of – Mary Queen of the World – but it's bigger than that.

Just recently – in fact, earlier this week the Member for Mount Pearl – Southlands and myself both met with the school council at St. Peter's Junior High. They expressed numerous concerns, not just about the immediate impact of the budget, not just about the effects they're going to feel as a school community in September, but they had bigger concerns than that and broader concerns than that about what's going to happen over the next number of years,

particularly given the impact on our primary and elementary schools in Mount Pearl. There's going to be a ripple effect that they will feel in the next number of years.

St. Peter's Junior High has been fortunate in some ways. During our time in office there was one extension added to St. Peter's Junior High. We approved and awarded a contract for a second that's currently under construction that will result in a new gymnasium and a new cafeteria and some additional classrooms for the school.

Thanks to our minor baseball association in Mount Pearl and working with the City of Mount Pearl, there's also a new sports field being developed between St. Peter's Junior High and Newtown Elementary that will be operational this summer.

There are schools that have probably bigger, immediate concerns and issues. The school council was quite vocal in its concerns about the impact of this budget and the impact on our French programs, and the impact on class sizes, and the impact on special services and the resources that are available.

Whether it's a Liberal government or a PC government, for some time adequately resourcing special services in our schools has been a challenge. That's not a brand new challenge that emerged when the Liberals took office, it isn't. It's one we've been struggling with for a long time and it still needs to be addressed, and lots of efforts have been made over the years to address it, but the challenge now with this budget is that those problems are compounded. Those problems are going to get much worse.

We had a very productive discussion with the school council in St. Peter's Junior High. I appreciated the opportunity to hear directly from them about some of their issues and concerns. I look forward to having more opportunities in this House to raise those concerns around not only the multigrading and the class sizes in our primary and elementary schools, which are really serious issues that need to be discussed, and the attack on intensive core French in elementary school. That all needs to be discussed, but there are also issues at a junior

high level as well, and it was good to get some time with the council to highlight some of those issues.

Back to intensive core French; you've heard me say in this House multiple times that there are concerns with the primary elementary system in Mount Pearl. We have a situation where we are going to have a half-dozen empty classrooms in one of the schools in my district on Topsail Road, Mary Queen of the World school, which is a fantastic school. The building is quite old, but it's been extremely well maintained. It has all kinds of new infrastructure from windows to the roof to electrical. There have been many upgrades over the years. So the building, while at some point needs to be replaced, it's in pretty good shape.

What's inside the building matters far more. This school has a top-notch administration, a really engaged parent community, great teachers, great support staff. It would be a great place for more of our students to be, but because zoning issues haven't been properly addressed we have a situation now where we are going to have six empty – and because of budget cuts – classrooms this fall.

If we have space challenges in primary and elementary schools in Mount Pearl, then I really believe what will sound like a long-term solution could be an immediate solution that would make a great difference in the long-term by creating a French immersion stream at Mary Queen of the World. The school board may need to address zoning as well, and while that will cause some grief and some upset for people, I think most people, if they were look at the situation objectively, recognize that status quo is not acceptable.

I take exception to some of the comments the minister has made in this House on the issue. I'm not saying, and the school council is not saying, let's pick a group of children at one school and for next year bus them to another school. That's not a long-term solution. What I'm advocating for, and I'd be happy to work with the minister and with the school board on this because I legitimately believe it's the right thing to do, is let's create a French immersion stream at Mary Queen of the World that would take some of that pressure off the St. Peter's,

Newtown stream – the St. Peter's, Newtown schools. I think that would make a real difference.

We have space that could be utilized at Mary Queen of the World, but because of teacher reductions at Mary Queen of the World, because of cuts in this budget, intensive core French has been impacted. Mary Queen of the World is not a school where there have traditionally been draws conducted for intensive core French but the draw took place yesterday, and of all the issues – issues arise at our schools from time to time and you hear from parents, you hear from teachers, you hear from constituents, but this is probably the one that has upset parents at Mary Queen of the World the most in my time, and I spent 10 years representing Mary Queen of the World as a member of City Council, as deputy mayor and mayor, and I've spent over eight years now representing the school community as their MHA.

I'm getting calls and emails from people that are really upset by some of what is happening in our education system right now. But one note that I got just today that I want to share with you related to this issue, I got a note from one of the parents of one of the three children that weren't successful in the Liberal Intensive Core French lottery yesterday. There are three children who won't get to participate in ICF with their classmates in September.

So I got a note from one of the parents of one of the three children who didn't get randomly selected yesterday. She is devastated. Her teachers recommended this for her. I am incredibly upset. She is a smart, sweet, good girl who deserves a good education. She is selfless and shaved her entire head for Shave for the Brave this year after raising almost \$1,000.

She says: I moved my kids back home to Newfoundland in 2007 after my husband passed away so they would have a better life and education, and now this. I honestly cannot believe my child's education has come to this. I don't know who else to voice my frustrations to.

People don't feel that they have a voice. They don't feel that their concerns are being acknowledged. They don't feel that their concerns are being respected, and they don't feel

that anything is changing in response to the outrage that exists. So I would respectfully argue that there is a better way, and there are solutions possible in my community that would make the school system better. And we're not talking about significant dollars that are required to do some of the things that I'm talking about. There may be some impact on teaching units. Teaching units that are being cut may have to be restored to come up with the solutions that I'm advocating for, but my job is to make sure that I advocate on behalf of the people that I represent.

This immediate concern at Mary Queen of the World, I think, needs to be addressed. This family should not be in this situation today. It's just not the right approach and not the right way of dealing with the situation.

So I've talked about concerns at St. Peter's Junior High and the cuts at Mary Queen of the World. The other thing that's going to happen to Mary Queen of the World this fall for the first time – I'm going to say ever – but for the first time in 30 or 40 years, I would think at least, we're going to have a multigrade class at Mary Queen of the World on Topsail Road in the west end of the region, in a region where there are schools busting at the seams with students. We're going to play a numbers game and put children in combined classrooms unnecessarily.

I don't buy the argument that we've had multigrade classrooms in this province for years. Yes, because of population in certain regions and certain communities that may be the case, but in a region where there are thousands of primary and elementary school students and we've got some buildings that are busting and others now where we're going to have empty classrooms, I would just argue that there's a more sensible way forward.

There's probably not a school in my district, in my community, that's not negatively impacted by these budget cuts, but the problems so far seem to be most obvious at St. Peter's Primary, Mary Queen of the World and St. Peter's Junior High now as I was alluding to earlier.

There are things that can be done to improve the situation. Just to give you a better sense of some of the issues at St. Peter's Primary, the school has been overcrowded for a long, long time and

it's due to growth in the region. There have been new schools built in the region to address that, but despite the improvements that have been made to school infrastructure in the region there's still a growing demand, and there's some changes needed to the system to address the overcrowding. Mary Queen of the World needs to be part of that solution in our community if we're going to solve the problem.

Adding another French immersion stream in our community needs to be part of the solution if we're going to solve the problem. At St. Peter's Primary – and I've had some really good discussions recently with the school council chair and with concerned parents – there are some solutions that seem obvious to all of us to make the best of a bad situation while the extension gets built over the next couple of years. It's another school with great staff and an engaged school council.

I attended a protest this morning, the Member for Mount Pearl – Southlands was there as well, where we heard, once again, some of the real legitimate concerns that parents are expressing. When we talk about overcrowding, it's not just about ratios. We've got a situation where there isn't going to be sufficient physical space in the building to accommodate the programs like full-day kindergarten that are going to be offered in the fall.

I haven't talked to a parent at that school yet who thinks full-day kindergarten should proceed in September. Most, like myself, are proponents of full-day kindergarten, and I know that now people are out there presenting studies that say it's a bad thing. Well, most of the literature I've read suggest that full-day kindergarten is a good thing and it's the right thing to do. But it's not the right thing to do this September, because – and St. Peter's is the perfect example – it's creating a whole bunch of other issues that as a result of the budget aren't being adequately addressed.

So we've got an extension delayed. We've got insufficient physical space to run the play-based learning that's a part of full-day kindergarten. Because of construction on the site, there's going to be a challenge with children getting an adequate amount of time outdoors – and there's some steps being taken to try and address that.

The parking issues that have existed for years at that site are only going to get worse as a result of what's happening. Kids will be eating lunch at their desks for the next couple of years. The space for busing is an issue.

So there are things that can be done within the Mount Pearl school system to improve upon all this. No government, not the previous government, not the current government, can wave a magic wand and all these problems magically go away, but there are things that can be done that would make a bad situation considerably better.

I'll continue to advocate for those changes, because that's my role as an MHA for the area. That's what I've always done, and that's what I'll continue to do. At Mary Queen of the World and St. Peter's Primary and St. Peter's Junior High there are things that can be done for September to make the situation better for our students.

So I'm pleased to have had an opportunity for a few minutes to speak to those issues, and I look forward to having more time as today progresses and next week progresses and the week after that progresses to bring forward to the House of Assembly concerns on behalf of my constituents in St. John's and Mount Pearl.

Thank you.

**CHAIR:** The hon. the Member for St. John's East – Quidi Vidi.

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

I am very glad to get up today to speak to Bill 16. One of the things that I think we're probably all in agreement on in this House – how to deal with it, might be something different, but I think we're all in agreement that we do have a revenue problem in the province. There's absolutely no doubt about that, a revenue problem for a couple of reasons.

One, is the obvious reason this year, and has been and will continue to be for a while, is the drop in the price of oil. We all know that; it's happening in other parts of the country as well. It certainly has affected Alberta. Saskatchewan

doesn't get talked about much, but they have oil industry as well. So we're not the only province that has been affected. That is one of the reasons that we have a revenue problem.

Another reason we have a revenue problem is we do not have a diversified economy. We basically place all of our – not all, but the majority of our hope is in revenue from gas, revenue from the mining industry, revenue from taxation; taxation on individuals, taxation on corporations.

We do not have enough diversification in other aspects of our economy. For example, in the natural resource sector moving much more aggressively into secondary processing and finding ways in which to assist the corporate sector when it comes to secondary processing. There are all kinds of ways to do that.

Let's look at one of the ways we do seek money, and that is through taxation. I don't think we talk enough about the corporate tax revenue opportunities that we have. I know our governments have talked about the need for us to be competitive. One of the excuses sometimes for keeping tax low, or lower than somewhere else, is this notion of competitiveness. If we go too much in that direction, I think we lose opportunities.

We need, I think here in Newfoundland and Labrador, to look at who it is we are competitive with in Newfoundland and Labrador. I don't think it's British Columbia. I don't think it's Alberta. I think we do need to look at the provinces in the Atlantic Region. If we look at Nova Scotia, PEI and New Brunswick, I think they're closer to our reality and our reality in terms of the industries we have, and therefore our competitiveness.

Newfoundland and Labrador is actually, in terms of Canada, not bad when it comes to the corporate tax. The general tax is at 14 per cent. That's corporations that are above a \$500,000 income. Our corporate tax is at 14 per cent. That is higher than a lot of the other provinces, but two of the provinces we compete a fair bit with, Nova Scotia and PEI, have corporate taxes of 16 per cent. I don't think we can say that Nova Scotia, for example, is losing corporations and is suffering in terms of revenues from the

corporate sector because they have a 16 per cent tax.

If this government is really serious about trying to deal with our problem, they should be looking, not at cutting services and cutting things that are essential for the lives of our people, what they should be looking at is increasing revenue. If we were to increase the general tax on the corporate sector in this province by 2 per cent we would bring in approximately another \$100 million a year.

Now, that's \$100 million we could really use. It would take care of a lot of libraries being closed. It would take care of our not having to have schools that are having lotteries for children to do a program in the school; a program that in actual fact if it's part of their education will really help them in their future, help them down the road being competitive as children or as adults who are bilingual. That's part of the personal competitiveness we should be looking at in our educational system, especially here in Atlantic Canada, because being able to speak the two official languages in Atlantic Canada – in Nova Scotia, PEI and New Brunswick it's quite a benefit, and in our own province as well.

We have a very large French speaking population, relatively speaking, over in the other three provinces, the three Maritime provinces. We should be looking at competitiveness from a number of angles. Having adequate money so that we don't have to have this lottery for children who want to do the ICF would be extremely important. A 2 per cent increase would bring us up to approximately \$100 million a year.

PEI and Nova Scotia are not suffering because they have a higher corporate tax rate. New Brunswick is lower than us. I know they are raising theirs from 12 to 14 per cent. It may be done by now, I have to check that fact. I know that is part of their fiscal plan, that the rate in New Brunswick is going up to 14 per cent, where we are. So at that point we will be tied with New Brunswick and therefore tied for the lowest in Atlantic Canada instead of tied for the highest in Atlantic Canada, which would be extremely beneficial.

When it comes to small business tax, Ontario, Quebec, New Brunswick and PEI have higher small business tax than we do. At this moment I do not support putting up the tax on small business because small business to us right now is the backbone of our economy, especially in rural Newfoundland and Labrador which is being hit so badly by this province.

This government is just – and I'm taking this word from emails that I've received: this province is gutting rural Newfoundland and Labrador. The removal of services in order to go into a centralized model, which is the only thing I can see as their goal, is really causing great concern to people in rural Newfoundland and Labrador.

The loss of services, the loss of jobs – if we're talking about revenue, the loss of services in those communities means a loss of jobs, and the loss of jobs means a further weakening of the economy. So the last thing I would say at this point would be to touch our small business tax unless we're touching it to lower it down to zero. I think that's the direction in which we should be headed with the small business tax.

The communities in rural Newfoundland, it's their small businesses that are keeping them going. Even when the communities that are dependent upon the fishery and have fish plants and have harvesters in the inshore in particular, even they understand that it's not just their industry and their jobs that are important for the economy and for themselves. There is a whole network of small business that depends on the fishing industry. The small business is crucial. So we certainly wouldn't touch small business, but our general corporate tax we could gain \$100 million.

We need to be creative and we need to be looking at other ways in which we can be increasing our revenue. This government has done nothing to talk about some ways that are not even on our agenda right now, such as carbon pricing. We have been saying it would have been much better for this government, rather than to add another 16.5 cents per litre of gas in this province, really making life very difficult again for people in rural Newfoundland and Labrador where they do not have any public transportation, none whatsoever and rely on their

own personal transportation – this increase is terrible.

We really need to be looking at carbon pricing. Carbon pricing is happening in Alberta, Ontario, Quebec and Manitoba. Ninety per cent of Canada's population are in those four provinces. Some have their plans completely in place; some are still working on their plans. Working towards carbon pricing is the direction in which we should go.

Thank you very much, Chair, I see that my time is up.

**CHAIR:** The hon. the Member for Conception Bay South.

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

It's always good to get up and speak about the budget. I try to be pertinent to the issues of the day. As we've all stood in this House over the last month or more on the budget and we've all – all arguments, it's a lot of debate, a lot of good points. I say it's been healthy debate.

As I did the last time, Mr. Chair, I'd like to try to stick to real issues. I always like to refer to it as the real stuff that matters. I'm the type of person when you go out around in your district and you talk to people, I do enjoy stopping to the coffee shop. I find sometimes we get caught in a bubble in the political world – in all our worlds. When you go to those places you find you get the real sense of what people really feel. It could be about any event, any issue, it's always refreshing.

We've been down the road on the budget so many times on so many issues, and every issue is very important. I heard my colleagues – and we've mentioned here today about the Intensive Core French and sad situations. It's pretty heart-wrenching stuff.

The more generalities of it – I guess one example and it stuck with me, it was just this morning, actually, I ran into this guy. I don't mind saying it here in this House either, I know him. I've known him a long time. He's a Liberal supporter and he still is, actually. I'll be sincere to you; he still supports your party. He had a very sincere conversation with me. He's at a

loss. He's in one of those limbos he says. His daughter is moving to BC to attend school, he's getting ready to retire and he's having this honest moment of should I not move out there. A lot of it has to do with this budget.

When he said it to me, I've known him all my life actually and he's not the type of guy that wants to leave. He took his sports car, the first day out, on a sunny day today. He loves it here, but he's really struggling. He's going to retire and he has a limited pension. He's looking at the bottom line figures. He's looking now if the daughter is going out there, it may be cheaper for us to live on the outskirts – and it's more of a rural area of BC. He's actually having that conversation, him and his wife are, what are the benefits.

When you hear people like that, I always like to go back to the fact they're real people. They're not much different than a lot of us in this House. Most of us if not all, I'm assuming – I know the Minister of Environment, he came here with the coyote, but a lot of us have lived here all our lives. It's home. It's never an easy place to leave no matter where were from. It's where your heart is no matter what.

I guess Newfoundlanders always have a connection to the province. It's a unique connection. I've talked to people abroad and they always find it very unique that Newfoundlanders seem to have a gravity pull to get them back. No matter how long they go away, they always want to come home. So when you hear that reverse conversation I guess it just sticks with you.

Again, sticking to real people, you talk about people struggling. This is a story; I guess it's one that will stick with me. I told my CA the other day, I said of all the things, no matter how long I'm at this, it will be one individual story, a person, actually, that did my heart good.

I ran in the by-election in 2014. I remember going to her house, and it never hit me then, but she was very negative about everything at the time. She was down, she lost her husband to Alzheimer's and certain drugs weren't covered. I'll be honest; she was bashing the Opposition, the PC government of the day. I didn't know the drugs were there. I worked with the former

MHA at the time and at the time there was one of those situations with the drugs, it was a bit of a scenario, but in saying that, I had a long conversation with her. I said if you ever need any help, regardless if I win or lose, given me a call. I did mean that. She lived there all her life. She was by herself. She was almost 80 years old.

Fast forward to November of 2015 when I knocked on her door, I will be honest, I went by her door and I second guessed because she had her fill of everything to do with government and everything. I was thinking maybe I'll give it a try. I went past her door and I stopped, I said I can't do it. I had to go back.

So I knocked on her door. It was November, and we hit a cold spurt – I know we did in CBS; I was cold. I remember going in her porch, when I went in her house it was cold. I didn't ask her, she said leave your boots on, I got two stoves going and I can't keep this old house warm. I will never forget, I went in her kitchen and I took my boots off, like you would. It was cold.

To make a long story short, basically, after the election ended, I called her a few days after. She was very thankful, but she was also very shocked that I actually remembered her. It was something that really hit at the core of me. I thought this is an elderly lady. She's pushing 80. She has no money. I was not a magic pill; I just knew that there are programs to help this lady. These programs are still there today. They were there in the previous government. I do know that those programs were left in place and I thank you guys for that.

Those are the ones, when you look at this budget now and you add the extra cost and fees – and I did actually help her out with our municipal council as well in trying to help her with some of her property taxes. The bottom line was this lady now thinks I'm some kind of – I don't know, but I keep telling her that, no, it's the programs that were available. You could have picked up the phone and called anyone, but it left me with the feeling there are a lot more people out there like that.

For all of us in this Chamber, I'm sure we all have – it's unfortunate sometimes, you'd like to be able to help all of them, obviously, or try to do what you can for them. She was one of the

people I remember – when the budget came out and we started pouring through the documents – that really hit a chord. I started thinking, my God, some of these things will not affect her, I will be the first to say, but there will be. This budget impacts everybody.

Again, I always think the easiest analysis is put it in real terms with real people in real situations. I find no matter what your problem or your issue is in life, if you do that you tend to make the best decision at the end of the day. It also tends to have a better – I suppose, on you as a person. It hits you better that you can deal with the problem yourself too. If you're just being passive, which I know not many Members in this House – I hope none are, actually. I don't think.

When you put the burden of some of the tax measures and increases of this budget on a lot of our seniors – I mean I have low-income earners in my district that struggle. A lot of them come to our office and we do everything we can. They're grateful, but it's about the real people.

Seniors I have great concerns over, because in the recent municipal budget in the Town of CBS, they were in a bit of a jam financially, trying to get their balanced budget. Like I said, it's by legislation. Seniors discounts became a big issue. It was a lightning rod in my district. It was a hard call. I stayed out of the argument. Obviously, the town was dealing with this issue. A lot of seniors contacted me. They made the budget balanced. There was a lot of outcry and still is to this day. It was a municipal decision. I respected it, but they dealt with a lot of – they're still dealing with it, actually, on a weekly basis.

This budget puts \$350,000 onto our Town of CBS on the bottom line that they didn't have budgeted for. It may be more than that, that's an approximate amount. I don't think they've really zeroed in. It could be upwards of \$400, I mean who knows. CBS is a pretty big town now. You add that in now – so they pulled something they didn't want to pull. Cutting discounts for seniors was a tough decision for council. I know that because I know them all. Now they have another burden faced on them.

You're going from the lowest low-income earner that really struggles, to a municipality of

almost 27,000 people. So when you say it's affecting every single person in this province, yes, I don't think it's an unfair statement. We argue here in the House all the time it's about choices, it's about decisions. We all live with that every day of our lives, whether we're at work or at home.

Some of these decisions, some of these choices – I won't say all, but there are a fair few of them – I really think should be looked at again. I don't like to overuse it but I don't think – and it's meant from sincerity, it's about people. The budget is about people. Put your political stripes aside. We all got the same people living in our districts; we're only separated by boundaries.

Thank you, Mr. Chair.

**CHAIR:** The hon. the Member for Mount Pearl – Southlands.

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

It certainly is an honour to rise and speak on this Bill 16. Of course, Mr. Chair, we know this is An Act to Amend the Income Tax Act. As has been said, there are going to be a series of bills coming forward. They're not the budget bills per se, but they're all related to the budget. That will give all Members, if they so desire, the opportunity to have a few words about the budget, whether they decided they're going to target one specific issue or they're going to speak in general terms.

Mr. Chair, first of all, I would just like to say I do want to take this opportunity as it's my first time in this sitting of the House, of sitting on this side of the House. I just do want to say to my former colleagues, it is my intention – as we go through the budget, as we talk about these various bills and so on, I have a number of concerns which I intend to raise on behalf of the people I represent. I do not intend to engage in rhetoric or spin or whatever. I just want to put it out there as frankly as I can based on the information I have received and based on what the people are telling me. I certainly just wanted to put that out there.

It's unfortunate that I find myself here, but we all know what happened yesterday. At the end of the day I was unable to support the budget,



unable to support the levy specifically, in the case of yesterday, because the people of my district have been telling me, quite frankly, not to support the levy.

Mr. Chair, there are a number of things we could talk about when it comes to the budget, what's in the budget and what's not in the budget. As we start going through the various bills and we get into the main budget motion again, which I intend on speaking to – and certainly when we get into the levy bill in particular, which I'm hearing could be quite the debate – I intend on taking every opportunity I can to raise a number of various issues around the levy and around the budget in general.

I can say certainly that – literally, Mr. Chair – there are a number of issues that have been raised, whether they be issues around schools. The Member for Mount Pearl North has raised issues about schools in his district, being Mary Queen of the World, and two schools in particular that I've received a lot of feedback from which are technically in my district. The students there come from both our districts, that being St. Peter's Primary and St. Peter's Junior High in particular. Although I know I have had some feedback and concerns from parents in Newtown Elementary as well and even Morris Academy.

As time goes by and we get an opportunity to speak to all of these issues, I intend on doing that. I also intend to take the time to speak about the levy and the impacts of the levy. I've received I can't tell you how many emails. Quite frankly, I've been literally bombarded for the last number of weeks with emails from my constituents.

The levy is not the only issue, but it's certainly one of the primary issues which keep coming up. I've received a number of phone calls from constituents; the same thing, concerns with the budget and the levy being the primary issue. I've received a number of messages on social media from constituents outlining concerns, the levy being the primary one, not the total one.

I even took the opportunity over the last couple or three weeks – took a couple of nights and actually went out proactively knocking on doors in my district, picked some random streets, some

random doors just to get a feel for what the people were saying. Quite often, when you hear from people, generally, via email, Facebook or whatever the case might be, a lot of times those are the people that have concerns.

A lot of people are not going to email you or phone you or Facebook message you to say: I just wanted to let you know this is a great budget and I have no issue with it. That generally doesn't happen. You're generally going to get the nays. That's why I thought it would be a good idea to actually randomly knock on a few doors of people who didn't email me and just ask them for feedback. The feedback was consistent.

We know when we talk about the issues around the budget, it's not just a levy. The levy, I think, has become the lightning rod, if you will, politically and otherwise, but it's the cumulative effect. I've heard it said here in the House and that's what you keep hearing from people. It's the cumulative effect of all of the taxation.

We have the levy, we have income tax hikes, we have the HST hike, we have the gas, we've got insurance and every fee, or pretty much every fee that existed has been raised. Then, I think we even added a bunch of new fees. I'm not sure how many. It might have been 40 or 50 or something, comes to mind. There were a lot of them anyway, of new fees for things that you didn't have to pay fees for before. The cumulative effect of all of that taxation, all those fees all at the one time is really the issue. That's really the issue I've heard from people.

That being said, Mr. Chair, everybody pretty much that I have spoken to, they all say – well, there are a couple of things they say. The first thing they say is they find it quite odd how things have changed so quickly based on – four months ago we were talking about not even raising the HST. Now, four months later, we're doing the HST and everything else I just named. How could it be a job killer then but now, four months later, we're doing all these things and it's not a job killer. Somehow it's okay, it's necessary.

They're confused over that, and they're also concerned over the amount of taxation. I have heard Members opposite talk about the fact that

we're at 2006 levels – 2007 is it? We're at 2007 levels I think is what I've heard said, and that may very well be true. I'm not denying that's true. We may have had insurance tax in the past, and that's true.

All these things that have been said – gas has been high in the past when oil prices were high. That's true, but the issue is not the fact of what it was in 2007. The issue is that today I'm paying X-amount of money in taxes, fees and so on, and as of tomorrow, or as of July 1 or whatever it is, you're going to dump everything on me at the one time. You are going to dump it all on me at the one time.

Depending on who you speak to, that's going to have various impacts. It's really going to hurt some people. I've heard the Member for St. John's East – Quidi Vidi and the Member for St. John's Centre read emails and stuff from people saying how this is going to be devastating to them. I've received those emails, everybody has. We all know that's true. No one can deny that.

There are other people who are going to be negatively impacted, and probably they can absorb it. They probably can absorb it because they are making good incomes, but in absorbing it what you're doing for them is you're taking away all their expendable income. They are not going to be eating Kraft Dinner tomorrow but all their expendable income is gone.

As a result of that, then we have to start making choices about do I put my kids in dance and piano and whatever the case might be. Do I actually get to have a vacation this year at all? Can I afford to go out to a restaurant or can't I? Of course that's all going to have an impact on the economy. If people don't have that expendable income to put into the economy, then that's going to have a detrimental impact on business and so on. Then there'll be people laid off. It's a vicious circle. There are a lot of people who can't seem to get their heads around that.

Unfortunately, I'm out of time. I could take about two hours here, but I only have 10 minutes and I'm just about done.

I thank you for your time, Mr. Chair, and I do intend on speaking many more times on the budget.

Thank you.

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

**CHAIR:** Seeing there are no further speakers, shall the resolution carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, resolution carried.

A bill, "An Act To Amend The Income Tax Act 2000, No. 4." (Bill 16)

**CLERK (Ms. Barnes):** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 1 carried.

**CLERK:** Clause 2.

**CHAIR:** Shall clause 2 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 2 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:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, enacting clause carried.

**CLERK:** An Act To Amend The Income Tax Act 2000, No. 4.

**CHAIR:** Shall the long title carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, title carried.

**CHAIR:** Shall I report Bill 16 carried without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

Motion, that the Committee report having passed the resolution and the bill consequent thereto, carried.

**CHAIR:** Order, please!

We are now debating the related resolution and Bill 18, An Act To Amend The Revenue Administration Act.

### Resolution

“That it is expedient to bring in a measure respecting the imposition of taxes on used vehicles.”

**CHAIR:** Shall the resolution carry?

The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Thank you, Mr. Chair.

I won't speak very long to this, but as we've been discussing as part of the budget for 2016-17, government was forced to make some very difficult decisions. As part of the difficult decisions, an increase in the Retail Sales Tax, or the RST on used vehicles will be introduced. The RST on used vehicles will increase from 14 per cent to 15 per cent effective July 1, 2016. This tax applies to the private sale of used vehicles, not those sold through an HST-registered business.

For the purpose of RST, a vehicle includes not only a motor vehicle, but also an ATV, snowmobile, aircraft, boat, ship, trailer or vessel. Vehicles sold by an HST registrant would not be subject to the RST, as the 15 per cent HST would apply to those sales.

It is estimated that \$700,000 will be generated from the increase in the RST on used vehicles. Anyone purchasing a vehicle through a private seller is required to register their motor vehicle with Motor Vehicle Registration within 10 days of the purchase and remit the 15 per cent RST.

Thank you, Mr. Chair.

**CHAIR:** The hon. the Member for Conception Bay East – Bell Island.

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

It's indeed an honour to stand again and speak to the budget. We've had, no doubt, a very lively and open debate around the budget. No doubt,

over the next number of weeks that will continue.

It's ironic; it's An Act to Amend the Revenue Administration Act. I do remember when I was on this side of the House, but in government, when there were so many Members here that the Minister of Finance of the day would continuously – and I was only a rookie at it – for whatever reason, he knew I was a civil servant, but either thought I was an accountant, an auditor who had worked for the Department of Finance, because every bill that he would put forward, he'd ask me to speak on it. I got fairly familiar with the numerous changes that were part of this act.

It's really about changing how we collect our tax regime and putting it on certain properties and certain assets. Obviously, here it's about tax on used vehicles. No doubt, it's going to generate some revenue. We had the conversation earlier about all these changes here are directly linked to the budget. They are directly linked to generating revenue to offset the lost revenue from the oil industry and some of the other sectors that are not as productive as they were in the past.

The issue here is about where the money is going to go. We've had some open dialogue about some of the concerns that people have put forward. I've spoken many times about some of the real concerns I have. There are certain things I haven't even had an opportunity to touch on yet around the effect they're going to have, particularly in my district. Also, people who have emailed me or reached out to me through telephone calls or in different meetings I've been at or protests where they've outlined the concerns they have around the budget and, particularly, around the costing to the individuals in this province and to this generation and the next generation.

What I do want to touch on is a few things around my own district. The impacts this budget has had, but particularly the negative feeling people are going to have around where we are as a province; particularly, where I will be when it comes to our own district and the impact it's going to have on the economics and the viability.

There were a number of announcements. I'll just talk about Bell Island. People forget, on Bell Island there is a lot of notoriety. I'm proud to be from Bell Island, but it's only 11 per cent of my district. Here are the impacts they've taken. A small community, a very affluent community at one point, affluent to the point people were labour-oriented workers but contributed more to the economy of this province for 75 years than most other communities of the day. Like most one-industry towns, when that industry is no longer viable or there's a cheaper way of getting that resource, then obviously you have to find a way to diversify or the economy of those communities die.

In the case of Bell Island, the economy died. We went from the second-largest population in the province – people forget that. In the '60s, St. John's was the largest, Bell Island was the second in populous and it had a lot of firsts there. Lawtons Drugs stores, Dr. Louis Lawton was from Bell Island. Bowring had their stores over there. A number of other key business people, Chester Dawe, all them. Bell Island was a hub of activity; 3,000 people a day worked in those mines.

Thousands, including my family, came from other parts. My family came from Spaniard's Bay and would travel on a weekly basis to Bell Island to work. My grandfather and my great-grandfather, that's how they did it. They came from various parts of the country and other countries. My grandfather came over as a teenager to work in the mines directly from Ireland. So there's a history there, and there's no doubt when the mines closed in the mid-'60s – and by the end of the late 60s the full economy had really taken a hit and 30 per cent of the population had left.

The Smallwood government of the day had imposed a resettlement process. People there were offered \$1,500, but in return they had to sell their house to the government and they had to invoke that they would leave Bell Island in a certain period of time. In return, what the government of the day did – said we'll sell it to your neighbour for \$1, but your neighbour has to tear that house down within 30 days or destroy it or do whatever has to be done to get rid of it. The land still is owned by the government.

It was a way of controlling not only what people did, it was a small enticement, but when you had no economy it was almost a forced enticement. Here's \$1,500, now leave. It was called the Ontario tax. That's what we always referred to it when I grew up because they were forcing you to go to Ontario. Mr. Chair, \$1,500 was just enough to pack up your belongings, put your family in a car, truck, van or whatever you could afford at the time and get to Ontario, because you ran out of money for gas once you hit Ontario.

Fortunately enough, Ontario was very engaging and very open to take so many Newfoundlanders and Labradorians, but particularly so many people from Bell Island. They helped grow places like Kitchener, Guelph and Cambridge. If you go up there now, to this day you'll see leaders, former mayors, our people who are second-generation members who came from Bell Island or other parts of Newfoundland and Labrador. It's a testament of people being resilient and realizing that they have to move on, but the key point here is they never forgot where they came from.

Only last week the Cambridge Newfoundland Club had a fundraiser because there are some financial challenges with the Legion on Bell Island. They raised \$10,000 in one night. A few bands came together to help. They see the value of supporting our veterans, particularly in this year, the 100th anniversary of Beaumont-Hamel. They may be removed and when they get in Ontario, Canada Day is a big celebration – a big, big celebration. I'll have the privilege this year of being the guest speaker at the opening and the closing of the Newfoundland reunion in Cambridge, Ontario. One of the things I will be doing is Friday night – the board has agreed – there's going to be a big slide show, a big testimonial, a big education process around Beaumont-Hamel and what it meant to the people of Newfoundland and Labrador, what it meant to us defining ourselves as a people.

The second, third and fourth generations of Newfoundlanders and Labradorians who live in Ontario or wherever, may have forgotten about it. Canada Day is a celebration of being part of this great country, but they may have forgotten the importance of that day also to the people of

this province. So I'm going to make them aware of that.

It's a great opportunity for me to be able to see some old friends, particularly a number of people over the years that I've been engaged with in sports and that. Also, some business people up there who have, the last number of years, really looked at either opening businesses in Newfoundland and Labrador or relocating here because they saw there was prosperity here. There was an engagement here where they were being supported through business and that. That's not still the flavour.

Right now, they're very worried about where things are going. They're worried about what's happening with taxes. They're worried about what we're going to do to our young, talented, well-educated individuals forcing them out of the province. So I want to go up and part of what I'm going to do is try to reassure them.

We're resilient people. We've had lows before. We will survive. We will have to find better ways of doing what we need to do to ensure business thrives here and that we draw people here. What we started a number of years ago, our retention and attraction strategy, we'll find a way to continue that so we don't lose the people that we need to keep here.

As I get to that process up there I'm going to be looking forward to explaining the positive things that have happened over the last decade or so. Don't worry about the bumps in the road here; we're going to find a way around it. We're going to assure, on this side of the House, that the government understands things you're proposing now are not in the best interests of the people of this province. We want the rest of Canada to hang in there with us, and work towards at least knowing there's light at the end of the tunnel. We're going to continue to do that.

I do look forward to doing that. This Monday night I'm having a public meeting on Bell Island again, because it's one of the hardest hit areas when it comes to this budget. Particularly, it was just getting over the hurdle. If anybody has been to Bell Island in the last five years you'll see there's a new invigorated sense over there. There are new things being built. There are

organizations. It's not about a handout, it's a hand up.

Tourism Bell Island and the Minister of Business, Tourism, Culture and Rural Development have become aware – and I give credit – of the great things that are being done over there. I know he had the privilege of going to Bell Island for a visit a few weeks ago. You need to come over when things are moving forward as part of this whole process. There are a lot of good things over there; a new fire hall that will open this weekend, state of the art.

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

**MR. BRAZIL:** State of the art, invested in. First responders and volunteer firefighters – who every day engage the 3,000 people who can't be serviced by another fire department if something happens on a moment's notice – have gone out of their way. They bought equipment.

The community has raised money and bought equipment from Ontario – \$60,000 and \$70,000 used trucks for \$5,000 and \$10,000 – because people in Ontario, other fire departments have seen the validity and the support they wanted to give to a rural community, particularly a community that struggled over the years. If you go over there now it's second to none. Our firefighters have been trained as good as anybody. That's a testament. The community is looking forward to that. That's a very positive thing.

Tourism Bell Island; we managed to negotiate over the years. The federal government turned over the lighthouse and lighthouse keeper's house which is now a café and an interpretation centre that employs seven people. I don't mean subsidized government, I mean employs seven people as a part of a restaurant. It's all nutritious food, no deep-fried food of any sort. You'll never find better scenery than 450 feet above the cliff where you are looking out at Conception Bay.

We've done all kinds of positive things as part of that. We're moving forward now towards agriculture. There's a big move towards getting back to the traditional way of life; food security and a new venture when it comes to entrepreneurship.

I had the privilege back in the '80s, before I went to work for the provincial government, of being the economic development officer for the region. One of the things we had operating then was a 65-acre farm. I didn't realize, because my background is not in agriculture, but the people around me were very knowledgeable. Sitting down with the agriculture division at the time and Ross Traverse, who is known far and wide now as being one of the best agricultural people around – and noting that Bell Island and Codroy Valley were the two most fertile places in Newfoundland and Labrador for growing, second to none and that is documented there.

There is a move afoot now to go back to that. To go back to being able to do farming, some of the traditional things, but it's a good viable business. It's a business that's based on the principles of good food security; you can be very creative in picking the crops you want to grow.

Obviously, you are doing something that you can keep sustainable – fresh vegetables. We have markets on Bell Island who are ready to do it, the restaurants and the local Foodland store. They're saying anything you can grow we'll take. That's another move forward.

My issue is all of the negative things that are coming in this budget are going to do damage. The AES office closed. It was a great opportunity for us to be able to engage people. If we are going to go into agriculture, how do we get people who have been reliant on income support for decades to be able to move forward? Well, that office was a testament of being able to assess their needs, connect them to proper training, if it was moving first to the ABE program.

We have one of the most successful Adult Basic Education programs in the country. A number of our students have won the Peter Gzowski Award. That's a testament to them coming – we've had some students there for seven years. They came in at a literacy level so low that they were at the basic, basic literacy component and have gone through it and graduated and are now in post-secondary institutions. That's a testament – who won the Gzowski Award because they wrote their stories about what education means to them. The fear of not having the AES office

to be able to identify the key people who need to avail of that service is a detriment, not only to the people of Bell Island, but I think to everybody in this province.

Our library being slated to close; I had a 73-year-old lady come to me last week and said: David, what will I do? The only reprieve we've got is we've got a year. Maybe we can find some light at the end of the tunnel there – came to me and said this is how I do my banking; there's no bank on Bell Island.

After making hundreds of millions of dollars from the people of Bell Island, our corporate citizens decided they were going to move on. Scotiabank moved because it wasn't in the demographic numbers. So there's no banking; there's no ability for people to be able to do that.

Individuals like that end up doing their banking online, which was a learning curve for them, when you're in your 70s and you haven't had a computer to be able to do that. So they would go to the library as they're there engaged in other things, with young people in that cultural exchange, as they're also looking at their own learning abilities. It becomes a social thing, but they were doing their banking.

The lady came to me and she said: I don't know how I'll do it. Do you know what I was going to do? I was going to try to get Internet at my house. I had a neighbour say they'd get me a computer. The problem we have over there, there is no ability to expand the Internet.

Over the last number of years I've managed to leverage enough money, partnered with some of the big suppliers, to expand the Internet level over there. It's maxed out. There has to be an investment of millions of dollars to get it to the next level. We've got people who can't even do the basic things, who are willing to take money out of heating their homes or their own incomes for meals, to be able to do this service that they have to do. They have to pay their light bills. They have to pay their phone bills. They have to have access.

Some of them, this is their only connection with their grandchildren in Ontario or Alberta, wherever they may be, because they can do that. While they were doing that, it was also a social

event around the engagement of academics because young people were around and culture, but it was also an opportunity for them themselves to keep their literacy skills up. We've lost that so that's another detrimental effect on the community.

I can guarantee you at Monday night's meeting the people of Bell Island will tell me we're not dead. No matter what this government does, we'll prevail. We'll always do that. When I get into Cambridge in July, I'll guarantee you the 5,000 or 6,000 people who will be at that reunion will know Newfoundland and Labrador is not dead. No matter what's been done in this budget, no matter what the views of the Liberal government are, we will prevail. The people of Newfoundland and Labrador will survive and there will be a brighter day.

Thank you, Mr. Chair.

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

**CHAIR:** The hon. the Member for St. John's Centre.

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

**MS. ROGERS:** Thank you very much, Mr. Chair.

I'm very happy to rise and speak to Bill 18. I'll refer a little bit to that and I'd like to talk about some other aspects of the budget.

It's An Act to Amend the Revenue Administration Act, and what Bill 18 is doing is increasing the sales tax on used vehicles – and that's more than just cars – from 14 per cent to 15 per cent for private sales of used vehicles. It doesn't sound like a whole lot and it may not break the bank, but when we look at it in context of the pileup – because what we are seeing is a real pileup of taxes and extra fees on folks.

The government is expecting to generate about \$700,000 through this. People who sell a car privately and the buyers; they have to register that car within 10 days. I guess the pileup is when we look at the 16.5-cent increase in gasoline, when we look at the increase in the fee of vehicle registration, also when we look at the added tax now on insurance for vehicles. That

coupled with the regressive tax regime that will be an extra burden on basically low- and middle-income earners.

Often, people who buy used vehicles are people who cannot afford a new vehicle. Although buying a new vehicle is not always the most economical way to get a vehicle, for some people, that's their preference. Most people on limited incomes can't buy new cars. It may not seem like a lot, but if you were to buy a car, a used vehicle for \$10,000, a 1 per cent increase is about \$100. Again, we're looking at the pileup that people are experiencing with this budget, including the levy. It adds up.

It's interesting that people have been adding it up. People have looked very closely on what the pile-up effect is by all the different measures of the budget. I suspect there will be a lot of people who may have considered a new vehicle or a used vehicle, a new-to-them vehicle. Maybe they're going to buy something and go camping this summer. Because of the government's one-two punch budget – and it's September when we'll see where job cuts will be – people are sitting on their wallets. They may have decided they were going to drive across the island, have a 'staycation'. It will be interesting to see.

I know people have been speaking to me, to our office, to my colleague for St. John's East – Quidi Vidi about their decisions in light of the current cuts and measures of this budget, and also in light of the fact that in September we're going to see the budget hit, perhaps, even harder. People are very wary of that and are cancelling 'staycations' here in the province. So we'll see the trickle-down effect that might have.

What I'd like to talk about – and I've raised the issue of Alberta. I acknowledge that Alberta's debt is nowhere near the percentage of a debt we have here in the province. Also, their deficit, in comparison, is quite different. I know we cannot look at Alberta and Newfoundland and Labrador side by side exactly, but there are some similarities. Then, we can also see where things diverge and where there's divergence. The issue I find particularly interesting is the approach that Alberta and Premier Notley have done knowing that they, too, have quite a challenge because of the drop in oil prices and how that affects them.

I would like to look at a document and some thoughts that were put together by Toby Sanger, who is an economist. He's basically looking at some comparisons between Alberta and Newfoundland and Labrador. He calls it: *Two budgets, similar circumstances. Which would you choose?* I'd like to take a few minutes to go through that.

He said: Alberta and Newfoundland and Labrador share a lot in common. He said: Both have rugged and majestic landscapes. I'd like to add to that. I've been to the Rockies, to Banff and Jasper, and many of us have been to Gros Morne, to the Torngat Mountains, and the Long Range Mountains. How majestic our mountains are and how majestic the mountains are in Alberta as well.

Both provinces have major energy exports. Both provinces can boast of our notable cultural exports. Alberta had *Little Mosque on the Prairie* and the movie *Fubar 2*. I'd like to think that we perhaps are little more enriched in our area of our cultural exports. We had *CODCO*; we had *This Hour Has 22 Minutes*, the amazing music by Ron Hynes and Buddy Wasisname and the Other Fellers. Buddy Wasisname and the Other Fellers have been to Alberta, to Fort McMurray how many times. They're almost – I'm sure at some point some people might even think that they live and are from Alberta.

We had Allan Hawco and the *Republic of Doyle*, our writers Lisa Moore, Michael Crummey, Ed Riche. We are so rich with our cultural exports. We know that the arts are an economic generator for us. We know how lucrative – what happens when we invest in the arts is that the return is so large, the economic return on investing in the arts.

Both provinces have big chunks of moving ice. We have icebergs and they have ice fields and tundra. That's ice that's moving. He also said that both provinces once had good hockey teams. They had the Oilers and we had the IceCaps.

Here's something that I found really interesting and that really surprised me. I wonder how many people here in this House and I wonder how many people at home realize that the moose population in Alberta is about the same as the



moose population in Newfoundland and Labrador. Did anybody realize that?

In Alberta, the moose population is 118,000 approximately and we are about 115,000. That's pretty close. Who would have known?

**AN HON. MEMBER:** Less bison.

**MS. ROGERS:** What's that?

**AN HON. MEMBER:** Less bison.

**MS. ROGERS:** Less bison here. Yes, the bison population is not quite the same, is it?

Who would have thought? I would never have thought. If I was playing a game of trivia and they asked about that, I would have said, no, that's not true. It's true, Mr. Chair, the Alberta moose population is about 118,000. The moose population here in our glorious Newfoundland and Labrador is about 115,000.

Both provinces became dependent on resource royalties. We know that's true. The resource royalties in Alberta were about 40 per cent. In Newfoundland and Labrador in 2011-12 budget our resource royalties were around the high 30s.

The other thing that is so very, very common with both Alberta and Newfoundland and Labrador is that both provinces have a lot of Newfoundlanders and Labradorians. Both Alberta and Newfoundland and Labrador have Newfoundlanders and Labradorians who work really hard, who are really hard workers. Both provinces as well, both Alberta and Newfoundland and Labrador, have Newfoundlanders and Labradorians who want to be in Newfoundland and Labrador. Isn't that interesting?

We've got Newfoundlanders and Labradorians in Newfoundland and Labrador who want to be in Newfoundland and Labrador and they are Newfoundlanders and Labradorians in Alberta who want to be in Newfoundland and Labrador as well, a lot of similarities in the two provinces.

I can see I'm quickly running out of time here. Mr. Chair, I haven't even got to the meat of it yet, so I can't wait to get back up and to continue this story of Newfoundland and

Labrador and Alberta. I really look forward again to standing up and continuing this narrative.

Thank you very much.

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

**CHAIR:** The hon. the Member for Mount Pearl – Southlands.

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

I am certainly pleased to stand in the House once again this afternoon and speak to the budget. I kind of want to just carry on I guess from where I left off a little while ago, Mr. Chair, on the budget. I do want to say in fairness because I truly do realize that the Members opposite are taking a real beating on the budget – I understand that.

I understand that there were tough choices to make and I will be the first person to say it that we are in a very serious financial situation. No one is denying that. I don't think anyone over here is denying – I haven't heard anyone deny it. I'm certainly not denying it. We are in a tough fiscal situation.

We know that tough decisions have to be made; everybody knows that. People don't have their heads buried in the sand. The general public is a lot more up on what's going on than maybe some of us think. People are very much in tune. Quite often, the public when it comes to politics and what's going on in the House of Assembly and so on, a lot of times people are not really in tune with what is going on. They have busy lives, they are working, they have a lot of things on the go and they don't have time to be tuned in and listening to us here in the House of Assembly.

But people are very in tune with what's going on as it relates to the budget. People really do understand that we are in a tough financial circumstance. People honestly expected that there would be tough measures taken. People told me that. People were expecting that taxes would go up. People were expecting that gas tax would go up.

People were expecting that the promise on the HST wouldn't be kept and while some people might say well, you promised it four months ago and now you're changing it – but, all that aside, given the financial circumstances we're in, I think people still reasonably, based on when the numbers came out and the true numbers of exactly how far we were in debt, how large the deficit would be, people, I think, genuinely understood and were accepting of the fact that the HST was going to happen, there would be a rise in the gas tax, there would be perhaps some income tax changes and so on. People understood, I believe, that some things would have to be cut. I think people recognized it.

Anyone who I've spoken to, quite frankly, in my district about it have told me that. They've said that they expected this. They knew something had to be done. It's about the degree to which it's being done. That's really the big issue. I've heard Members over here certainly talk about choices and some of the choices that have been made in the budget, given the financial circumstance that we find ourselves in.

I also think it's important to say that everybody in this province understands how we got here. They do; they understand how we got here. People understand that it was a combination of things. People understand that we lived beyond our means. They get that. They know who was in government at the time and that's fine. They knew that.

They also understand that production has gone down. They also understand that oil prices have dropped significantly. People understand that. That being said, a lot of people have said to me even though we know these things, even though we know that there was a lot of overspending, we want to talk about what you going to do today to fix things. We don't want to talk about just blaming everything on what happened in the past. That's what I'm hearing from people.

When we constantly hear, oh, they did this and they did that – they did; absolutely they did. Everybody knows what happened, but they're interested in what we're going to do. They're interested in the here and the now. That's what they're interested in.

People understand, as I said, that tough measures have to be taken. What they don't quite understand though is – or what they're finding hard to get their head around is why are we taking it this far. Do we have to go this far? As I said the last time I spoke, the levy really seems to be the symbol of taking it too far in people's minds. That's really the thing. The levy is really the one that puts it totally over the edge.

When they talk about the levy and so on, they're also framing it up and saying on the one hand we're having to increase taxes and the levy and so on, but by the same token, while we're doing that, we're introducing full-day kindergarten, which everybody agrees is a good thing. I certainly do.

I'm sure there's not one person in this House, I would suspect, who doesn't believe – because the evidence is there – that full-day kindergarten is a good idea, is a good thing to do. We all do, but based on the financial situation we find ourselves in, and all of the taxation that's going to occur, does it have to happen now? Should we not hold off until we find ourselves in a better place to be able to afford to do it, and not tax everybody to death?

People will look at things like the \$30 million contingency – I'm not going to call it – I can't even remember what the Opposition was calling it. It was kind of funny, kind of humorous, the name they put on it. It doesn't matter because people are not too interested in that foolishness either, to be honest with you. As amusing as it might be, but the \$30 million contingency, which we never had before, I'm not saying it's a bad thing, but we've never had it. So that's another \$30 million. Then there's full-day kindergarten is another thing.

Then people look at things like – and with all due respect to my former colleagues from Labrador, who I have the utmost respect for them all, I really do. It's not against Labrador, but people do question, given the financial circumstances we're in, given all the taxation, can we really afford, at this time, to be spending \$750,000 on a study. No one's saying it's not a good thing. No one's saying it shouldn't be done at some point or whatever, but it hasn't been done up to now. Is this really the year to do it?

There are other things. Then we're saying can we find the money in other places? We've got a new man there now in Nalcor, Mr. Marshall. Can we say to Mr. Marshall, you're a smart man; you're very successful in this industry; you're a very qualified individual. The same thing as we've gone to government departments and said can you find 30 per cent over three years or whatever. Can we not say to Mr. Marshall, can you sharpen your pencil? You're in Nalcor. There are all kinds of money flowing in and through Nalcor. There seems to be more flowing in than flowing out to the people. I don't know if we've received a return. I can't remember ever receiving a return. Everything is always like money in, money in, money in. I haven't seen anything come out yet. Hopefully, someday that will happen.

Mr. Marshall, can you sharpen your pencil? Can you put a lens on Nalcor? Maybe there's some waste there. Maybe you can come up with some money. Maybe instead of having to put \$1.3 billion – I think that's the amount – this year into Nalcor, let's put \$1 billion. Let's keep the \$0.3 billion out. You find the \$0.3 billion somewhere else through savings and efficiencies. That's another \$300 million. If we could do all of those things, perhaps there would not be a need for the levy.

The other option I put forward as well is that this year there's only going to be a half levy because it's only for half the year. It's only \$70 million. It's not even a full levy. If you could find those efficiencies in some of the areas that I just spoke about, you only need to find a half levy this year and put the levy on hold. Then it gives you another full year to find the money next year so you don't have to do the levy. At least you can re-examine it at that time and at least give people a break this year so they're not getting all these taxes dumped on them all at the one time.

Thank you, Mr. Chair.

**CHAIR:** The hon. the Member for St. John's East – Quidi Vidi.

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

I'm happy to rise and speak today to the bill with regard to the increased cost on used cars,

which is part of the overall budget of course. It's one of the small pieces that are part of everything that the general public is going to have to deal with. Not one of these things can be seen on their own. The cumulative effect of all of our taxes is what is really right now laying heavily on the shoulders of an awful lot of people out in our province.

I have in my hand an email that has come from a woman who I know is retired. She sent it not just to me. She sent it to the Member for Topsail – Paradise, to the Member for Virginia Waters – Pleasantville. She sent it to the Member for St. John's Centre. She also sent it to the Premier and to the Minister of Finance. So I know that all of us received this and we received it yesterday.

She wants to share with us the cumulative effect of the budget, not just on herself, but on the people who live in the condominium complex where she has lived since 1994, 26 townhouse units here in St. John's.

She says: Last week we held our AGM regarding our budget we have to raise our condo fees considerably to offset our anticipated increases due to increased insurance costs, the gas tax, et cetera. Just three examples, our snow clearing contractor will likely raise his costs due to increased insurance and gas tax. Our lawn care for the common areas, likewise, and the condo corporation insurance will increase considerably.

The owners of these units – and I really want the Members to listen – are seniors, single women and single-parent families all of whom are living cheque to cheque. I think a lot people have in their mind when they hear condo, they think of people with a lot of money. That's not the case.

There may be condos that are very high-end condos. We know them, but there are an awful lot of condos where people have been able to live and to live comfortably and be able to meet their needs very well here in this city. This is one set of them. This woman is reminding us that in the units they have seniors, single women and single-parent families, all of whom are living cheque to cheque. As well, each of us will have to pay – I'm using her language – the head tax, which she has in quotations marks. I think

we all know by that she means the levy. People are now calling it the head tax, increased fees for our car registrations, as well as our own increased insurance and gas costs. Those with children will pay a tax on book purchases for their kids. Not to mention ones they want to buy for themselves.

No one here will qualify for the GIS since we are borderline over the qualification amount. We all know that. That's why I always have a problem when we have restrictions, something counts so far. It may be fine for the people underneath but the people just on the other side are no better off than the ones underneath. So that's their situation. No one will qualify for the GIS since we are borderline over the qualification amount so this is of no use to anyone here.

I have looked into selling my house to move to another province – actually, in an earlier email right after the budget this woman talked about looking at the need to probably move. So I've looked into selling my house to move to another province, but have been informed that the market is saturated, and with the condo fees rising, the market for my house is not encouraging. These are the types of trickle-down effects hitting the average person. Take note.

That's what we've been trying to get the government to understand. That you just can't look at one thing and say, oh, that's not really that bad, you're making a mountain out of a molehill. In actual fact, the molehill is growing into a huge mountain. When you put all of these things down, as this woman has done, you see the impact.

Even myself, in terms of a therapist that I go to, physical therapist in a private clinic saying to me the fees are probably going to have to go up because all of their fees are going to go up in the clinic. So, of necessity, people going for physiotherapy – which is absolutely essential – will end up having to pay higher fees.

This is what's happening, and this is what the government doesn't seem to be looking at is the multiplier effect of the different initiatives that are in the budget. I really don't believe the math has been done with regard to the multiplier effects. Individuals are doing them, like this

woman here, they're doing them because it's going to affect their daily lives beginning almost immediately, first of all, when the gas tax goes up in June. That's going to be the first biggie. That's going to be a huge one.

I'm not going to take any more time at this point, Mr. Chair, just to say we have to keep bringing these examples – the words of the people in the province themselves – into this House, which is what I've promised to do and what we're doing, and keep bringing it, hoping that at some point the drop of the water over and over and over again will eventually make some effect on the government.

Thank you very much.

**CHAIR:** The hon. the Member for St. John's Centre.

**MS. ROGERS:** Thank you very much, Mr. Chair.

I would like to continue the story, the narrative I began just a few minutes ago looking at, comparing Alberta to Newfoundland and Labrador. As I had mentioned, one of the interesting things about Newfoundland and Labrador and Alberta is that both have a lot of Newfoundlanders and Labradorians who are really hard workers and are willing to work and want to work.

Newfoundland and Labrador cut its income tax rates, especially for its top earners, in 2007. Now, even with the recent increases we've seen in income tax rates, the rates for the higher earners are still below the rates we saw in 2007.

Then for both, the price of oil plunged and resource royalties plummeted in both provinces. We know that. We've seen that on the news for Alberta. We're feeling that in our own province.

What's interesting, both had new governments elected in 2015. The NDP were elected in Alberta and the Liberals were elected here in Newfoundland and Labrador. Then the interesting thing, when we see that we have about the same number of moose in both provinces, that both provinces tabled their budgets on exactly the same day, April 14, 2016. The name of Alberta's budget was: *The Alberta*

*Jobs Plan. Our budget was: Restoring Fiscal Confidence and Accountability.*

Mr. Toby Sanger, the economist – I'm referring to a lot of work he did looking at comparing our two provinces, the situation and then also the approach. Because we know, Mr. Chair, that budgets are all about choices. So we're looking at the choices that Alberta made in terms of dealing with the economic challenges they have and then the choices that the government here in Newfoundland and Labrador made in dealing with the economic and fiscal challenges that we face here in our lovely province.

Let's look at public spending and what Alberta did. Alberta made a 2 per cent increase in overall operating spending. Newfoundland and Labrador did \$260 million in cuts. Alberta did stable funding for education and health. In Newfoundland and Labrador their overall cuts – except put another \$1.3 billion in Nalcor and \$100 million cut to planned capital and repair projects.

Although government is talking about the infrastructure money they have, they still cut into that as well. What one would expect a government to do in this time of recession is to stimulate the economy by infrastructure spending that creates jobs and also strengthens our communities. Instead, our government actually cut money in that area.

Alberta increased in infrastructure funding by 23 per cent for this year and by an additional 13 per cent next year. Alberta is increasing its money in infrastructure spending 23 per cent this year and 13 per cent next year; yet, Newfoundland and Labrador, when we really need our economy stimulated, when we really need more infrastructure spending, actually dropped the amount of money, cut into the infrastructure spending we had last year.

In education, Alberta has stable funding for kindergarten to grade 12, and to fully fund enrolment growth. They're seeing a growth in their population. We're not really seeing a growth in our population and it's really tough. We're not seeing any specific, concrete strategy for a population growth strategy right now in our province. As a matter of fact, what a number of people are saying, they're not so sure they're

going to be able to stay in our province. We're seeing an increase in unemployment, an increase in a tax burden on middle- and lower-income working families. So we're not even sure what's going to happen. Aside from a shrinking economy, we may have a shrinking population.

Also, for education, Alberta put capital funding for 200 new school and modernization projects. They have stable funding for post-secondary education, and funding for a tuition freeze. In Newfoundland and Labrador, we're increasing class sizes for grades four to 12. We're cutting teachers. There is a \$34 million cut to Advanced Education and Skills, with \$25 million cut to MUN.

We know how important it is to invest in our students, to invest in our young people, to get them up to speed so that they may stay here and work, that they may come up with fantastic plans for diversification and for stimulating the economy. We are taking measures that makes that much more difficult and unlikely to happen. We also see there was an 18 per cent cut to student financial assistance and no tuition freeze.

In the area of learning, Alberta has no tax on books. They have \$37 million for community public libraries. That's what they've committed in this budget, \$37 million for community public libraries. Again, that's a movement to invest in their people, not to take away.

What did we do? This government is proposing, and has proposed, and will cut 54 libraries from rural Newfoundland and Labrador. Not only that, to a tune of saving \$2.7 million, but the Minister of Education said he's going to reinvest some of that money to make the libraries that will remain more fully funded, but in fact he's only going to reinvest \$750,000. That's a huge cut to libraries.

Alberta has increased funding for adult learning. We are the only province to impose tax on books, we're closing 54 community libraries and there's a closure of eight Advanced Education and Skills office. So we can see the difference.

We have similar economic challenges that we're facing because of the drop in oil, the drop in commodity prices, but the choices that were made by the Alberta government versus the

choices that have been made by this government, Alberta is investing in jobs; Alberta is investing in their people. This government is taking away from making our people more educated, from strengthening our communities. They're actually taking away opportunities from the people of our province.

When we look at health care, Alberta is putting stable funding for health care, including mental health, in their budget. It's a 2.5 per cent annual increase in health care spending over the next three years. We're cutting that back, Mr. Chair. We're cutting ours back. They have investments in hospitals and health care facilities of \$3.5 billion over five years. That's quite impressive.

What's happening in our Province of Newfoundland and Labrador? A \$50 million cut to health care and over 100 job cuts. What happens when we have job cuts? We have unemployed people. That's what we have. So we have unemployed people, we have a lower tax base and we have fewer people spending money stimulating our economy.

Our government, as well, has put cuts to mental health and closure of clinics in rural areas. They're gutting the rural economy, Mr. Chair. Also, we have seen a \$7.9 million cut to home support, when in fact what we should be doing is we should be increasing our home support so we can keep our seniors – and we have the fastest aging population, in terms of percentage of population, in the whole country. We need to be increasing in this area so we can keep our seniors out of hospitals, keep them at home where they want to be and give them the support to do that.

That is cost saving in the long run. It might be a bit of a bump in spending at the beginning, but in the long run it saves us money. They removed the over-the-counter drug subsidy, which is going to be so hard on people with chronic illnesses, people who are just on the borderline of getting the income support benefit and a lower Seniors' Benefit. Mr. Chair, this is not stimulating our economy; this is not investing in our people.

I still have some more that I'd like to talk about in looking, again, where the similarities stop in the two provinces, but I'll sit down at this point.

Thank you very much.

**CHAIR:** Seeing there are no further speakers, shall the resolution carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried

On motion, resolution carried.

A bill, "An Act To Amend The Revenue Administration Act." (Bill 18)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 1 carried.

**CLERK:** Clause 2.

**CHAIR:** Shall clause 2 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 2 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:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, enacting clause carried.

**CLERK:** An Act To Amend The Revenue Administration Act.

**CHAIR:** Shall the long title carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, title carried.

**CHAIR:** Shall I report Bill 18 carried without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

**CHAIR:** Order, please!

We are now debating the related resolution and Bill 21, An Act To Amend The Revenue Administration Act No. 4.

### Resolution

"That it is expedient to bring in a measure respecting the imposition of taxes on insurance companies."

**CHAIR:** Shall the resolution carry?

The hon. the Minister of Finance and President of Treasury Board.

**MS. C. BENNETT:** Thank you, Mr. Chair.

As part of the difficult decisions made in *Budget 2016* this bill is about the increase in the insurance companies' tax which we have introduced. The insurance companies' tax is increasing from 4 per cent to 5 per cent on July 1, 2016. This tax applies to the premium revenue of insurance companies in a year. Gross premiums prior to July 1, 2016, will be taxed at 4 per cent and gross premiums on or after July 1, 2016, will be taxed at the new rate of 5 per cent.

It is expected that the insurance companies tax will see increasing revenues annually of \$16.9 million, Mr. Chair.

Thank you.

**CHAIR:** The hon. the Member for Topsail – Paradise.

**MR. P. DAVIS:** Thank you, Mr. Chair.

For those who are just tuning in, we are in debate this afternoon on a number of bills that are associated to this year's budget. Government, after they introduce their budget, also have to table a bring forward a number of bills to amend existing legislation so that it is consistent with what their budget plan is and their changes in the budget.

So this afternoon we've done three, four – we're on the fourth one now, I believe. We've done an amendment to the *Income Tax Act*, which are taxes on corporate income. We've done Bill 16 on taxes on capital income. We've done Bill 18, which is taxes on used vehicles, and now we're

on Bill 21, which is the imposition of taxes on insurance companies.

So there is a whole list of them, and they're available for people at home – I mentioned this earlier when I was up on a previous bill. You go on the House of Assembly you can see Progress of Bills section, you can look through the number of bills. It's really interesting when you look down through them it kind of comes home to you the number of changes in this year's budget – 13 was *Income Tax Act*; 14, *Income Tax Act*; 15 is *Income Tax Act*; 16 is *Income Tax Act*; 18 is *Revenue Administration Act*; 19, *Revenue Administration Act*; next one, 20, is *Revenue Administration Act*; so is 21, 22 and 23, all related to budget bills.

What that means is that's where there's a change, and in this case, increases to taxes and fees. We've talked about this, Mr. Chair, since the budget was brought down a number of changes and taxes and fees that have been implemented as part of the new budget, and we're hearing from people all over the province on the difficulties that it creates and the pressure that it puts on families. I remember on budget day I made the comment outside the House and I was talking to the media, I said, you won't be able to walk across the street without paying a tax on it, because that's what it seemed like, is that there was so much additional cost in taxes being put on people.

Now, this one is on taxes on insurance companies. I wonder, and when the minister gets to close debate, maybe she can comment on the implications on the business that insurance companies pay. What I mean is if there is a higher cost to insurance companies, a higher tax on insurance companies, then someone has to pay for that. Maybe she can comment and advise us how that works and how those additional costs are recovered.

Because at the end of the day it's usually the customers of the insurance companies that would pay that. When I read the bill I saw there that it's a tax – under section 78, I think it is; yes, 78 – companies shall pay to the minister for the use of the province a tax equal to 5 per cent of the gross premiums, and it's currently 4 per cent. So it's another tax increase, 1 per cent, but it's another one of those little small pieces of pie

that has an impact on everyone. That's not the biggest, but one of the biggest common things we hear from people. They talk about the levy, they talk about income tax, they talk about the increase in HST and they talk about taxes put on insurance. Now, these are ones where corporate insurance – an increase on taxes on insurance companies, those types of ones have a back end pressure.

I asked the Premier one day here in the House what the impact is going to be on the cost of food for the people of the province. He couldn't provide the information and referenced how – and I've heard Members talk about how there was no tax on food. It's not about that. It's about all the additional costs for businesses to service the delivery of and make food available. That impacts everybody in the province.

This is another one of those, Mr. Chair. We're going to debate and discuss these bills at some length, I expect, next week being that we're going into a long weekend. The debate and discussions on the budget and these bills is certainly not over. It's going to continue. I would think that all Members should expect to continue to hear from the citizens of the province who want to provide their impact.

I say as well, it's interesting; people are writing us that never would have gotten involved in politics before. There are so many people who are writing, expressing a viewpoint, who normally would not do that. Lots of times during my time as an MHA I've had people contact me. They'll say Paul or Mr. Davis – or whatever they want to call me – I've never called my elected Member before, but I'm looking for some advice, direction, or assistance, whatever the case may be.

A lot of those people are now sitting at their computers and they're writing emails, writing letters to Members of the House of Assembly expressing their views. I encourage people to do that and continue to do that. I expect they will without my encouragement, but I certainly support people sharing their views.

The government opposite has a commitment to listen to people. The people are writing. They say they're listening but they're not responding. I certainly hope they do because the total



implications – when you look at the budget as a whole, the implications are on everybody. It's going to make difficulty for many, many people in the province.

We'll continue to do our work to try and make sure the levy is ended and that changes are made in this budget, so that people can continue to live and raise their families in Newfoundland and Labrador.

Thank you, Mr. Chair.

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

**CHAIR:** The hon. the Member for St. John's East – Quidi Vidi.

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

I'm not going to speak long right now, but I just want to share another email. I'm keeping my promise.

This woman first wrote on April 18, which was just four days after the budget: Ms. Michael, please do not support this budget. Not only are Newfoundlanders and Labradorians living paycheque to paycheque right now, but now this extra tax will put more strain on the family purse.

If Muskrat Falls is putting us more into debt then sell the project – this is this women writing, I'm not saying this – get some more partners to finance it or put it on hold until more money is available. Don't do it on the backs of Newfoundlanders please.

Newfoundlanders – that's how she has written it – know that we have to keep the province from bankruptcy, but most families will be taxed and levied an extra \$2,000 a year with this budget. How is a senior citizen going to be able to afford these extra taxes?

I know this woman have a very, very active mother who is 92 years old. I'm sure she has her in her mind. I'm sure you have heard all the arguments but I wanted to input my option.

Then on May 18, yesterday evening, she wrote again: Thank you, Lorraine, for the info on the

meetings of the House of Assembly. I did watch it and have found that nothing will be done on this – quote, unquote, in capital letters – TEMPORARY LEVY. There were no real answers to any Opposition questions. So how about not using the \$750,000 for a consultation and for this year, help with the budget. Could this be a temporary solution?

Thank you, Mr. Chair.

**CHAIR:** Seeing there are no further speakers, shall the resolution carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, resolution carried.

A bill, An Act To Amend The Revenue Administration Act No. 4. (Bill 21)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 1 carried.

**CLERK:** Clause 2.

**CHAIR:** Shall clause 2 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, clause 2 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?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, enacting clause carried.

**CLERK:** An Act To Amend The Revenue Administration Act No. 4.

**CHAIR:** Shall the long title carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

On motion, title carried.

**CHAIR:** Shall I report Bill 21 carried without amendment?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**SOME HON. MEMBERS:** Nay.

**CHAIR:** Carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

**MR. KENT:** Division, Mr. Chair.

**CHAIR:** Division has been called.

The hon. the Government House Leader.

**MR. A. PARSONS:** Yes, Mr. Chair, I move that the Committee rise, report the resolutions and Bills 16, 18 and 21 carried without amendment.

**CHAIR:** The motion is that the Committee rise and report the resolutions and Bills 16, 18 and 21.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

Carried.

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

**MR. SPEAKER (Osborne):** The hon. the Deputy Chair of Committees.

**MR. WARR:** Mr. Speaker, the Committee of Ways and Means have considered the matters to them referred and have directed me to report they have adopted certain resolutions and recommend that certain bills be introduced to give effect to the same.

**MR. SPEAKER:** The Committee of Ways and Means reports that the Committee have considered the matters to them referred and have adopted certain resolutions and recommend that bills be introduced to give effect to the same.

When shall those reports be received?

**MR. A. PARSONS:** Now

**MR. SPEAKER:** Now.

On motion, reports received and adopted.

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

**MR. A. PARSONS:** Mr. Speaker, prior to calling resolutions, I would move Motions 15 and 16, that this House not adjourn at 5:30 o'clock on Thursday, May 19 and 10 o'clock on Thursday, May 19.

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

That is seconded by ...?

**MR. A. PARSONS:** Seconded by the Minister of Finance and President of Treasury Board.

**MR. SPEAKER:** The motion is that the House do not adjourn at 5:30 p.m. today.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

There's another motion that the House do not adjourn at 10 o'clock today.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

The hon. the Government House Leader.

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the resolution respecting the imposition of taxes on corporate income, Bill 15, be read the first time.

**MR. SPEAKER:** It is moved and seconded that the resolution be now read a first time.

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.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on corporate income."

On motion, resolution read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board that the resolution be now read the second time.

**MR. SPEAKER:** It is moved and seconded that this resolution be now read a second time.

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:** Carried.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on corporate income."

On motion, resolution read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board for leave to introduce a bill entitled An Act To Amend The

Income Tax Act, 2000 No. 3, Bill 15, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded by the hon. the Government House Leader that Bill 15 be now read first time.

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.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill "An Act To Amend The Income Tax Act, 2000 No. 3." (Bill 15)

**CLERK:** A bill, An Act To Amend The Income Tax Act, 2000 No. 3. (Bill 15)

On motion, Bill 15 read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that Bill 15 be now read the second time.

**MR. SPEAKER:** It is moved and seconded that Bill 15 be now read a second time.

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:** Carried.

**CLERK:** A bill, An Act To Amend The Income Tax Act, 2000 No. 3. (Bill 15)

On motion, Bill 15 read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that Bill 15 be read the third time.

**MR. SPEAKER:** It is moved and seconded that Bill 15 be now read a third time.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**MR. KENT:** Division, Mr. Speaker.

**MR. SPEAKER:** Division has been called.

### Division

**MR. SPEAKER:** Just waiting on the bar.

All those in favour of the motion, please rise.

**CLERK:** Mr. Andrew Parsons, Ms. Coady, Mr. Byrne, Mr. Haggie, Mr. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Mr. Browne, Ms. Gambin-Walsh, Mr. Mitchelmore, Mr. Letto, Ms. Haley, Mr. Bernard Davis, Mr. Derek Bennett, Mr. Holloway, Mr. Bragg, Ms. Parsley, Ms. Pam Parsons, Mr. Warr, Mr. Finn, Mr. Reid, Mr. Dean.

**MR. SPEAKER:** All those against the motion, please rise.

**CLERK:** Mr. Paul Davis, Mr. Hutchings, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers, Mr. Lane.

Mr. Speaker, the ayes: 24; the nays: 10.

**MR. SPEAKER:** I declare the motion passed.

The hon. the Government House Leader.

**MR. A. PARSONS:** Mr. Speaker, I moved, seconded by the Minister of Finance, that Motion 6, Bill 16, be now read the first time.

**MR. SPEAKER:** I apologize to the Government House Leader. After the vote, I neglected to read Bill 15 a third time.

This bill has now been read a third time and it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act Amend The Income Tax Act, 2000 No. 3," read a third time, ordered passed and its title be as on the Order Paper. (Bill 15)

**MR. SPEAKER:** I will give you another go, Mr. Government House Leader.

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

I would move, seconded by the Minister of Finance, that the resolution respecting the imposition of taxes on capital income, Bill 16, be now read a first time.

**MR. SPEAKER:** It is moved and seconded that the resolution be now read a first time.

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.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on capital income."

On motion, resolution read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance that the resolution be now read a second time.

**MR. SPEAKER:** It is moved and seconded that this resolution be now read a second time.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on capital income."

On motion, resolution read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance for leave to introduce a bill entitled, An Act To Amend The Income Tax Act, 2000 No. 4, Bill 16, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded by the hon. Government House Leader that Bill 16 be now read a first time.

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.

On motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill,

“An Act to Amend The Income Tax Act, 2000 No. 4,” carried. (Bill 16)

**CLERK:** A bill, An Act To Amend The Income Tax Act, 2000 No. 4. (Bill 16).

On motion, Bill 16 read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that Bill 16 be now read a second time.

**MR. SPEAKER:** It is moved and seconded that Bill 16 be now read a second time.

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:** Carried.

**CLERK:** A bill, An Act To Amend The Income Tax Act, 2000 No. 4. (Bill 16).

On motion, Bill 16 read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Member for Mount Pearl North, that Bill 16 be now read a third time.

**MR. SPEAKER:** It is moved and seconded that Bill 16 –

**MR. A. PARSONS:** Mr. Speaker, sorry, I move, seconded by the Minister of Finance, that Bill 16 be now read a third time.

**MR. SPEAKER:** It is moved and seconded that Bill 16 be now read a third time.

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:** Carried.

**MR. KENT:** Division, Mr. Speaker.

**MR. SPEAKER:** Division has been called.

### Division

**MR. SPEAKER:** Are the Whips ready?

All those in favour of the motion, please rise.

**CLERK:** Mr. Andrew Parsons, Ms. Coady, Mr. Byrne, Mr. Haggie, Mr. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Mr. Browne, Ms. Gambin-Walsh, Mr. Mitchelmore, Mr. Letto, Ms. Haley, Mr. Bernard Davis, Mr. Derek Bennett, Mr. Holloway, Mr. Bragg, Ms. Parsley, Ms. Pam Parsons, Mr. Warr, Mr. Finn, Mr. Reid, Mr. Dean.

**MR. SPEAKER:** All those against the motion, please rise.

**CLERK:** Mr. Paul Davis, Mr. Hutchings, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers, Mr. Lane.

Mr. Speaker, the ayes: 24; the nays: 10.

**MR. SPEAKER:** I declare the motion passed.

This bill has now been read a third time and it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, “An Act To Amend The Income Tax Act, 2000 No. 4,” read a third time, ordered passed and its title be as on the Order Paper. (Bill 16)

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that the resolution respecting the imposition of taxes on used vehicles, Bill 18, be now read the first time.

**MR. SPEAKER:** It is moved and seconded that this resolution be now read a first time.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**CLERK:** “That it is expedient to bring in a measure respecting the imposition of taxes on used vehicles.”

On motion, resolution read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that the resolution be now read a second time.

**MR. SPEAKER:** It is moved and seconded that this resolution be now read a second time.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**CLERK:** “That it is expedient to bring in a measure respecting the imposition of taxes on used vehicles.”

On motion, resolution read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, for leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act, Bill 18, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded by the Government House Leader that he shall have leave to introduce Bill 18 and that the said bill shall now be read a first time.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, “An Act To Amend The Revenue Administration Act,” carried. (Bill 18)

**CLERK:** A bill, An Act To Amend The Revenue Administration Act. (Bill 18)

On motion, Bill 18 read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that Bill 18 be now read the second time.

**MR. SPEAKER:** It is moved and seconded that Bill 18 be now read a second time.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**CLERK:** A bill, An Act To Amend The Revenue Administration Act. (Bill 18)

On motion, Bill 18 read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that Bill 18 be now read the third time.

**MR. SPEAKER:** It is moved and seconded that Bill 18 be now read a third time.

It is the pleasure of the House to adopt the motion?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**AN HON. MEMBER:** Division.

**MR. SPEAKER:** Division has been called.

### Division

**MR. SPEAKER:** Are the Whips ready?

Those in favour of the motion, please rise.

**CLERK:** Mr. Andrew Parsons, Ms. Coady, Mr. Byrne, Mr. Haggie, Mr. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Mr. Browne, Ms. Gambin-Walsh, Mr. Mitchelmore, Mr. Letto, Ms. Haley, Mr. Bernard Davis, Mr. Derek Bennett, Mr. Holloway, Mr. Bragg, Ms. Parsley, Ms. Pam Parsons, Mr. Warr, Mr. Finn, Mr. Reid, Mr. Dean.

**MR. SPEAKER:** Those against the motion, please rise.

**CLERK:** Mr. Paul Davis, Mr. Hutchings, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers, Mr. Lane.

Mr. Speaker, the ayes: 24; the nays: 10.

**MR. SPEAKER:** I declare the motion passed.

This bill has now been read a third time, it is ordered that the bill do pass and that its title be as on the Order Paper.

On motion, a bill, "An Act To Amend The Revenue Administration Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill 18)

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the resolution respecting the imposition of taxes on insurance companies, Bill 21, be now read the first time.

**MR. SPEAKER:** It is moved and seconded that the resolution be now read a first time.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on insurance companies."

On motion, resolution read a first time.

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



**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, that the resolution be now read the second time.

**MR. SPEAKER:** It is moved and seconded that this resolution be now read a second time.

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:** Carried.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on insurance companies."

On motion, resolution read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance, for leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act No. 4, Bill 21, and I further move that the said bill be now read a first time.

**MR. SPEAKER:** It is moved and seconded by the hon. Government House Leader that he shall have leave to introduce Bill 21, and that the said bill be now read a first time.

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:** Carried.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act To Amend The Revenue Administration Act No. 4," carried. (Bill 21).

**CLERK:** A bill, An Act to Amend The Revenue Administration Act No. 4. (Bill 21).

On motion, Bill 21 read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that Bill 21 be now read the second time.

**MR. SPEAKER:** It is moved and seconded that Bill 21 be now read a second time.

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.

**CLERK:** A bill, An Act To Amend The Revenue Administration Act No. 4. (Bill 21).

On motion, Bill 21 read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that Bill 21 be now read the third time.

**MR. SPEAKER:** It is moved and seconded that Bill 21 be now read a third time.

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:** Carried.

**AN HON. MEMBER:** Division.

**MR. SPEAKER:** Division has been called.

Division

**MR. SPEAKER:** Are the Whips ready?

Those in favour of the motion, please rise.

**CLERK:** Mr. Andrew Parsons, Ms. Coady, Mr. Byrne, Mr. Haggie, Mr. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Ms. Dempster, Mr. Browne, Ms. Gambin-Walsh, Mr. Mitchelmore, Mr. Letto, Ms. Haley, Mr. Bernard Davis, Mr. Derek Bennett, Mr. Holloway, Mr. Bragg, Ms. Parsley, Ms. Pam Parsons, Mr. Warr, Mr. Finn, Mr. Reid, Mr. Dean.

**MR. SPEAKER:** Those against the motion, please rise.

**CLERK:** Mr. Paul Davis, Mr. Hutchings, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers, Mr. Lane.

Mr. Speaker, the ayes: 25; the nays: 10.

**MR. SPEAKER:** I declare the motion passed.

This bill has now been read a third time. It is ordered that the bill do pass and that its title be as on the Order Paper.

On motion, a bill, “An Act To Amend The Revenue Administration Act No. 4,” read a third time, ordered passed and its title be as on the Order Paper. (Bill 21)

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

**MR. HUTCHINGS:** Mr. Speaker, I rise, with your indulgence, in regard to a point of order, number 49 of the Standing Orders.

Unfortunately, after Question Period, I was waiting for the text from that, so I didn’t bring it

up earlier, I know we were in Committee as well.

During Question Period today in response to the Leader of the Opposition to a question, the Minister of Finance responded, and I quote, “For the Member opposite to suggest that government made a direct hire is factually inaccurate, and the Member opposite continues to muddy the waters by not talking about the facts. Maybe it’s time for him to start being honest, Mr. Speaker.”

Mr. Speaker, I would suggest that is unparliamentary and I –

**MR. SPEAKER:** Yes, there is no further explanation needed.

I do ask the hon. the Member to withdraw the question.

**MS. C. BENNETT:** I withdraw, Mr. Speaker.

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

**MR. A. PARSONS:** On that note, Mr. Speaker, I would move, seconded by the Minister of Natural Resources, that this House do now adjourn.

**MR. SPEAKER:** It has been moved and seconded that the House do now adjourn.

All those in favour, ‘aye.’

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, ‘nay.’

Carried.

The House stands adjourned until tomorrow, Tuesday, at 1:30 in the afternoon.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at 1:30 p.m.