



Province of Newfoundland and Labrador

FORTY-EIGHTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND AND LABRADOR

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Volume XLVIII

FIRST SESSION

Number 38

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HANSARD

*Speaker: Honourable Tom Osborne, MHA*

Thursday

2 June 2016

The House met at 1:30 p.m.

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

Admit strangers.

I'm speaking today to a ruling that I had promised to bring to the House either yesterday or today. Yesterday the Minister of Education and Early Childhood Development rose in the House on a point of order and possible point of privilege with respect to remarks tweeted from this Chamber by the Member for Mount Pearl North.

The minister stated that the Member had tweeted a reference to, and I quote, the absence of Members of the House of Assembly during the course of our proceedings. I have reviewed the tweets of the Member and, in fact, the Member originated a comment while the House was sitting. This message referred to a minister's absence for a vote.

O'Brien and Bosc states at page 614: "Allusions to the presence or absence of a Member or Minister in the Chamber are unacceptable." Further on Chapter 4 of O'Brien and Bosc: "The Speaker has traditionally discouraged Members from signalling the absence of another Member from the House because 'there are many places that Members have to be in order to carry out all of the obligations that go with their office.'"

At this time, I wish to raise the issue of the rapidly changing area of social media use and its application to this House. Social media use is rapidly evolving. Twitter alone has increased dramatically since the decision of Speaker Wiseman in 2012, which was referred to by the minister.

There appears to be a move among Canadian and other commonwealth legislatures toward the view that tweeting by Members from the Chamber during a sitting is not considered to be a statement made during proceedings. There are exceptions to this, as aspirations on the Speaker made through social media would, in fact, be subject to discipline.

For further reading on this, I would refer Members to an article by Joanne McNair entitled, "The Implications of Social Media for

Parliamentary Privilege and Procedure." This can be found in the *Canadian Parliamentary Review*, volume 37, No. 4, in 2014.

However, just because a comment is tweeted or retweeted by a Member does not mean that the comment is not offensive. I remind Members that they are not only bound by the Standing Orders and precedents of this House and of other parliaments, but are also bound by their Code of Conduct. In particular, clause 1 of our code states, "Members shall inform themselves of and shall conduct themselves in accordance with the provisions and spirit of the Standing Orders of the House of Assembly, *the House of Assembly Accountability, Integrity and Administration Act, the Members' Resources and Allowances Rules, the Elections Act, 1991, the House of Assembly Act* and this Code of Conduct and shall ensure that their conduct does not bring the integrity of their office or the House of Assembly into disrepute."

Clause 4 states, in part, "... there will be occasions on which Members will find it necessary to adopt more stringent norms of conduct in order to protect the public interest and to enhance public confidence and trust."

Members are expected to conduct themselves in accordance with higher standards of ethical practice while holding public office. I call on all Members to respect the integrity of the office they hold and not violate the principles and intent of our rules and precedents, even if not violating the actual provisions. As indicated, we must be held to a higher standard.

There is no prima facie breach of privilege here, and while I could rule today that the statements made are out of order, it is more appropriate that I address the issue of our Standing Orders. Our Standing Orders are very old and were meant to address parliamentary behaviour and conduct of business in this House at a time when social media was not even contemplated. It is my hope that the Standing Orders Committee will commence consideration of the Standing Orders and our practices after the House rises this spring.

Social media can present a great challenge to procedures followed in this House, so I ask that foremost amongst the Committee's

considerations should be the use of social media by Members of the House as it pertains to the proceedings of the House in order to ensure that our existing parliamentary practices and conventions adapt to social media use.

In the meantime, I ask and expect that all Members conduct themselves with integrity that befits their office. As was stated by the United Kingdom House of Commons Committee on Procedure and referred to in the before mentioned *Canadian Parliamentary Review* article, freedom of speech in parliament places a corresponding duty upon every member to use that freedom responsibly, and social media should not be used as a means to circumvent existing Standing Orders and parliamentary conventions.

I will say in conclusion that the issue raised provides us with a great opportunity, and I embrace the challenge to deal with the issues of social media as we update our Standing Orders.

Today, I welcome to the public gallery, Crystal Hill, representing Branch 1 of the Legion who is the subject of a Member's statement today.

### Statements by Members

**MR. SPEAKER:** For Members' statements we have the Members for the Districts of St. George's – Humber, St. John's Centre, Baie Verte – Green Bay, Exploits and Conception Bay South.

The hon. the Member for St. George's – Humber.

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

This past weekend I attended the annual review of the naval cadets in St. George's and I was very impressed with their displays and demonstrations. I have also been invited to other cadet reviews in Codroy Valley and Pasadena, but regrettably was unable to attend because of duties in this House of Assembly.

Mr. Speaker, cadets take part in many important community activities and services, while learning leaderships skills and participating in good citizenship. I would like to commend the youth who have made the decision to become

involved in the cadets. It is a very important decision which will enhance their opportunities for success in life.

I would also commend the parents and other family members who have supported them in their involvement in cadets. It is fitting to recognize the valuable role which volunteers play in making cadets such a success. Without their involvement many of these activities would not be possible.

In conclusion, I ask all Members to join with me in recognizing and supporting the important role that the cadet movement plays in our province.

Thank you, Mr. Speaker.

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

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

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

The Royal Canadian Legion and Provincial Command's 46th Dominion Convention is just around the corner. I am especially proud to acknowledge that our community Branch 1 will also be: Looking back to see ahead.

Our Legions provide crucial support and resources to our veterans – and those currently serving our country – in ways that are very direct and deeply caring. The folks at Branch 1 do home visits, advocacy and provide other means of supports to our veterans.

President John Grenning, his trustees and executive can be proud of what they make possible. These volunteers are so committed. They have done an incredible job building and providing community through dances, dinners, bingos, darts and special events.

They host a seniors night twice a month, helping overcome isolation and loneliness. The Ladies Auxiliary led by the extraordinary Pat Harding, roll up their sleeves, don aprons and blue hairnets and bravely prepare what can only be described as culinary magic for our veterans and other members.

I sincerely encourage everyone to attend their convention events, including dinner theatre provided by Vera Perlin Players and a barbeque featuring the St. Pat's Dancers.

Congratulations and bravo to the Branch 1 community.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The Member for the District of Baie Verte – Green Bay.

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

I rise in this hon. House to recognize an exciting event I will be attending this weekend in my district. The Baie Verte Area Chamber of Commerce will be hosting its 29th annual Mining Conference on June 3 and 4.

Mining has long been one of the economic mainstays of the Baie Verte Peninsula, with mining activity stretching back to the 1850s.

The well-established junior mining company Rambler Mining and Metals employs 150 people, Mr. Speaker, in the Baie Verte area. As well, the newer Anaconda gold mine at Point Rousse on the peninsula has been providing well-paying jobs to residents of my district.

The Anaconda mine produces 16,000 ounces of gold per year, and company CEO Dustin Angelo wants to double that output in the next handful of years. The project currently employs between 85 and 90 people, and it's a real example of economic diversification in action.

The conference this weekend will feature an industry update on activity on the peninsula, and a presentation of some technical papers. It is sure to be an exciting opportunity to rub shoulders with key industry players and discuss ways this dynamic industry can further benefit this region and the province.

Thank you, Mr. Speaker.

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

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

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

I rise in this hon. House today to recognize the achievements of David Nichols, a resident of Grand Falls-Windsor who was just awarded the CY Hoskins Memorial Award of Merit.

Dave began his career in 1980 as the complex manager for sporting facilities in Windsor. He stayed on in that capacity for 11 years, until Windsor amalgamated with its neighbour Grand Falls in 1991. At that time, Dave took over as the Director of Parks and Recreation for the newly amalgamated town.

Over the years, he organized many provincial and national events such as the Newfoundland and Labrador Winter Games, the Salmon Festival, national softball tournaments and more.

He oversaw many upgrades to the facilities in the Town of Grand Falls-Windsor, to the present day inventory of 13 fields, six community facilities, six playgrounds, six parks, four memorial parks, three rest parks, a dog park, a splash pad and others.

Dave has volunteered his time on many boards and committees, and has provided recreational programs and activities to children of all ages.

I ask all Members to join with me in thanking Dave Nichols for his service, and congratulating him on his recent award.

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

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

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

Mr. Speaker, on May 10, I had the opportunity to attend and present both Bronze and Silver Duke of Edinburgh Awards to 28 deserving young women and men at Frank Roberts Junior High in Foxtrap.

To qualify for an award, participants must undertake a balanced program of leisure-time activities and meet the prescribed standards in

four different area of self-development, including community service, adventurous journeys, physical fitness and skill development.

This group has been involved in many challenging and worthwhile activities under the direction of committed volunteer leaders. In speaking with participants individually, they tell stories of personal growth and commitment as they embarked on the various challenges and opportunities.

Mr. Speaker, I ask all hon. Members to congratulate the Silver recipients: Ryan Letto, Mitchell Fagan, Alexa Johnson and Jacinda Porter.

Bronze recipients: Krista Greeley, Luke Strickland, Alexandra Gamble, Nathan Lake, Lauren Payne, Leah Pomeroy, Mackenzie Searle, Kelsey Smith, Chelsea Bolt, Emma Jacobs, Sarah Fagan, Katie Currie, Madison Tarrant, Alexandra Benson, Samantha Bursey, Sara Burry, Chelsie Cake, Matthew Broders, Kristina LeDrew, Miguel Santos, Kaitlyn Day, Jenna Scott, Karley Morgan and Olivia Cave.

This is quite an accomplishment and I wish them well in their silver and gold metal pursuit.

Thank you.

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

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

**MR. SPEAKER:** Today for Honour 100, we have the Member for the District of Terra Nova.

**MR. HOLLOWAY:** I will now read into the record the following 40 names of those who have 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: Augustus Taylor, Charles F. Taylor, Eric Francis Taylor, Eugene Fred Taylor, George Taylor, George Hayward Taylor, Hedley Taylor, Herbert Taylor, Richard H. Taylor, Selby Taylor, William Bartlett Taylor,

Joseph Teixeira, Donald Templeman, Francis Thistle, Frederick Gordon Thomas, H. Gordon Thomas, Walter Thomas, Max Thompson, James Elliot Thomson, James H. Thorne, Joseph Thorne, Walter Lewis Thorne, Edward J. Tippet, Henry Tibbo, James Joseph Tibbo, Edward Tilley, Henry Tilley, Lawrence Tilly, Melvin Titford, Gordon Tizzard, Andrew Tobin, James J. Tobin, John Thomas Tobin, Patrick Francis Tobin, Augustus Toms, Ernest Toope, Jose De La Cruz Torres, George Toumishey, Heber Trask, Thomas Joseph Truscott.

(Moment of silence.)

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

Statements by Ministers.

**Statements by Ministers**

**MR. SPEAKER:** The hon. the Minister Responsible for the Forestry and Agrifoods Agency.

**MR. MITCHELMORE:** Mr. Speaker, I rise today to recognize the Newfoundlanders and Labradorians working to combat the forest fires in Alberta.

Our government is proud to respond to the needs of residents in Fort McMurray through the deployment of 11 forest firefighters from the Forestry and Agrifoods Agency. Also deployed are two government employees who are working as members of Incident Management Teams in Red Lake, Ontario, and Horse River, Alberta.

Mr. Speaker, the forest firefighters arrived in Alberta this past weekend and were assigned to an area approximately 40 kilometres outside Fort McMurray. This is a very high-priority duty as they help make Fort McMurray safe for residents to return.

These deployments are made under the Canadian Interagency Forest Fire Centre, Mutual Aid Resource Sharing Agreement, which enables provinces to share firefighting resources.

Four provincial government employees deployed to Alberta and Winnipeg earlier this month recently returned home. Thirty-one members of the local RCMP who spent a few

weeks in Fort McMurray to help rebuilding efforts in the community have also returned.

Mr. Speaker, we will continue to help our friends and family in Fort McMurray in any way we can.

Thank you.

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

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

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

I'd like to thank the minister for the advance copy of his statement today. We, too, would like to thank and recognize the firefighters and staff from this province who travelled across the country to assist our friends in Alberta. I'd also like to take this opportunity to thank the local RCMP officers who recently returned home from their time helping the effort in Fort McMurray.

Any time there is an opportunity to help our neighbours, people in Newfoundland and Labrador are among the first to put up their hands, and that is something we should all be very proud of. Moreover, the ties between the people and provinces in this country are incredibly strong. This is certainly evident when a tragedy such as this strikes.

I think we would all agree we are truly blessed to live in such a wonderful, caring and connected country. In closing, I commend all those involved in rebuilding Fort McMurray.

Thank you.

**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 advanced copy of his statement. The devastation of the wildfire and the reality of what Fort McMurray is experiencing have touched all our hearts. There

really are no words to say thank you adequately to our amazing firefighters, other government employees and the volunteers who work in dangerous situations to help others, especially in this current situation.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Minister Responsible for Fire and Emergency Services – Newfoundland and Labrador.

**MR. JOYCE:** Mr. Speaker, I rise to recognize over 340 firefighters and emergency management practitioners who are participating in the Fire and Emergency Services Training School in Grand Falls-Windsor. It began May 28 and ends tomorrow, June 3.

Prevention, fire suppression techniques and emergency management planning are critical to the safety and well-being of Newfoundlanders and Labradorians. That is why Fire and Emergency Services – Newfoundland and Labrador coordinates a large-scale provincial Fire and Emergency Services Training School at no cost to firefighters and emergency management practitioners. The training includes courses and seminars on topics ranging from basic emergency management to fire protection.

This year, the Grand Falls-Windsor Fire Department was selected to host and they have been an outstanding partner, ensuring the success of the Fire and Emergency Services Training School.

Mr. Speaker, emergency responders are our first line of defence when dangerous situations impact our communities. Proper training is important for the personal safety of emergency responders as they work to ensure the safety of the residents. I commend these individuals on taking time from their schedules to ensure they are able to protect the residents that they serve.

I ask my colleagues in the House to join me in recognizing the leadership of those individuals, as well as the staff at Fire and Emergency Services – Newfoundland and Labrador for coordinating another successful Fire and

Emergency Services Training School. It's a tremendous effort that has not gone unnoticed.

Thank you.

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

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

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

I thank the minister for the advance copy of his statement this afternoon. We join with government in recognizing the tremendous women and men involved in our province's fire services. Training is paramount in the area of fire protection, and I'm glad to see government continue to provide appropriate opportunities for individuals to best equip themselves. Prevention, fire suppression techniques and emergency management planning are, as the minister said, critical to the safety and well-being of everyone in our province.

I'd also like to thank the very capable instructors and trainers that provide the vital service to our front-line responders. You are to be commended. Your efforts and dedication don't go unnoticed.

Thank you, Mr. Speaker.

**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. Well done to all the participants in the training school. We all appreciate the value of the training they are receiving.

I say to the minister I would be interested in seeing a gender breakdown of participants in this event, and I again remind the minister that cutting \$400,000 from the department's fire suppression and communications budget could seriously impede or make more difficult the work of our wonderful emergency responders.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Minister of Fisheries and Aquaculture.

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

Mr. Speaker, in December 2008, the United Nations passed a resolution to recognize June 8 as World Oceans Day. On this day, each year, we celebrate the ocean, its importance in our lives and how we can protect it.

World Oceans Day events are held around the globe to create awareness about the critical role that oceans play in people's lives. This Saturday, June 4, Mr. Speaker, I am proud to be participating in World Oceans Day at the Marine Institute. This is a free event that takes place from 10 a.m. to 3 p.m. and includes exhibits, demonstrations and activities for the entire family.

In Newfoundland and Labrador, the ocean and the opportunities it provides have always been at the heart of our economy and our culture. The coastline and the ocean are intrinsically linked to our history, culture, recreational enjoyment and prosperity, and we will continue to rely on the resources from our waters for generations to come.

World Oceans Day is a perfect opportunity for Newfoundlanders and Labradorians to reflect on what the ocean means to us and how we can help protect it.

Thank you, Mr. Speaker.

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

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

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

I want to thank the minister for an advance copy of his statement. On behalf of the Official Opposition, we too recognize June 8 as World Oceans Day and encourage participation in World Oceans Day celebrations this Saturday at the Marine Institute.

Mr. Speaker, our ocean has long-lasting traditions and connections to this province, in our fishery as a method of transportation, and recreation use. As Newfoundlanders and Labradorians, we have great respect for our ocean and we understand the economic growth it puts to our province, but we also understand the dangers and the many lives that have been lost on our oceans. So no one can respect the oceans more than Newfoundlanders and Labradorians.

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

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

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

I too thank the minister for the advance copy of his statement. This year's theme is Healthy Oceans, Healthy Planet. I'm glad the minister mentioned that we must reflect on what the ocean means and how we can help protect it. That's why we're concerned about things like oil spills and making sure aquaculture is monitored properly.

So I encourage everyone to take advantage of this wonderful event at the Marine Institute and drop in on Saturday, as the minister invited all of us.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Further statements by ministers?

Oral Questions.

#### Oral Questions

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

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

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

I ask the Minister of Natural Resources: At the conclusion of the April 19 meeting that you attended with Mr. Martin, what agreement was reached with Mr. Martin?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

I appreciate the question.

At the end of the meeting it was understood that Mr. Martin would be stepping down the next day, and that we would work in the morning on the communications on such and that he would be making that announcement in the late morning.

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.

So, minister: Are you saying that it was your understanding that at the conclusion of the April 19 meeting that Mr. Martin would be tendering his resignation? Is that what you're saying?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, thank you again for the question.

At the end of the meeting on April 19 it was determined that Mr. Martin would be stepping down, that he would make the necessary arrangements in the morning. That we would be doing some media around this issue, that we would be letting him – we would go first, he would go second. That was what was discussed at the end of the meeting.

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.

So the Minister of Natural Resources continues and maintains that Mr. Martin voluntarily



resigned, and that was her understanding from the April 19 meeting.

I ask the Minister of Natural Resources: What does Mr. Martin's executive employment agreement say about voluntary resignation?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, as we discussed yesterday, and as I'll continue to say, the contract with Mr. Martin was with the board of directors. The board of directors signed that agreement or renewed that agreement in 2009.

It clearly rested with the board of directors. The former chair of the board of directors has indicated that it rested with the board; therefore, it was the board's responsibility for his contract.

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.

We know the minister had perused and familiarized herself with the document, so I'd hope she would be able to share that information.

I ask the Minister of Natural Resources: When you stood next to the Premier on April 20 and you listened to the Premier as he told the people of Newfoundland and Labrador that Mr. Martin had voluntarily resigned, were you confident that that information was accurate?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, I'm going to say it again, that the contract rests with the board of directors. That is without dispute. It was signed by the board of directors. The chair of the board of directors said in that morning's email that he was responsible; the board was responsible for the contract.

When I stood next to the Premier on the morning of April 20, Mr. Martin was indicating – and I can read back, as I did a couple of days ago, his statements to the media. Mr. Speaker, all I can say is I can repeat what Mr. Martin said to the media that morning. The contract rests with the board.

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

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

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

We know the minister received an email early that morning through her government email.

I'll ask her again: Were you confident that the information the Premier was sharing with the province was accurate?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, I'm confident that Mr. Martin, when he made his public statements following the Premier's public statements – were, in his words, that he had stepped down, that he was looking toward his family, that he would be available to the corporation should it be needed, as I read into the record the other day and he's on the record now. So I know that Mr. Martin, in his public comments, actually went further than the Premier did that morning.

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'll ask the Minister of Natural Resources: When did you learn that Mr. Martin was fired, terminated without cause?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

As I indicated yesterday, and as the Premier has indicated for the last couple of weeks, we were notified of the board's decision on the morning – late morning, while we were actually still doing media – late morning that he was terminated without cause. That was the board's decision. That was as it was and, therefore, no further indication.

Thank you.

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

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

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

I take it she's confirming it was on late morning of April 20, I believe is the date the minister is indicating.

I will ask the Minister of Natural Resources this: What does Mr. Martin's executive employment agreement say about terminations?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

Mr. Martin's employment agreement rests with the board of Nalcor. The board signed that agreement. The board is responsible for that agreement. The board is available to discuss that agreement, but it rests with the board of Nalcor.

Thank you, Mr. Speaker.

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

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

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

Just to confirm, Mr. Speaker, the Minister of Natural Resources said yesterday she had read the contract. Is that true, you are familiar with the contract, with the details of it? So you do know what it says.

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, as I said yesterday, in the course of my duties on March 3, I did ask the former chair of the board of Nalcor if he would provide a copy of the contract. He provided me a hard copy on or about March 4. I did peruse the contract.

Again, the contract is with the board of directors of Nalcor. I filed it, as was required, so I had a copy for the use of the department.

Thank you, Mr. Speaker.

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

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

**MR. P. DAVIS:** Yes, Minister, we've heard you say that, but that wasn't the question.

I will ask the minister: Are you claiming that Mr. Martin wished to resign, but the Nalcor board of directors did not accept it and fired him instead? Is that what you're saying?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

I can't accept words being put in my mouth, so I won't accept that.

Mr. Speaker, I will say the board made their deliberations. The board had information. The board made their deliberations and the board made their decisions. That is the board of director's responsibility as they are responsible for the contract.

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 certainly don't intend to put words in the minister's mouth, but we're trying to help her along because it's very difficult and challenging to get answers from the minister.

I ask the Minister of Natural Resources: Faced with the obvious contradiction that you knew existed on April 20, did you immediately contact the chair of the board of Nalcor to ask why he refused to accept Mr. Martin's voluntary resignation?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, again, I will say, I did not attend the meeting of the board of directors. I was not invited to the meeting of the board of directors. I do not know the content of the discussions with the board of directors, nor do I know the content of the discussion between Mr. Martin and the board of directors. Therefore, I cannot comment.

We did receive the email, as has been discussed over the last couple of weeks, and it was a decision of the board and it was accepted as same.

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.

So just to be clear, and I'm going to try and help the minister out, and I apologize if she thinks I'm putting words in her mouth, but I'm trying to help her out here to get this information because the people of the province want to know.

So to be clear, on 20th of April, upon learning that the board of directors for Nalcor had fired the Chief Executive Officer, Mr. Martin, of the largest Crown corporation in the province, the minister responsible didn't bother to inquire why. Is that correct, Madam Minister?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

I do accept the hon. Member's apology for trying to put words in my mouth. Let me be

clear again, Mr. Speaker, the contract for the CEO of Nalcor Energy rests with the board of directors. It was made with the board of directors; they are responsible for his contract. They signed the contract in 2009.

Mr. Speaker, I also want to say that in the early morning email, it again says by the former chair of the board that the responsibility rests with the board of directors. I'm not quite sure where the confusion lies.

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.

The minister is responsible for natural resources; she is responsible for Nalcor. Her mandate letter specifically indicates and directs her to be responsible for Nalcor.

Again to be clear, Minister, on the 20th of April, upon learning that the board of directors – who reports to the government, you as the minister – fired the CEO of Nalcor, the largest Crown corporation, the minister responsible didn't bother to inquire why. Is that correct minister?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

As you know, because I've indicated multiple times, the board of directors are responsible for the contract of Mr. Martin. They did send an email in the morning reiterating that they are responsible for the contract of Mr. Martin. They also sent an email – while we were in the press that day actually, Mr. Speaker, at 11:25 a.m. – indicating that this was a termination without cause. The decision came through as that. We did not question that decision. It is a decision of the board of Nalcor Energy.

The only time – we did not see the severance agreement. We did not review the severance agreement. We did not receive the severance agreement. Therefore, Mr. Speaker, as I'm

saying to you right now, the decision was made by the board.

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

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

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

Well, I'll ask the minister this: When did you become aware of the financial consequences of the decision that had been made?

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

As I have said in this House, the final settlement agreement – because we had never seen it, we had never been party to it, we had not received it – we understood on May 5, and received a copy of that settlement agreement.

Mr. Speaker, that's when we learned of the extent – and remember, this was a contract that was held by the board – of that contract. That's when we became aware of that contract and that's when we started to take action, because what the settlement agreement said was that government directed that. Mr. Speaker, we did not direct the board of directors on that issue.

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.

The minister sat at meetings on April 17 and again on April 19. She received emails and had correspondence back and forth with the board on the 20th.

So I'll ask the minister this: How could you sit at a news conference on April 21 and listen to the Premier speak once again and say that the CEO had resigned when you knew it was wrong? How could you sit there, Minister, and not do anything?

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

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

Allow me once again to review this. On April 17, the former president and CEO of Nalcor Energy, Mr. Martin, requested a meeting. We attended that meeting. We listened to what he had to say. There was a follow-up meeting. We've gone through the contents, pretty much, of that meeting.

On the 19th, at the end of that meeting, he was stepping down. We agreed that we would announce that the next morning. We had an email at 8:55 a.m. from the former CEO of Nalcor Energy saying that they were responsible for the contract. We went before the cameras at 11 a.m. and the people of this province at 11 a.m., to tell the story that Mr. Martin was stepping down. At 11:45 Mr. Martin said he stepping down. He went on to describe it even further.

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 appreciate the minister laying it all out again, but my question is about the news conference on the 21st, the very next day, when she clearly knew there was a contradiction in existence; yet, the Premier sat next to her and told the people of the province that Mr. Martin had resigned.

Minister, you knew the difference, why didn't you take some steps to correct the information, the wrong information that the Premier was providing to the people of the province?

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

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

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

I believe the Member opposite is referring to the press conference where we announced the new CEO, Mr. Marshall, and we're very pleased to have Mr. Marshall there riding some of the challenges that we're having with Muskrat Falls.

Mr. Speaker, this is an \$8 billion-plus project. We're very concerned about the cost and the schedule of that project. We're working very hard to find out how we can right that project.

Again, all I can reiterate is that Mr. Martin himself indicated at 11:45 that he was stepping down. He went on to say why he was stepping down; family, he was proud of his work with Nalcor. Mr. Speaker, we have to take him at his word.

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

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

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

We also know that the minister was quite aware on April 21 when she sat with the Premier and she knew different. She knew that Mr. Martin was being terminated without cause. They knew that. They knew that it happened on April 20.

I'll ask the Premier: Why did it take three weeks before you or anyone in your government took any action on this matter?

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

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

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

As the minister has clearly outlined many times in this House of Assembly, and so have I, is that the contract with the former CEO was clearly a contract that was with Nalcor. As a matter of fact, it was reiterated in the email early in the morning that the former chair of Nalcor made it quite clear that was a contract that they felt they were responsible for.

As a matter of fact, just on March 22, given the events of what happened on April 2, they were

going to deal with the – when you look at the email, they were going to deal with the outgoing bonuses. Even then back on March 22, when I sent the letter asking them to reconsider this option, they quite clearly said that this was information – this was a decision that would be made by the board. So the contract with the outgoing CEO was clearly a contract made with the board of Nalcor.

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

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

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

In an April 20 email released late yesterday afternoon by government, it indicated that the former chair, Mr. Ken Marshall, confirmed that in the April 19 meeting an agreement was reached and that the board would be meeting to discuss the employment contract obligations. That's what the email said.

I ask the Premier: Did you reach out to Mr. Ken Marshall to discuss this as you indicated you would in your response to the email?

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

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

Mr. Marshall, the outgoing CEO and I had a conversation. It was a phone call. On that call we discussed three or four things; one of which was the fact that they were going to resign en masse.

The second thing they were going to discuss was what I just referred to a few minutes ago, which was about the bonuses that would be paid to the senior executives at Nalcor. I asked them to reconsider this in light of where the province was – where we are with the finances of this province. I asked them to reconsider that option. They made it quite clear that they were going to – they would be doing that; thirdly, was the departure of the former CEO of Nalcor. These were the things that were discussed in that phone call.

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

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

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

Well, Mr. Ken Marshall's April 20th email of 11:25 a.m. stated that the board of directors took pause to advise the Premier and Minister of Natural Resources on their action and pending action.

So I'll ask the Premier this: Did you reply to this email, and what did you do as a result of receiving this very significant information?

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

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

Well, that email made it very clear that the board had already made the decision based on the meeting that they had with, I imagine, the outgoing CEO, Mr. Martin. At that point, they had terminated without cause the former CEO. The pending action would have been to put in place a settlement agreement, and this agreement right here, Mr. Speaker, was not a discussion that we've ever had with this board.

The board, during their governance model, that they held the contract and they had made a decision to terminate without cause the former CEO. The pending action would have been to put in place a settlement agreement. This settlement agreement was never approved, never discussed. The first I saw of this settlement agreement was on May 5, 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'll ask the Premier: On April 20, did you reach out to Mr. Ken Marshall to discuss the board of directors' pending action?

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

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

The pending action of the board, I did not reach out to because the action of the board – they had made their decision. They were going to quit then. Keep in mind that this was the board, they were going to make this decision, then they were going to quit.

The pending action of the board was indeed this settlement agreement. They had made it quite clear on many occasions that they held this contract. It was a contract, by the way, that gave that board the authority by the former administration. That is the contract that they had put in place giving the board of Nalcor the authority to act with their CEO. That was the decision that they had made quite some time ago.

So the board then went on and put in place this settlement agreement with Mr. Marshall, outlining what has been a very significant package worth some \$6 million. This is not a decision that we were part of. The board did not ask us to approve that. They did not ask us to authorize that. The first we saw it was on May 5, then we took action.

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

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

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

Well, actually what the email says is that they were taking pause from the meeting to advise of action and pending action of this morning. The rest of the email goes on to reflect what took place on April 19.

So I'll ask the Premier: Why didn't you pick up the phone and ask questions about the contract obligations? Why didn't you simply pick up the phone and talk to the chair of the board to find out what was happening?

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

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

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

Well, this was a meeting, according to media reports this week, that started at 11 a.m., dealt

with a number of options; and if I remind the former premier here, we were in the media, so it is very tough to pick up a phone call and say oh, by the way, can I take pause from the media interview that we are doing. They had made the decision sometime between 11 o'clock and 11:25 a.m. The meeting started – keep in mind that the former chair of Nalcor said the meeting convened at 11 a.m. that morning and between that and 11:30 a.m., they had made the decision to terminate without cause.

We were down doing media at that time. Right after that, the former CEO came in and did his interviews with the media. Mr. Speaker, there was no opportunity there to reach out to that board. They had made their decision.

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

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

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

I will ask the Premier this: On April 20, did you know the financial obligations of what the board were doing?

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

**PREMIER BALL:** Absolutely not.

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

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

**MR. P. DAVIS:** So, Premier, why didn't you do your job and pick up the phone to find out this very important information? It was a simple thing to do. You, your staff, one of your ministers – they already knew what was in the contract. The Minister of Natural Resources knew what was in the contract. The Minister of Finance knew what was in the contract.

Why didn't you or somebody say to you pick up the phone and find out what's going on, what is this decision they are making and what's the consequences?

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

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

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

On the day of April 20 when the decision by the former and outgoing board of Nalcor, there was no direction sought from us – they got their information from the outgoing CEO and there was no direction, no requirement. They had made it quite clear that the contract was their contract to execute.

They had made the decision to do what they did. We found out the details on that on May 5, Mr. Speaker. As I said there was media being done at 11 a.m. At no point were we even asked, where we even considered, authorized, to get involved with the settlement agreement with the outgoing board of Nalcor. They had made that decision and when doing that they then quit.

We were left with a situation on April 20 without a CEO and without a board because they made those decisions and then quit.

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

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

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

I will say to the Premier, it is your responsibility as Premier. You are responsible for millions of dollars that were being discussed and by noon on April 20, you knew exactly that was taking place.

I will ask the Premier: Why didn't you take the time and make the effort to get the details about a severance package that was critical, of critical importance – it was not consistent with what you had said publically. It was different than what you had said publicly. Why didn't you pick up the phone and do the job that people elected you to do?

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

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

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

Well, at about 12 o'clock on April 20 what I was faced with, what the minister was faced with and, indeed, what this province was faced with was Nalcor, a Crown agency of this government without a CEO, without a board of directors. One of the largest projects in this country today without leadership from a board, without leadership from a CEO.

My job was to do whatever I could to make sure we had leadership in place with Nalcor, and that's what we immediately turned our attention to.

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

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

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

We also know from the emails released late yesterday afternoon by the government that the Premier and his ministers were quite aware. They were quite aware that the board was discussing a mass resignation. He talks about the importance to have people in play. Why didn't you pick up the phone and call the chair? Why didn't you pick up the phone and call the board and say, what's happening? We need to discuss this. We need to maintain control.

Why didn't you do your job, Premier?

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

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

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

Well, if you read the emails there, the decision of the board was they had made their decision. They were going to execute on the contract, which they were entitled to do, and then they were going to quit, I say, Mr. Speaker.

That was a decision of the board. At that point, our attention was turned to getting control at Nalcor, getting some leadership in place at Nalcor. That was my primary attention right there.

We have a major Crown agency that's spending millions and millions of dollars a day, Mr.

Speaker, that's what's at play here. My priority then was to make sure that we do whatever we could to secure the Crown agency of Nalcor.

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

**MR. SPEAKER:** The hon. the Leader of the Opposition for a very quick question.

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

I'll ask the Premier this, because the people of Newfoundland and Labrador are asking this and they want the Premier to answer: Were you not being honest with the people of the province or were you being incompetent?

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

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

Well, I can tell you right now, what I turned my attention to was with the information that I had – and I can guarantee you, I did not have this information of the settlement agreement. So being competent, when we found out what this settlement agreement was all about on May 5, what we did was take swift action.

We wrote a letter. The letter was wrote to the board of Nalcor letting them know that this was not something that was directed by us, this was not something that was authorized by us. This was done by the outgoing board of Nalcor. Before they quit, they made this decision.

My job was to actually get in place a new CEO and get in place a new board of directors. Mr. Speaker, an interim board of directors to get the Crown agency back under control, and we were able to do that.

**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.

The email dated April 20, 2016, at 11:25 a.m. to the Premier from Nalcor Chair, Ken Marshall, states clearly that severance would be paid to outgoing Nalcor CEO Ed Martin. I draw the



attention of the House to the key phrase: as per your meeting with the CEO on April 19, 2016.

I ask the Premier: How can he reconcile the contents of this email with his continuing evasion in this House as to when he became aware that severance would be paid to Mr. Martin?

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

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

When you look at the email of April 20 and the 11:25 a.m. email, what it does not outline there is anything that is at all remotely close to what this settlement agreement looks like. The board had made their decision by then. The settlement agreement then was something that they put in place. We became aware of that – as I said so many times in this House, we became aware of that on May 5. It was not something that we were part of, it is not something that we authorized.

When we got the settlement agreement, and included in that it says we were almost a party to this. We wanted to clarify, and we did that by writing the board of Nalcor. We were not party to this agreement, I say, Mr. Speaker. It was not something that we authorized. It is not something that we were part of. As a matter of fact, we made that known by reaching out to the board early May, subsequent to receiving this.

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

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

**MS. MICHAEL:** Mr. Speaker, surely the Premier understood the significance of that email.

If he felt at the time that it misrepresented the situation in any way, I ask him: What steps did he immediately take to put those concerns on the record?

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

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

The step we took was writing the board of Nalcor back in early May when we became aware of what happened. My understanding, the only person the outgoing board of Nalcor spoke to about the events that happened with the meeting with Mr. Martin and with the minister and with the chief of staff was Mr. Martin himself.

The board did not reach out to us in any way; yet, it was the board that actually signed the email of 11:25 a.m. The board had never reached out to me, to the minister, or to any of our staff related to this. They did not reach out and did not ask us to sign, authorize, or have any say at all in this settlement agreement. This is something they did. They held the right to execute on that contract, and that is something they did.

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

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

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

The important work of the province has been sidelined by a crisis of public confidence in the Premier and the Minister of Natural Resources as a result of their mishandling of this whole matter.

I ask the Premier: Will he do the right thing and resign?

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

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

I'm glad the Leader of the Third Party mentioned about the ongoing work and the important work that's ongoing in our province right now. There is no doubt we have a major project up there that's costing millions and millions of dollars. We have things around our province right now that we need. We need to be taking action on many, many things to bring improvements to our province. We need to get this project under control. We are spending, as a province, millions and millions of dollars on this project.

By the way, Mr. Speaker, no, I will not resign.

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

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

**MS. ROGERS:** Mr. Speaker, the Minister of Natural Resources, who is responsible for Nalcor, the province's largest Crown corporation, has shown no evidence that the minister did anything about Mr. Martin's huge severance package until May 10, nearly three weeks after he left.

I ask the Minister of Natural Resources: Will she do the right thing and resign?

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

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, I find that question quite offensive actually. We've worked very, very hard to right the challenges that we have in Muskrat Falls. This is an \$8 billion project that EY has said not a month ago that really the information that was given to the people of this province in September of last year was not reasonable.

We now are working very, very hard to get the cost and schedule. We have a serious problem with Muskrat Falls in general in terms of that cost. Mr. Speaker, I'm going to continue to work as hard as I have been – and trust me, I've been very hard – to make sure that project is on time and is on the best of schedule we possibly can get it.

Mr. Marshall is working hard, the new board of directors are working and we'll all continue to work hard. This is very important to the people of the province, Mr. Speaker.

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

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

The time for Question Period has expired.

It's come to my attention that there are two guests of the Member for Terra Nova in the gallery, Jonathan Rowe and Jesse Avery.

Welcome to our galleries.

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

**MR. SPEAKER:** Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

### Notices of Motion

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

**MR. KIRBY:** Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Schools Act, 1997, Bill 38.

**MR. SPEAKER:** The hon. the Minister of Natural Resources.

**MS. COADY:** Mr. Speaker, I would like to give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Income And Employment Support Act And The Student Financial Assistance Act, Bill 37.

**MR. SPEAKER:** The hon. the Minister of Justice and Public Safety and the Government House Leader.

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

I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Judicature Act, Bill 39.

Further, pursuant to Standing Order 11, I give notice that this House do not adjourn at 5:30 p.m. on Monday, June 6.

Further, pursuant to Standing Order 11, I give notice that this House do not adjourn on Monday, June 6, at 10 p.m.

Thank you.

**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 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 provinces, 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 tax system begin immediately to make it fairer to Newfoundlanders and Labradorians.

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

Well, as we know, Mr. Speaker, since people signed this petition, government did make some cosmetic changes to the levy. They themselves have now passed their *Budget 2016*, one of the most stringent austerity budgets ever brought down in this country, let alone not just in this province.

They continue to talk about this levy as if it is something that is fair and equitable. Once again, I raise the issue of, if government requires

revenue from the people in this province, one of the most important ways in which to do that is through the income tax system. We have an income tax system that can become much, much fairer and equitable than what currently exists.

I say to this government, as I've said before when standing in this House, why not improve our income tax system as this petition asks, do a review of our income tax schedule, make it more equitable, make sure that those who earn more money pay appreciably more than those who do not.

This government has talked about the levy being temporary. Well, I hope that the temporary levy is going to be gotten rid of extremely quickly and that this government show its understanding of what true fair taxation means. They talk about bringing down another budget in the fall. Well, I want to see in that budget in the fall not more austerity, not more cuts, not more decisions that are going to destroy individuals in this province as well as the economy of this province, but I want them to show that they really have listened to the petitioners that we've been representing there in the House, to the thousands of people who've been turning up in demonstrations, and that the fall will see a change in the direction they've started.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Further petitions?

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

**MS. PERRY:** 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 humbly sheweth:

WHEREAS the people of Fortune Bay – Cape La Hune need to have access to adequate health care; and

WHEREAS the local clinics in rural areas are the main source of medical assistance for our people; and

WHEREAS the government has reduced funding and closed the Hermitage clinics and downgraded services;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to reinstate the services to health care in rural Newfoundland and Labrador.

Mr. Speaker, it's a very sad, sad day in Hermitage today as their clinic doors are closing. They have been without a doctor for quite some time now, actually. They have been receiving a visit from a nurse practitioner for two days a week, and although a severely compromised service, it has been working well for them, and at least alleviating the seniors from having the burden and expense of trying to find a way to get to Harbour Breton, which is 45 minutes each way, for something as simple as bloodwork and something as complex as concern about having a stroke or sugars dropping, or any kind of physical ailment, Madam Speaker, that would require them to visit the doctor.

We certainly implore that the Minister of Health take it upon himself to encourage Central Health to revisit the decision they have made with respect to downsizing of services. We truly hope that this government revisits its approach overall, because it really seems to be attacking rural Newfoundland and Labrador, pulling services from rural Newfoundland and Labrador. Health care and education are two areas in particular, Madam Speaker, where the people all across this province are equally deserving of adequate health care. Measures such as these certainly downgrade our health and make it very worrisome to live in rural Newfoundland and Labrador.

The other issue that we're experiencing is reduced visitation to our islands and reduced chopper services – another grave concern. We had a very serious incident, actually, in François just two days ago. The chopper they called was in Gander, and they called another one over on the West Coast, Pasadena, neither of whom could get there because of the weather. The chopper in Conne River had to be called, and that chopper is on the chopping block by the

Liberal government. Rural Newfoundland and Labrador deserves better.

Thank you very much.

**MADAM SPEAKER (Dempster):** The hon. the Member for Ferryland.

**MR. HUTCHINGS:** Thank you, Madam

I'm glad to rise today with this petition and present it to the House.

To the hon. House of Assembly in 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 the start-up time of Goulds Elementary; and

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

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

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

Madam Speaker, yesterday I had the opportunity to meet with a concerned parents group from the region of the Goulds and down through Petty Harbour-Maddox Cove with children in the Goulds Elementary, and also discussions with parents related to junior high and the high school in the Goulds region. At that time, certainly very significant concerns in regard to the changes to busing and what it's going to mean to the delivery of services to school children for the region and our youth.

Actually, the petition I have here has somewhere in the range of probably 400 to 500 signatures. They're from people from all over the region outlining the concerns they have. Those concerns are quite significant, ranging from everything for having very young children up

much earlier in the morning in terms of daylight and darkness, when they're getting to bus stops, safety of children at that time in the morning, especially the younger children, those definitely from K to 6 and what challenges there are in regard to them and being on that road earlier in the morning; certainly changes and possible changes to courtesy busing. Some kids now can avail of that right now, but if we're talking about less buses, that's a challenge. The frustration of the parents is they can't get any clarity on exactly what that is and what it's going to mean as we look to the fall and some of the huge challenges that they have.

Daycare, after-school programs now in the Goulds are now available. Achieva is available. You look at the numbers, in terms of cost and extra costs that's going to be on parents because of that. Right now some of the high school kids will take care of siblings as they get out. With the change, that won't be possible. That service won't be there.

Then you've got to look at – I had a call from a single mom. The arrangement now works well. What she needs to look at now is possibly getting access to additional daycare because there's no one to care for her child. What had happened with the current schedule that was allowed.

Another individual had a high school student that cared for their actual child right now after school, but right now that's all extra cost. What's happening is that extra cost has been downloaded to parents and families. While they're suggesting they're saving over \$2 million, all the cost, or a lot of it, is being downloaded to families and parents.

**MADAM SPEAKER:** Order, please!

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

**MR. HUTCHINGS:** This is a concern. We certainly call on the Minister of Education to step in and deal with this.

Thank you.

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

**MS. ROGERS:** Thank you, Madam 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 provinces, 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 tax system begin immediately to make it fairer to Newfoundlanders and Labradorians.

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

Madam Speaker, it's very interesting now when we see what government has done with the levy. What this petition calls for is the elimination of the levy and to not do things piecemeal; but, as a matter of fact, to do a thorough examination of our taxation system to make it progressive, to make it fair, to make it workable.

This is not about unfairly taxing someone who's rich. It's not about that. It's about how do we use our resources to the best we possibly can for the betterment of all the people of the province.

In fact, what's happened now is that government has somewhat responded to the activism of the people of the province. Government has somewhat listened, only partially listened, to what people have been pushing for. People have

been pushing for the elimination of the levy again and looking for an evaluation, a total reworking of our taxation system.

What government has done is they're doing taxation now on the fly. They've cancelled it, except for earners of \$50,000 and up. It's kind of a knee-jerk reaction. Again, what was asked for was a comprehensive approach. That is where this budget falls short.

In fact, government should be a stabilizing factor right now in this economic crisis that we face. They should be able to help us weather the storm. In fact, Madam Speaker, what has happened is this government has de-stabilized the economy. They are creating further unemployment which will only make the financial crisis we are facing even that much more difficult.

We can see that we have a shrinking population. Government hasn't addressed that. They have done nothing for population growth strategy. They're doing nothing to bring in more people to the province. In fact, what they have done –

**MADAM SPEAKER:** Order, please!

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

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

I look forward to standing again to speak to this.

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

**MR. BRAZIL:** Thank you, Madam 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 the current 2016 budget impacts adversely and directly the education programs at Beachy Cove Elementary in Portugal Cove-St. Philip's; and

WHEREAS parents request a delay in the implementation of full-day kindergarten at our school until at such time –

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

**MADAM SPEAKER:** Order, please!

**MR. BRAZIL:** Thank you, Madam Speaker.

– the new five to nine middle school in Portugal Cove-St. Philip's will be open; and

WHEREAS the student population at Beachy Cove Elementary is growing exponentially and this growth is sustainable into the future; and

WHEREAS parents request the reinstatement of the previous teacher allocation formula for Beachy Cove Elementary for this year and subsequent years to service the growth in enrolment and be able to provide all students with equal opportunity to enrol in the French immersion program;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to reinstate the previous teacher allocations and delay the implementation of full-day kindergarten in order to provide the children of Beachy Cove Elementary the right to a quality education.

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

Madam Speaker, yesterday we had a very intensive debate around the impact of implementing all-day kindergarten and particularly, the impact it would have on programs and services.

Beachy Cove Elementary is one of those schools that are directly going to be impacted by implementing all-day kindergarten and the adverse effect that will have on other programs and services. While it's been echoed by the parents organization, the administration that all-day kindergarten is a positive process and one that will be very beneficial, right now the impact it's going to have is negative to the students down there.

We had a discussion around some of the other impacts. One of the questions that has to be answered somewhere along the way is – because Portugal Cove-St. Philip’s is a growing community and it’s very engaging. The amenities are growing. So it’s engaging more families to move there from all over this country, from all over the world but particularly, various parts of Newfoundland and Labrador as they move into the Northeast Avalon.

One of the questions, for those students who are already enrolled or will be enrolled next year in an Intensive Core program, because our Intensive Core program for French is going to be at its cap, because we’ve had double the amount of students who wanted to do the program and through a lottery had to be picked, for those who would make it and those who wouldn’t make it. If we have students who, halfway through the year, transfer into that school, what happens then – who have been doing Intensive Core French in another school here in the city or Northeast Avalon, or anywhere in this province. All of a sudden, now, is there a decision made? Do we now have a lottery where we either kick two out, or the ones who have been halfway through a program, tell them they have to change to another program?

So the thought process here, from discussions I had last night with parents not only in my own district, but also in other districts – I know I had some inquiries from residents and parents in the Mount Pearl area. So this is another quandary, it’s another example of how there’s been no planning here, there’s been no explanation of how things should work and how we move this forward.

So, Mr. Speaker, I wanted outline again while there have been some discussion yet, they’re still imploring people here to make the right decisions –

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

**MR. BRAZIL:** – and change the all-day kindergarten process.

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

**MR. A. PARSONS:** Yes, Mr. Speaker, I move to Orders of the Day.

### Orders of the Day

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Environment and Conservation, for leave to introduce a bill entitled, An Act To Regulate Greenhouse Gas Emissions From Industrial Facilities In The Province, Bill 34, and I further move that the said bill be now read a first time.

**MR. SPEAKER:** It is moved and seconded by the hon. the Government House Leader that he shall have leave to introduce a bill entitled, An Act To Regulate Greenhouse Gas Emissions From Industrial Facilities In The Province, Bill 34, and that the said bill be now read a first time.

Is it the pleasure of the House that the minister shall have leave to introduce Bill 34?

All those in favour, ‘aye.’

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, ‘nay.’

Carried.

Motion, the hon. the Minister of Environment and Conservation to introduce a bill, “An Act To Regulate Greenhouse Gas Emissions From Industrial Facilities In The Province,” carried. (Bill 34)

**CLERK (Barnes):** A bill, An Act To Regulate Greenhouse Gas Emissions From Industrial Facilities In The Province. (Bill 34)

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

When shall the bill be read a second time?

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

**MR. SPEAKER:** Tomorrow.

On motion, Bill 34 read a first time, ordered read a second time on tomorrow.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Education, for leave to introduce a bill entitled, An Act To Amend The Victims Of Crime Services Act, Bill 36, and I further move that the said bill be now a first time.

**MR. SPEAKER:** It is moved and seconded by the hon. the Government House Leader that he shall have leave to introduce a bill entitled, An Act To Amend The Victims Of Crime Services Act, Bill 36, and that the said bill shall now be a read a first time.

Is it the pleasure of the House that the minister shall have leave to introduce Bill 36?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

Motion, the hon. the Minister of Justice and Public Safety and Attorney General to introduce a bill, "An Act To Amend The Victims Of Crime Services Act," carried. (Bill 36)

**CLERK:** A bill, An Act To Amend The Victims Of Crime Services Act. (Bill 36)

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

When shall the bill be read a second time?

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

**MR. SPEAKER:** Tomorrow.

On motion, Bill 36 read a first time, ordered read a second time on tomorrow.

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

**MS. GAMBIN-WALSH:** Mr. Speaker, I move, seconded by the Minister of Health and Community Services, for leave to introduce a

bill entitled, An Act To Amend The Smoke-Free Environment Act, 2005 And The Tobacco Control Act, Bill 35. I further move that the said bill be now the first time.

**MR. SPEAKER:** It has been moved and seconded by the hon. the Minister of Child, Youth and Family Services that she shall have leave introduce a bill entitled, An Act To Amend The Smoke-free Environment Act, 2005 And The Tobacco Control Act, Bill 35, and that the said bill be now read the first time.

Is it the pleasure of the House that the minister shall have leave to introduce Bill 35 and that the said bill be now read a first time?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Carried.

Motion, the hon. the Minister of Seniors, Wellness and Social Development to introduce a bill, "An Act To Amend The Smoke-Free Environment Act, 2005 And The Tobacco Control Act," carried. (Bill 35)

**CLERK:** A bill, An Act To Amend The Smoke-Free Environment Act, 2005 and The Tobacco Control Act. (Bill 35)

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

When shall the bill be read a second time?

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

**MR. SPEAKER:** Tomorrow.

On motion, Bill 35 read a first time, ordered read a second time on tomorrow.

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

**MR. A. PARSONS:** Mr. Speaker, I call Order 3, second reading of Bill 23.



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

**MS. C. BENNETT:** Mr. Speaker, I move, seconded by the Government House Leader, that Bill 23, the Revenue Administration Act No. 6, be read a second time.

**MR. SPEAKER:** It is moved and seconded that Bill 23, An Act To Amend The Revenue Administration Act No. 6, be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Revenue Administration Act No. 6." (Bill 23)

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

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

It is an honour to stand in the House of Assembly today to speak on this important piece of legislation. During our consultation process, input from Newfoundlanders and Labradorians clearly pointed to the option of increasing taxes and fees as a way to address the unprecedented fiscal situation we were faced with.

The plan we have put forward as part of *Budget 2016* to address the fiscal challenges in the short-, medium- and long-term – that is why we are implementing tax measures to assist with the recovery from our current fiscal difficulties. Effective today, gasoline tax will temporarily increase. That tax increase will be reviewed ahead of the fall 2016 supplemental budget.

Our government has committed to support the economic and social development of Labrador and its residents, and to ensure that the unique perspectives of this region are considered when making government decisions and delivering provincial government programs and services. That is why effective June 2 there is a reduction of gas tax of 10 cents per litre provided for gasoline required at retail sale and used in motor vehicles in the Labrador border zones. This applies to Labrador West, which includes Lab City and Wabush, the South Coast of Labrador from the border of the Province of Quebec to and including the community of Red Bay.

The purpose of this program is to ensure that gas prices in Labrador remain competitive with the prices in Quebec. By partially alleviating gas taxes in the border zones the price of gas will be comparable to both those jurisdictions. This should remove any price incentive for cross-border shopping and impact on local retailers.

Wholesalers will collect the reduced tax rate of 23 cents per litre at the time of the sale of gasoline to retailers in the Labrador border zone areas. This will reduce regulatory burden on retailers by eliminating the need to apply to the Department of Finance for a rebate of the tax paid. This will also minimize cash flow issues that may have arisen from requiring retailers to pay the full amount and then applying for the rebate afterwards.

Consumers will pay the reduced rate at the pump and the reduced rate will be factored into the PUB's setting of the maximum pump price for gasoline in those areas.

As a government, we have a responsibility to ensure that there is a plan in place to address the unprecedented fiscal challenges that our province is facing. As our Premier has said, knee-jerk reactions have created mistakes that unfortunately Newfoundlanders and Labradorians are paying for now. As has been said in this House many times, in this fiscal year, debt expenses already exceed the estimates for the entire Department of Education and Early Childhood Development. It is impossible for us to be satisfied that we will spend more on debt expenses than we do on educating our children, Mr. Speaker.

Through the work of the Premier in his role as Minister of Labrador and Aboriginal Affairs, our government will continue to work collaboratively with the residents of Labrador to ensure our programs and our services reflect their needs as we move through our fiscal plan.

Thank you, Mr. Speaker.

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

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

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

I'm certainly pleased to rise and have a few words to Bill 23, as the minister said, An Act to Amend the Revenue Administration Act. It is directly tied to budget implementation, with reference to the Labrador border zones gas tax rebate, specifically dealing with that issue.

The bill itself in terms of an amendment to the legislation specifically looks at the tax reduction as I said for the Labrador border zones.

Basically what the legislation says: "... where a person acquires gasoline, other than diesel fuel, at a retail sale in the town of Labrador City, the town of Wabush or south coast Labrador extending from the border with the province of Quebec to and including the community of Red Bay, in respect of the consumption or use of the gasoline in those areas," – it goes on to say – "the tax payable to the Crown at the time of the sale under paragraph 51(1)(e) shall be reduced by \$0.10 per litre."

As we do this – this is a modification, obviously, to the current legislation and looks at the reduction in the tax rate, and look at expanding the area to which the reduction applies. I just outlined specifically the provision in the act, section 52, in regard to the area that would apply to.

This increase would be effective June 2, 2016, the same as the 16.5 cent increase right across the board that was announced in this budget relating to an increase in gas. We're certainly hearing and seeing today in regard to the implications of that and what it means.

In regard to this specific bill, some communities in Labrador are close to the Quebec border an increase in gas tax increases the risk that residents may cross the border to purchase gasoline. The bill will reduce the gasoline tax in these areas near the border by about 10 cents a litre. The rebate, I think the minister talked about, will be calculated at the point of sale.

Areas included: Labrador West, Labrador City and Wabush, Southern Labrador from the Quebec border to and including, as I mentioned in the actual bill, the community of Red Bay. This is significant in regard to assisting with the cost. Certainly from the point of recognition of that, from time to time we need to look at various services, delivery of services and

programs related to various areas of the province. Oftentimes we amend or introduce legislation to reflect that based on the particulars of a various region or various parts of our great province.

So it's always good to acknowledge that and work collectively in regard to public policy that identifies any shortfalls. The whole gasoline issue, fuel is significant in this budget than what it was; certainly recognizing in this particular case what it's meant to do.

Right now I understand in Labrador – I think in Nain today gasoline is about \$1.53 a litre, so that's significant. As I said, some of the changes made in this budget in regard to overall gas tax policy are significant for the people of the province.

I'm glad to rise and have a few words in regard to this particular bill. I look forward to hon. Members in the House expressing their understanding of the bill and what the intent is.

Thank you, Mr. Speaker.

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

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

I want to rise today and have a few words on this bill, Bill 23, which allows for a 10 cent rebate on each litre of gasoline sold in the border towns of Labrador City and Wabush, and certainly the Labrador Straits.

Mr. Speaker, nobody wants to see any increase in gasoline, or any other tax that's applied to any commodity, but the situation we find ourselves in with the budget, it gives us very little options. One that was chosen in preparing this budget was the gasoline tax.

I will say just a couple words on the Labrador West area. As most of you, I would think, are aware, we are about 27 kilometres from the community of Fermont, Quebec, which is also a mining town like Labrador City and Wabush. There is a lot of back and forth between the towns with regard to transactions and sales transactions for whatever commodity or whatever people want to go for. I guess

governments over the years have recognized that and they've imposed a rebate on tobacco, for instance – it's the one that comes to mind – to allow the stores in Labrador City and Wabush to be competitive with those in Fermont, Quebec where tobacco taxes are lower.

If we went ahead and did the full 16.5 cents added to the gas in Labrador West, it would put those businesses at a very big disadvantage. It would really price them out of the gasoline market because people would go across the border into Fermont and purchase, not only gas. Once they're there they are going to purchase other goods and services that the people in businesses in Labrador West would offer.

I need not remind anybody in this House of the economic climate that exists within Labrador West today. While certainly the iron ore company is at full production, nevertheless, the iron ore industry remains very unstable and very volatile, and prices are up and down. As everybody knows in this House, we have lost a significant employer in Labrador West with the Wabush mines closing in 2014.

We need not remind anybody that businesses are struggling. It's difficult times. People are not spending. People don't have the disposable income they had when both mines were operating and there was some stability and certainly some assurance in the region that they would continue to operate.

That is not the case today with the iron ore market the way it is. So we have to ensure that businesses in the Labrador West region remain competitive and that we discourage as much cross-border shopping as we possibly can. I'm hopeful, with this 10 cents that it would put the businesses on a level playing field and they would remain competitive within the region.

As I said before, we don't want to see any increases in any tax whatsoever, but the fact that this government has recognized the need to allow businesses in the border areas to remain competitive is reassuring and something that I'm pleased with. I'm sure the people of Labrador City, Wabush and the Labrador Straits appreciate that. As I said, it's an increase nonetheless, but it's not the increase that most people are experiencing today.

I just wanted to have a few words on this just to assure the residents of Labrador City and Wabush that we will continue to monitor the price of gas in Fermont, Quebec versus Labrador City and Wabush. We hope that with the 10 cent rebate they will remain competitive, and certainly no different than they do with the tobacco tax and other things.

So, Mr. Speaker, that concludes my remarks on this issue. I just wanted to, as I said, let the people of Labrador City and Wabush know that this is indeed the case. There may be some confusion out there still that the 16.5 cents applies right across the province, but that's not the case in the Labrador City and Wabush area, and the Labrador Straits area.

Thank you, Mr. Speaker, for the time.

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

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

I'm pleased this afternoon to rise and speak to Bill 23, An Act To Amend The Revenue Administration Act No. 6.

Of course, one of the main reasons why we're having to pass this bill, which would allow the taxation on gasoline in the areas of Labrador that intersect with the Quebec border, allowing them to pay less tax than the new legislation says should be paid.

First of all, of course, I don't believe that what the government had in the budget, the extra 16.5 cent tax, should have been levied at all. It's an extensively high increase in the price of tax in this province that is going to impact people especially in rural Newfoundland and Labrador immensely. It's a high tax that is going to be heavy on everybody's shoulders; however, we have a situation in our province where part of our province is an island and part of the province is connected to the Mainland. Whenever one province is on a border with another province, you do get a situation of competition in costs from one province to the other.

So even though our whole province isn't in that situation, even though the whole province isn't

on a border with another province of Canada or even with the United States as far that goes, Labrador is. I think we all understand the extra costs, number one, of living in Labrador. We also understand the issue of competition between cost of gasoline in Quebec and cost of gasoline in Labrador.

We had a similar discussion on this kind of an issue back in 2013 and 2015 in this House. At that time, it had to do with tobacco and the cost of tobacco. In 2013, we had a provision in the province – I was around when that provision came in too – that allowed a rebate to retailers in Lab West and in the Straits, wherever the intersection between Labrador and Quebec occurred. The rebate was to help retailers in Labrador to be competitive with the retailers in Quebec so that the people of Labrador wouldn't go across the border to buy their tobacco but would stay in Labrador to buy their tobacco.

There were an awful lot of reasons given for that I totally agreed with, the reason why that provision existed, because not only if people were going across the border over to Quebec to buy their tobacco, that meant they would buy other things over there. They would get gasoline over there and you would see a real negative impact on the retailers in Labrador. So now what we're looking at is not tobacco, it is gas.

I would like to point out that in 2013, the then government of the day, which is now sitting as Official Opposition, repealed the provision for rebates for the sale of tobacco in Labrador. We argued against that repealing at the time. We believed that it would not be a good thing to do, that it would have a very negative impact on the retail sector in Labrador. The Tory government of the day in 2013 did go ahead and repeal the provision that allowed for the tobacco rebate.

Then in 2015, which was the year of our general election, the Tory government decided this had been a mistake and went back into reinstating the rebate. Again, we applauded that because we believed there had to be special consideration given to the fact that Labrador abuts another province and have to deal with competitive pricing.

Now we're looking at the issue with regard to the tax on gasoline. I think we have to use the

same principles that we argued both in 2013 and in 2015, and that is we have to take into consideration the different situation for Labrador than for retailers on the Island. This is actually something that fits into the whole concept of equity. We cannot treat both parts of the province the same.

In certain situations we – there are things that this government has done in this same budget that I say, well, a bit counterproductive, isn't it? The fact that the Foodlift Subsidy is gone is very, very disturbing. So on the one hand they're doing something to help Labradorians, both from the perspective of the consumer and the retailers, and on the other hand they've got some very negative things in the budget with regard to Labrador. I want to put that out there.

Having said that, I totally agree that this new tax should be lower for Labradorians than it is for people on the Island. I think it's equitable. I think it's necessary, too, at this moment from the perspective of the economy of Labrador, especially what's happened in Labrador West with the closure of one mine and that being in a precarious situation. We still don't know what's going to happen. With a project being put on hold with the other mine, with the Iron Ore Company of Canada, things are, from an economic perspective, rather precarious there for them.

I think we do have to see the unequal situation of people in Labrador and people on the Island when it comes to this issue of the lack of competitive pricing with another province.

Having said all that, Mr. Speaker, I think that's enough to show the people of the province why we are supporting this bill and why we think it is the fair and just thing to do.

Thank you.

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

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

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

It is a pleasure once again to stand in this hon. House this time to speak to Bill 23, An Act to

Amend the Revenue Administration Act. Mr. Speaker, I'm not going to take a long period of time to speak to this. I think most of the points have been made but, as I've said in the past, I intend to at least stand on every bill if nothing else just to indicate where I stand on it, if I'm for or against. And if I have problems with it, I'll point it out and if I think it's a good bill, I'll say that as well because I have that accountability to the people who elected me.

Mr. Speaker, as we've already talked about here and other Members have talked about really what this is about is lowering the price of gasoline in Labrador in the areas which I guess would border Quebec, would be close to Quebec. For obvious reasons we know now that particularly with the hike that we've seen come into effect with the gas tax 16½ cents and then tax on that is closer to 20 cents increase in gas. Some people would certainly say that gas is gone through the roof.

As a matter of fact, it was interesting, I saw a post – I found it kind of humorous. Actually, there was a post on social media last night. There was a guy and he said the gas prices are gone that high in Newfoundland now, I actually saw Ed Martin at Costco with his jerry cans. I thought that was kind of funny.

Anyway, Mr. Speaker, what we are proposing here is to just lower the tax in the Labrador area. It makes a whole lot of sense for business. Obviously if you're living close to the border and you can go across the border to Quebec to buy your gas, if there is that big of a price differential, people are going to be inclined to do that. That is obviously going to have a negative impact on the gas bars and other businesses in Quebec.

As the Member for St. John's East – Quidi Vidi indicated that it is not just about the gas, it's a case of, if you actually go over there to purchase your gas, maybe while you are in there now, you're going to purchase your milk and you're going to purchase your bread and whatever else, and that means that other business that's not going to Labrador, it would have a detrimental impact.

With that in mind, I will certainly be supporting this bill.

Thank you, Mr. Speaker.

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

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

I'm just going to take a couple of minutes and talk on this bill, too. I am supporting this bill, by the way.

Any time we increase the gas – and we've talked about this in the House of Assembly before. It's a major concern in Labrador, I would imagine, the same as on the Island. I understand the reason why we're doing this. I understand from the hon. Member, today gas is about \$1.25, \$1.26 a litre, which is fairly high. Even now in the area today, we saw the lineups yesterday at all the gas stations where people were just so – to fill up because they knew of the major increase today.

We, as a party, as the Official Opposition, we've been pressing on government to have some kind of a cap. You're gone up 10 cents a litre now in Labrador. It went up like 18.5 cents today in around Newfoundland in other areas. It's very important; the consumers out there are very worried. They took this today and said, oh my God, it's a huge jump and we saw it yesterday.

What they'd like to see is that government would come in and say, listen, we know we're increasing gas. We're trying to get some revenue. Nobody knows where the price of gas is going to go. Every week lately it seems it's going to increase. As we get into summer months, we always see a huge increase in gas.

People are very nervous because right now there's nowhere else in Canada that it's more expensive to drive than right here in Newfoundland and Labrador. We're, by far, the most expensive place in all of Canada to drive. The price of gas, as it increases, that's not going to change because we just put such a huge increase in the price of gas.

So it's important that – government should realize that they should have some kind of a cap on this. If the price of gas does rise – I know a couple of years ago it was in the \$1.40 range,

\$1.42 range. Who's to say in a couple of months that it's not increased? Every week it can change.

The price of oil is increasing. Usually when the price of oil increases – I don't know how they do the calculation to tell you the truth. I really think they increase it a whole lot faster. When it comes down it seems like it decreases a whole lot less and when the price of oil goes up, it increases a whole lot more and a whole lot faster.

While we're supporting this bill, I'd like to see government think about putting some kind of a cap. It's gone 10 cents a litre now in Lab West and that area today, and it's an extra 16.5 cents in the rest of Newfoundland. I'd like the government really to have a look at this and say we understand, because right now, again, we're the most expensive place in all of Canada to operate a car. That's hard on our businesses. It's hard on people on fixed incomes, and any income really.

I spoke to someone last night. They were driving a big truck and told me, I don't know if I can afford to drive this anymore. If it goes any higher, I'm definitely not going to be able to afford it. I just ask government, while we'll support this because it's a good thing to do, make sure in Lab West that people do not go across the border and get their gas and affect the businesses that are in Labrador. Like one of the Members just mentioned that time, they probably get their milk and a few little groceries and whatnot, and it would take away from the local business in the area. So this is important that we make sure we're competitive on the borders.

As Newfoundlanders and Labradorians, I think government should really look at this and say, okay, we did this increase but this is the max. There should be some kind of a max level they're going to charge people in Newfoundland and Labrador for the price of their fuel, because people really can't afford it. People on fixed incomes, low-income people, high-income people, anyone, it's a huge cost to everyone. It's a cost to our students, seniors, everyone.

I think by jumping, like we did today, when you look at the gas going from – I saw it yesterday

evening on Torbay Road at \$1.08 and this morning it was \$1.31. To see that kind of a jump, that has such a huge impact. For the average person filling up their car, yesterday they probably got it – it cost them anywhere between probably \$12 and \$15 more today. If someone fills up their car two or three times during the month, that's \$50 or \$60 more a month. That's hard on people. That's hard on a lot of people who are trying to get by.

Not only there, Mr. Speaker, it also has an effect on – as gas increases, businesses have to do business. They have to make sure their vehicles – they have to be competitive, and if their gas prices go up, we know who it all gets passed to. It will be passed on to our groceries, it will be passed on building supplies, it will be passed on different things, and it really will affect our economy.

So I just ask government, while it's good to do this in Lab West, please have a look and see if there's some way you can put a cap so that we're not gouging the people of Newfoundland and Labrador.

Thank you very much, Mr. Speaker.

**MR. SPEAKER:** If the hon. Minister speaks now she shall close debate.

Seeing no other speakers, I recognize the hon. the Minister of Finance and President of Treasury Board.

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

I just wanted to say a sincere thank you to the Members of the House today who stood up and spoke to Bill 23, An Act To Amend The Revenue Administration Act No. 6.

There were a couple of comments made during debate that I just thought I'd take an opportunity to provide some additional information. I know the Member for Cape St. Francis asked if government had considered a cap as we worked on the gas tax changes. I wanted to let the Member know that we did. The challenge is that from a legislative perspective with tax, we couldn't create a legislative mechanism that would allow a cap to be in place; hence, we have to continue to come back and make changes.

We do have mechanisms as a government, and we've talked about this last week, that we intend to review the gas tax as it is today before the supplemental budget in the fall and make any changes that are necessary. Officials in my department are providing me with regular updates. This week in particular, we've had discussions on – every day since last Thursday, and I can certainly present to the Members of the House the maximum gasoline pump prices set on June 2, 2016. This will be based on regular unleaded, self-serve motor gasoline. This is a comparison of where the prices are today and a five-year average.

While there's no doubt that the increase today is a sharp one for consumers and residents of this province, and certainly we understand the concerns that people have. I think it would be important for the House to also understand that we are half a cent now higher than the highest average over the last five years. We'll be continuing to monitor that very closely to ensure that we fulfil our commitment of adjusting the gas tax when we do have the opportunity to do that based on revenue changes.

Mr. Speaker, as we've talked about with the gas tax, it was designed to replace the revenue that was lost by the lower price of oil. Certainly, as I've indicated, as prices improve we will adjust the tax downward. While I'm pleased with the overall direction of oil prices – as many people in this House have heard comments that since the budget was presented the price of oil has increased. I am hopeful that if that trend continues we may be able to reduce the tax sooner than later, because that was always our plan.

For those viewing at home, and for those Members in this House today, it would be important for me to share that the gas tax will bring in \$142.8 million in revenue. That's about 73 per cent of the total cost of building and maintaining roads in Newfoundland and Labrador, Mr. Speaker.

With reference to Bill 23, from the conversations that happened here in the House during debate, it certainly appears that the Members in the House will be supporting this bill, and I appreciate their comments. I appreciate their feedback and look forward to

discussing this when we do move into Committee, Mr. Speaker.

Thank you.

**MR. SPEAKER:** Is it the pleasure of the House that the said bill be now read a second time?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

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

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

When shall the said bill be referred to a Committee of the Whole House?

Now?

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

On motion, a bill, "An Act To Amend The Revenue Administration Act No. 6," read a second time, referred to a Committee of the Whole presently, by leave. (Bill 23)

**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 Bill 23

**MR. SPEAKER:** It has been moved and seconded that the House resolve itself into a Committee of the Whole to debate Bill 23 and that I do now leave the Chair.

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 considering Bill 23, An Act To Amend The Revenue Administration Act No. 6.

A bill, “An Act To Amend The Revenue Administration Act No. 6.” (Bill 23)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

The hon. the Member for Cape St. Francis.

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

I just wanted to ask the minister a couple of questions because she just made a couple of comments that time. When I mentioned about cap size, she said that the mechanism couldn't be put in place. Could you explain what mechanism you are talking about and how that will work?

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

**MS. C. BENNETT:** To the hon. Member opposite, I didn't hear your question. The Page was in view, and I'm sorry I didn't actually hear; my apologies.

**MR. K. PARSONS:** When I mentioned about cap size and you said you were looking at that, and it was something that you looked at but you talked about a mechanism put in place. What mechanism and how does it work?

**MS. C. BENNETT:** Madam Chair, what I had said and I apologize –

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

**MS. C. BENNETT:** Thank you.

What I had said and maybe I wasn't clear and I apologize to the Member opposite for that. When we looked at implementing the increase in the gas tax, we looked at whether or not we could create a legislative mechanism that would allow the cap on the overall gas price to be in place and to have the tax floating.

From a legislative perspective, under the FAA and other legislative analysis we did, we couldn't make that happen. So that's one of the reasons why in the budget we made sure that we made it clear that we were going to look at reviewing the gas tax every six months to make sure we – we're going to do that before the supplemental budget. In addition to that, in the Department of Finance we've implemented a process where we are having discussions on a weekly basis as the gas prices change.

Many people in our province believe there is a correlation between oil price and gas price. The reality is that those two have limited interaction. Motor gasoline and crude oil are in two different markets. The price of crude is only one input in the calculation of the pump price for gasoline. So, for example, this week on the Avalon Peninsula the price of crude contributed 30 per cent of the pump price. Other inputs in the price of gas would include exchange rates, refinery profit margins, marketing and distribution costs, the PUB-allowed Newfoundland markups, the PUB Newfoundland and Labrador pricing zone differential, federal excise tax, provincial gasoline tax and HST.

It is our intention, as we've discussed in this House, to monitor the situation with the gas price. We will certainly be taking action when we have revenue options to be able to take actions. It is our intention to review the gas tax before the supplemental budget, as I've said, in this House. I hope that answers the Member's questions.

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

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

Yes, Minister, it does. It's because it's a floating rate that it's a job to put in the proper – okay, I understand that.



Minister, you also said there's no correlation between oil and gas. We all can see that as the price of oil goes up, it always seems that the price of gas takes the jump the same week. You also mentioned right now you're looking at a weekly basis. What prices are you looking at to where the price of gas goes that you're going to adjust the levels of taxation?

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

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

The intention is to review the prices, take a look at them, make sure that when we have a revenue opportunity to be able to adjust the gas price, we will. From an oil price perspective, as I mentioned earlier, there's a long list of items that make up the gasoline price. When I asked officials the same question the Member opposite asked, I was told what happens is refinery margins increase at times when the oil price drops. Unfortunately, we don't control the refinery margins. That's the reality of the way gas is priced.

I look forward to finishing up the debate soon.

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

**MR. K. PARSONS:** I know the general public – and we all look at what crude oil is doing. Never before have we seen so many Newfoundlanders and Labradorians understanding what's happening with crude oil and look at the news every evening to see if it's gone up or whatever because it gives an idea of what's going to happen on Thursday.

I was just wondering if there is a level you have that, if gas goes to \$1.50 a litre, is that the time you're going to step in or is it what revenue we're going to get from a barrel of oil? Do you have a level at the gas price, or is it where oil is going to be when you're going to step in and make changes?

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

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

As I've said repeatedly, it is our intention to review the gas tax as implemented as part of the legislation that this House discussed last week before the supplemental budget. Certainly, the opportunity of any increased revenue from any source would provide us an opportunity to accelerate looking at that. We have to be cognizant of the fact that gas price has an impact on things like tourism and other things in our province. We'll certainly be taking that under advisement.

The Member opposite mentioned the increase in oil. I'm sure, as Members of this House have heard repeatedly, oil royalties in our province are impacted by production, the US exchange amount, as well as the price for Brent crude.

We have implemented, since our government came in, a process for monitoring that. Most recently that monitoring is coming directly to me on a regular basis. I can report to the House that we've seen, I think, May 17 was the first date that we actually hit the combination of the oil price and US exchange that would have been reflective in our budget. So since May 17, we've seen a slight increase.

I would be prepared to share this chart with the Member opposite so he can see that for himself.

Thank you, Madam Chair.

**CHAIR:** Seeing no further speakers, shall clause 1 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, clause 1 carried.

**CLERK:** Clause 2?

**CHAIR:** Shall clause 2 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against?

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:** All those against?

Carried.

On motion, enacting clause carried.

**CLERK:** An Act To Amend The Revenue Administration Act No. 6.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against?

Carried.

On motion, title carried.

**CHAIR:** Shall I report Bill 23, An Act To Amend The Revenue Administration Act No. 6 carried without amendment?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against?

Carried.

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

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

**MR. A. PARSONS:** I move, Madam Chair, that the Committee rise and report Bill 23.

**CHAIR:** It has been moved that the Committee rise and report Bill 23.

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those 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 Speaker.

**MS. DEMPSTER:** Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 23 carried without amendment.

**MR. SPEAKER:** The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed her to report Bill 23 carried without amendment.

When shall the report be received?

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

**MR. SPEAKER:** Now.

When shall the bill be read a third time?

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

**MR. SPEAKER:** Tomorrow.

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

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

**MR. A. PARSONS:** Mr. Speaker, I call from the Order Paper, Order 4, second reading of Bill 33.

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Natural Resources, that Bill 33, An Act To Amend The Highway Traffic Act No. 2, be now read the second time.

**MR. SPEAKER:** It is moved and seconded that Bill 33 entitled An Act To Amend The Highway Traffic Act No. 2, be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Highway Traffic Act No. 2." (Bill 33)

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

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

I'm happy to stand here today and speak to this piece of legislation, which I guess technically you could say it falls under the Department of Service Newfoundland and Labrador, but the fact is that my department, the Department of Justice and Public Safety, has certainly been working on this piece of legislation, given the fact that it's often dealt with in court rooms across this province.

I don't think I need to, today, talk about the background of the *Highway Traffic Act*. We all know that the purpose of it. It's a piece of legislation that deals with the rules, the regulations and the legislation affecting vehicles on our roadways, on the motorways, whether it's the Trans-Canada Highway or secondary highways of our province.

It's fairly lengthy. It covers a number of sections, but the part that we're dealing with here today is actually fairly new to the piece of legislation. Basically, if you were to look back at the history, we look at the issue, I guess, of distracted driving or driving with cellular telephones. Again, it's funny because even that terminology, cellular telephones, is getting outdated now. The fact is that we're not using telephones now; we're using computers. The

fact is it's a little handheld device, but the capabilities and the abilities that it has are far different than those that were even contemplated back in 2003 when this piece of legislation was amended the first time to deal with cellphones. And certainly it's far more than was contemplated – I'm sure – when this piece of legislation was first brought into this House of Assembly.

We all know that distracted driving is a serious threat to public safety. Again, I'll go back to 2003. In 2003 section 176.1 of the *Highway Traffic Act* came into force, and that's when the use of cellphones was prohibited while driving. At that time, the fine was set at a minimum of \$45 and the maximum at \$180.

I can remember actually that debate. I didn't follow the House of Assembly that much then, but I can remember there was a significant public debate going on about prohibiting this type of activity. Actually, there are a lot of people that were against this, a lot of thinking well, how can we ban the use of cellphones while we're driving.

I think our knowledge and certainly the literature and the studies have grown since that time, as well as our understanding as motorists about the dangerous aspect of obviously driving using these or any type of distracted driving. That debate happened and I think actually we were one of the first provinces to enact a piece of legislation of this nature. I think now most provinces have followed suit since that time.

In 2004, the fine was increased to the present rate. So we haven't had this legislation changed in this regard since 2004, 12 years ago. At that point, the minimum fine was at \$100, the maximum fine was \$400, and it was the accumulation of four demerit points.

Now, again the fine levels have stayed the same; they haven't changed since that time. In 2010, this section was again amended to prohibit dangerous driving habits, including the use of electronic devices such as cellphones, Blackberries and iPhones to send or read text messages, or programming GPS devices while the vehicle is in motion and can distract drivers from driving safely.

So the law has been updated to take into effect the different devices that are out now, but the penalty section hasn't changed. If you were to look at sometimes our knowledge and our driving habits, the fact is that drivers in this province still use their phones and not just for the talking but for the texting, which seems to be the thing that we are seeing a lot now. Again, I think anybody in this House, anybody outside, when you're driving, it's only easy to tell when you look at them and the head is down while their driving, you know the phone is in the lap and it is being used.

The fact is from January 1 of last year, 2015, to December 31, 2015, there were 1,352 summary offence tickets issued to operators of vehicles found to be using their mobile devices. That is a significant number, Mr. Speaker.

The amendment that we are proposing today is going to change the penalty section. The penalty section, which would change the schedule – and again, the legislation itself is small in size. So 176.1 would change and basically what we're going to do now is make our legislation in terms of the penalties amongst the toughest in Canada. For a first offence, it will be a \$300 to \$500 fine, so there is a minimum and a maximum. For a second offence, it would be \$500 to \$750 and for a third and subsequent offence, it would be \$750 to \$1,000 for using your phone.

Now, as is currently already the case, the loss of four demerit points would accompany each one of these. That's a significant penalty as well.

I can talk about the history of drafting this legislation. This is something I've been dealing with since I got in the department. We've had a number of meetings. As I went through this process, we talked about the issue, what is done elsewhere, what the possibilities are that we could do and what we've come up with today.

One of the things we did do was a jurisdictional scan. It ranges across the country. BC is \$167, three demerits; Alberta is \$287, three demerits; Ontario is actually \$400 to \$1,000, three demerits; Manitoba is \$200, but it's five demerits; Nova Scotia has a range as well, first, second and subsequent. They have very specific numbers in theirs \$233.95 for the first offence,

\$348.95 for a second and \$578.95 for a subsequent offence.

There are a couple reasons we do this. I can tell you now I know we have the wholehearted endorsement of law enforcement in this province. I know that. These are the people who are dealing with this. I also know, and I would hope that we would have the wholehearted endorsement of all individuals in this province.

Now, they might say those penalties are tough, and I say, as they should be. Because do you know what? If you're using the phone while you're driving, you don't need to. It's not something you need to do. You can stop. They're all the same; distracted driving is distracted driving. When this was first contemplated, it was talking on your phone and we know there's the Bluetooth, but when you're texting, when you see somebody with two hands on a phone looking down, it's ridiculous.

I will tell you someone who's probably going to – they'll agree wholeheartedly with this, but I'm willing to bet they'll say it's not tough enough. This was not the reason. This is something that's been in contemplation for a number of months, but there a CBC story from May 17 of this year. This is a matter that went to court. There was a young lady who said she was lucky to be alive after a women charged with texting while driving hit her vehicle.

Now, the fact that emergency responders had to come in and use the jaws of life to pull apart her car. I know I'm not supposed to use props, Mr. Speaker, and somebody can call me unparliamentary, but a picture says a thousand words. This is right here when somebody was texting while driving, wasn't paying attention. I'll show it right here, it's in the CBC story. This woman is lucky to be alive because of the act of somebody else.

This matter ended up in court. They talked about how they're driving along, a father heading out to the cabin actually, going to enjoy a weekend. As they were driving, following the rules of the road, the car coming the other way swerved across the road right into their path. They end up off the road, upside down, lucky to be alive, jaws of life.

The fact is we could be sitting here talking about a tragedy and we're lucky that we're not. This is not the only one; there are more. There are 1,352 that were ticketed last year. That's only the ticketed ones, not the 'unticketed' offences. In this case they talked about the penalties and the maximum fine. In this case, they don't think that it's tough enough. I say, do you know what? You have a point. This piece of legislation was in contemplation well before this because we had already thought about it and talked about it. It needs to be done. So that's why we put it forward.

We had some talks about whether you had the one – I liked the idea once I looked at Nova Scotia. I also like the idea that we, as humans, are not perfect. We make mistakes and we need to learn from our mistakes. That's why I like the graded system that Nova Scotia has, first, second – again, people can disagree or agree; that's fine. I know that will come forward. I like to think that you learn and I'm hoping that people learn this early.

I had a paragraph here that I think is important because we all know there's no tolerance of impaired driving. There's none, right? We all think it's sickening and we know how serious it is. We've talked about it for years. Texting now when you look at the data, the information, is arguably the most alarming distraction because it involves manual, visual and cognitive distraction simultaneously.

This sentence I'm going to put out now – actually, I'm going to put out two sentences now. I think it says it all: Sending or reading a text takes your eyes off the road for at least five seconds. At 90 kilometres per hour that is the equivalent to driving the length of an entire football field blindfolded. That says it all, Mr. Speaker.

**AN HON. MEMBER:** A no-brainer.

**MR. A. PARSONS:** That's exactly it. As my colleague behind me says, this is a no-brainer. It's extraordinarily dangerous.

What I can say to Members opposite is this is just the first step. I'm certainly committed to working with Members, working with the public, working with our police forces, working

with advocates to do more. I think there are other things that we can do to strengthen this. More importantly, it's the elimination of something that we want to see. We don't want to see this happening. The fact is if we have to put in this significant financial deterrent, that's just one step, but there are other steps that we can take. I'm willing to consider them, and the fact is we need to learn from this and we need to move forward.

I think that is the right step. So I will sit down at this point. Again, I look forward to the commentary of my colleagues across the way, I'll certainly answer any questions that I can, but at this point I'll sit and look forward to the debate on Bill 33, which we think will strengthen the *Highway Traffic Act*, and most importantly, it's going to do more to protect drivers in this province – young and old – all across this province.

Thank you, Mr. Speaker.

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

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

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

A lot of what the minister said there today I have to agree, we talk about cellphone usage, as he correctly stated, they're no longer cellular phones; they are actual computers as we all live with one every day.

I'm not opposed to – but like I said, we do support this legislation, obviously. There are a few things I'd like to discuss, though, in it. Like I said, the minister hit a lot of main points, but just a couple of things – increasing the fines, which is basically an increase of enforcement, or a deterrent for people texting and using their cellphone when they're driving. I don't think there's anyone in this Chamber who would dispute that a lot of our youth are probably savvy with the phone, texting. I know I have two daughters that one is just about to soon start driving. What they can do with a phone, I can't even imagine, let alone what – I'm pretty well basic, your text, email and your phone call.

But, when you increase these fines, as we're increasing them, and I understand the reason for the fines being increased, my only concern when I read through it is, I don't know how else to get this through to teens not to be texting and speaking and driving. Especially texting – I see a lot of that, and it's a real dangerous thing on our roads.

Increasing a fine by \$300-500 for a first offence, I mean, no doubt it will teach you a lesson, I know that's the intent, but if any of us know that have children that could be an awful hard lesson to teach. But in today's society – the minister pointed out we're not talking about drinking and driving, there's no tolerance for that and a lot of other offences. These here with our youth, especially our younger populations that Twitter and you name it, everything unimaginable, they are very adept at doing that with one hand and driving, as they think, with the other. We know that's a distraction of driving.

That's about the only, I guess, of a concern. I know the reason for it, and I do support the legislation. That's my own caution with the cost because – all ages will do this, there's no doubt. There are people of all levels but I guess the biggest usage I see is with a lot of our younger people who probably can't afford a fine like this; yet, there needs to be a deterrent. So you have to find a balance. I understand it, but that's the only caution I have, Mr. Speaker.

You talk about that bill, just to talk and add some context as well. I know the minister showed a picture of a vehicle that was – as a result of texting.

On a personal note, a young person I knew quite well, very well actually – there was a tragic accident. Actually, it was a fatal accident as a result of sending a text message and high speed; speeding and texting at the one time. Unfortunately, it was a teenager and it cost her life in 2014. It's a serious issue.

We drive through our streets, there's not a day goes by – actually this morning I was stopped at a light, the arrow stopped so I was waiting for the vehicle to come forward and it was just stopped there. When I realized it was a young girl texting.

It's ironic we're doing this bill this afternoon because the first thing that jumped out at me was the dangers of doing it. We all know it's easy to be distracted if you – as we all know, we have a phone and it's vibrating or flashing and you're trying to drive but you have to – as we all know, you can't do both. You can't drive and do both. Unfortunately, it can and has led to many tragic accidents over the years.

A combination of enforcement and increasing of fines, how else do you stop this stuff? Education, I know we have – I believe it's the minister's department that have ads on about texting. That's all good stuff, but you have to get the message through. Sometimes there is no other way of getting it through but to come down hard on them with increased fines. There has to be a deterrent, there's no doubt.

Will it eliminate it? Obviously not, but I do hope so. It is a huge concern and it's hard to – I think even for law enforcement – be able to police this stuff because people are pretty adept at using those – it's hard to detect if you're passing by or you're patrolling the roads. That's something else too, with technology advancing I guess they are –

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

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

**MR. PETTEN:** I've read different articles, it's been talked about, is there a way for enforcement, police officers to have equipment to be able to find out if you were actually using the telephone while you were driving. I know there are different theories out there. I don't know how much it would hold up in court, but it is an interesting conversation because if you could narrow something down like that I think that would even – in a combination of fines and enforcement – add a more powerful deterrent to the usage.

If you knew, for instance, a law enforcement officer could check your phone and find out if you were just on that phone five minutes ago and they were behind you – again, it's technology. I know we advance every day. So hopefully, eventually there will be a tool that our police officers could use when trying to curb this, as I said, very dangerous – it's a huge issue.

I go back to our youth sometimes, because it's become a way of life. You can sit down in a room sometimes and you can see, I guess, 10 people sat in a room and no one speaking, everyone is on a phone. The younger ones, I've been told, they'll sit next to each other and text. They don't like to talk so they text.

They will carry that out into a vehicle, and until it's curbed or shunned upon – the minister rightly pointed out, and when he said it, it struck me. There was a time – and it's a sad statement to make, I guess. Back in my younger years it was a badge of honour to some people when they said they got picked up for impaired. That's a really terrible thing to say, but it's true. I don't think anybody probably my age can remember back in that day, that was – I remember how terrible a thing to feel but there was a time when that wasn't shunned upon the way it is now.

Nowadays, it's a pretty bad stigma that comes with that. That came over time – and it's still there, unfortunately. It's really sad actually. We have MADD that are always active and out there. We still hear it on the news, people who were picked up, but it has reduced. We know it has reduced, but it's become a very public shaming thing now. It's a very shameful thing. There's no longer that feeling, but I guess as society advanced we've come – I believe the same thing needs to apply with this sort of thing.

Another point the minister made, which is a good point too. I remember the debate that went on back when the fines came in, in 2004, and not being able to use your cellphone. It seemed like a big deal. There was a lot of public outcry at the time because everyone – it's a natural thing. You watch a movie and you see – it was a natural thing – a phone as they drove along. Everyone thought, well, what's the big deal.

Now when you look at how quickly – and in 12 years you realize it's all relevant. You're moving with the times. So I do believe in the direction we're headed. I believe we still have a lot more work to do to get society to embrace this because I still believe there are a lot of people who don't see the issue. They know it's wrong, but it's not being shunned upon, it's not being shamed.

I believe if it's condemned by the public, it's a huge step along the way in getting people to buy into changing it. I support the fact of increasing the fines, but as I said, there are other things I believe that we can do in addition. We are recognizing it is an issue and I just hope that we can, with this and other measures down the road, curb this once and for all.

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.

I'm very happy to stand and speak to Bill 33. It's a short bill because it's dealing specifically with fines regarding using a hand-held cellular phone while driving a motor vehicle on a highway.

Obviously, it's a serious situation, but so far in this province I think we're not dealing with all of the issues that need to be dealt with, with regard to distracted driving because that's really what we're talking about. I think if we were to start using, here in our own Legislature, the term distracted driving, then it would force us to look at a much wider piece than just cellular phones. Just using the term cellular phones right now in our legislation is really using an outdated term because there are so many other examples of hand-held devices that need to be considered.

In a province like Ontario, for example, their law says "it's against the law to: operate hand-held communication and electronic entertainment devices while you're driving" – and – "view display screens unrelated to your driving." So they are really getting at a much broader issue than we are with our legislation. The examples they use of hand-held devices, for example, include iPods, GPS and MP3 players, cellphones, smart phones, laptops, DVD players. All of these are now being used in vehicles and not just being used by passengers in vehicles, they are being used by drivers. I'm sure all of us have seen people, for example, using GPS. I have to say being in a car with somebody using a GPS, you really get a sense of how dangerous that is.

I know myself, it wasn't here in the province but once, when travelling, renting a car and having a GPS and realizing very, very quickly I have to stop the car and figure this out, not stay driving. I think that we have to take much more seriously the distracted driving issue than we are taking it. Yes, it does help I suppose to put the fine up, but I question if the government was really concerned about distracted driving and not just about raising more money, they would have done a broader change to the *Highway Traffic Act* than just raising the fine. They would have looked at the broader issues that other provinces are looking at.

The minister used some examples here today of accidents that have been very serious accidents and sometimes fatal and sometimes near fatal because of somebody using a hand-held device. I would suggest that some of the recent ones – it wasn't a cellphone; one example was somebody texting, forcing another car right off the road. According to the news reports that I heard, in spite of others blowing at the driver, others trying to get that driver to realize what was happening, the driver literally crossed over into the other lane and forced a car off the road and still didn't know that this had happened.

So we have a major issue. I don't have the statistics for our province with regard to the number of accidents that have been caused by people holding hand-held devices of the type that I'm talking about, but the accident I just talked about that was reported in the news was somebody texting. So it's much more than just holding a cellular phone and using a cellular phone.

We have really got to deal with the issue of distracted driving. I think we have to do it certainly as a Nation, but we can only deal with our province and we have to start making sure that it gets dealt with in our province. The Insurance Board of Canada is certainly concerned about distracted driving, not just about the use of one particular medium, the cellphone. Some of their facts are very interesting. For example, according to the Insurance Board of Canada, you are 23 times more likely to be involved in a collision if you text while driving – that's frightening – and four times more likely if you talk on a cellphone, hand-held or hands-free, while driving. So it is

much more dangerous to be texting than it is to be on a cellphone, even though a cellphone also adds to accidents.

We still haven't put texting into our legislation. We're only dealing with cellular phones. Again, according to the Insurance Board of Canada, a distracted driver may fail to see up to 50 per cent of the available information in the driving environment. You may look, but not actually see what is happening – a bit like this government; you can hear, but not actually listen. Well, same with –

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

**MS. MICHAEL:** Got that one right? Thank you very much, Sir.

Same way here – if you're distracted while you're driving because of texting, because of looking at a screen, because of working a GPS, you may be looking, but not seeing anything because you are really concentrating on the device that you are using.

Another study done by the Insurance Board of Canada showed that nearly 80 per cent of collisions and 65 per cent of near-collisions involve some form of driver inattention up to three seconds prior to the event. According to the Ontario Provincial Police, distracted driving is the number one killer on the roads.

With this piece of legislation coming forward, it really would have been so much better if it included looking at the broader issues of distracted driving. Whether or not we have the proof to show that putting up the fines is going to affect the use of the hand-held cellular phones or not, I don't know. I think one of the things that have to be done is that we have to put more resources into the hands of the RNC and also into the hands of the RCMP with regard to enforcement.

Because I think that's a big issue, that we don't have enough officers on the roads, either in our cities or on the highways, to really see that our legislation is enforced. I'm sure I'm not the only person who is driving around and seeing person upon person upon person using their cellphones, and observing, maybe in a smaller way, the type of thing that I just described with the driver on



the highway literally texting another car off the road, to put it graphically.

So if I'm seeing every day – almost every time I'm out in my car, I see examples of people with their cellphones up to their ears. It's impossible to drive without seeing it. So we need enforcement. If we enforced even what we had as the fine and got more people fined, government may have seen more income, if revenue from it is what they're concerned about. I'm concerned about the safety issue and the fact that our legislation is not broad enough. So I really encourage the minister to look at –

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

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

The Chair is having difficulty hearing the Member speak.

Thank you.

I ask for your co-operation.

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

I'm concerned about the safety issue and not so much about making money. I really encourage both the Minister of Finance and the Minister of Justice – I think it would be under Justice – to look at how weak our legislation is with regard to really getting at the issues of distracted driving.

So saying that, I do encourage both ministers to look at that issue, and obviously, I will vote for the bill hoping that if we also add greater enforcement possibilities, that we will get people to increase their concerns and stop using cellphones when driving. But as I said, we need much more in this province in the legislation than the use of the hand-held cellphone.

Thank you very much, Mr. Speaker.

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

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

It is a pleasure to stand and speak once again, this time to Bill 33, An Act to Amend the Highway Traffic Act. Mr. Speaker, as has been said, this bill is really about raising the fines for people who are using a hand-held cellular phone while driving a motor vehicle on the highway. Of course, it's a progressive fine which goes \$500 the first time that you're caught doing it, \$750 the second time and \$1,000 the third time.

I want to say upfront, for the record, I do support the bill 100 per cent – 1,000 per cent. Mr. Speaker, I do want to, I guess, echo though some of the remarks of the Member for St. John's East – Signal Hill – Quidi Vidi, or whatever the name of the district is. I can never seem to get it right. I do want to echo some of her remarks, as it relates to distracted driving, and that it goes much further than cellphone use.

Unlike the previous Member who was just up speaking, I don't have an issue with the fines. I don't have an issue with raising the fines whatsoever. I think it is a deterrent. I think it does work. I just know even from experience, none of us are perfect. Even though we're the people here putting in the legislation, we've all been guilty of stuff. There's not one Member in this House, I'm sure, who can say unequivocally they've never been pulled over, they've never done anything wrong, they've never gotten a ticket for anything. I find it hard to believe. We've all made mistakes.

I have a tendency to have a bit of a heavy foot, Mr. Speaker. I don't mind admitting it. I've been pulled over a couple of times in my lifetime. I can tell you what, once I got that fine I thought twice about that heavy foot. It did change my behaviour on an ongoing –

**AN HON. MEMBER:** For a day.

**MR. LANE:** Somebody said for a day, but no, it actually went longer than a day. When you get that big fine and then the threat of oh my goodness if it happens again I'm probably going to get a bigger one and more demerit points and so on, it does change your behaviour. I think increasing the fines is a good thing.

Going back to what the previous Member said before me, we really do need to look at distracted driving as a whole, not just cellphones

and cellphone use. Whether we're talking about cellphones, you're on the phone or you're texting, which is a biggie for sure – but there are other things. We've all witnessed it I'm sure. I'm sure we've all witnessed it. I've seen people stopped in traffic doing their makeup with the lipstick and the eyeshadow and everything going while driving. I've seen – a lady I saw a few times.

I've seen incidents where – people with pets, and everyone loves their pet. Some people, their pet is just like their child. How many people have seen somebody driving down the road and the dog is actually on their lap, the head stuck out the window or whatever blocking their peripheral view and so on. You see it all the time. That definitely has to be causing a distraction, without a doubt.

I can even remember at one point in time, I don't know, it's about a year or so ago. I was on the parkway and I actually seen a lady, she was stopped and she had, I don't know if it was a curling iron or a straightener or something, because with cars now you actually have outlets in them. It's not like before where you had to put it in a cigarette lighter. You can get adapters.

For that matter, in my vehicle now it just takes a regular household kind of plug. So you could literally, if you wanted to, plug in your hairdryer, plug in your curling iron, your straightener, whatever. I actually saw a lady on the parkway, I don't know if she was curling her hair or straightening her hair but she was doing it, and she was the driver. She was the driver.

The bottom line is that it does need to be expanded I think into distracted driving, and not just cellphone or Blackberry use, as the Member for Quidi Vidi just said, because there are other distractions. While I do support this bill, I support the intent of what's going to be happening here, I do believe it should be expanded for sure.

With that said, Mr. Speaker, I'll take my seat. Again, for the record, I think it's a good move on behalf of the government. Any time a bill comes before this House that's a good thing, is a positive thing, I have no problem acknowledging it.

Thank you, Mr. Speaker.

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

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

It's indeed an honour to get up and speak to Bill 33, An Act To Amend The Highway Traffic Act.

I'll just take a few minutes because I want to echo what the minister has said, and my colleagues here in the House of Assembly, about how important it is to getting people to move away from being distracted while they drive. You are operating a very powerful piece of equipment. You want people to get where they are going safely. You want people around them to feel safe.

I know technology has changed. Our world has gotten to a point where people are constantly in contact with each other and they constantly need to address issues. As technology moves forward that's a positive, but unfortunately this is one of the times where technology is also causing grief for people. It has caused unbelievable hardship for families in death and injuries. We need to find ways to prevent that.

No doubt, I agree when we talk about all kinds of distracted driving. I know the RNC and the RCMP already have some clauses they can use to their disposal around enforcing things like driving with due care and caution and giving extreme fines and making that an offence where you have to go to court and then you are answerable to a judge when they review all the evidence related to it. That's a very important part.

I do agree and I do like the fact that one of our deterrents in society – it's probably not the best one we have – but one of them is, particularly around the *Highway Traffic Act* is around the cost associated with it. I know there's data that will show we've improved that around school zone fines and issues around drinking and driving. It has been a deterrent. Is it the only deterrent? Of course not. Is the biggest deterrent education and knowledge? No doubt about it.

I know the former administration and I know this administration will do the same, in trying to educate people to be a little bit more aware of the impact of their actions. Particularly when you're driving and operating a motor vehicle, particularly around being distracted.

As the Member for Mount Pearl – Southlands has noted too, and we've all done it. We've all been idiots when it comes to driving at times and not being cognizant of exactly how we should be operating fairly. We've all had our phones next to us. We've all had it next to our ear as part of it; but, I think as we mature, as we get a little bit more aware of things or, as happened in my case, when you get a fright and realize you could have done damage because you're veering off the road because you're not paying attention, and that happened a couple of years ago. Then I came to a realization, I've got to stop this. My phone comes in, it goes on the seat, it stays there. That's part of it, exactly. You have to be very cognizant of what's happening. Throw it down, do it.

Fortunately enough, a couple of years ago I got a car that has hands-free. I still try to stay away from that because I still see that as a distraction, that's part of it. I know people need to have it for all kinds of reasons, work reasons, contact with their family. There's a loved one who's in peril or there are some health issues and all that, you need to have that concept.

We've come a long way in trying to educate people, but we've also come a long way in access. As the previous Members have also said, it's no longer just a little small held device that's a distraction. It's all the other things that go along when we're driving. All the other things that people have at their disposal.

While this is a great process for it, and we encourage it and we support it and we hope it serves as a deterrent, I think we all have a responsibility, all levels of government, every line department, every Member in this House and every citizen in this province, to encourage people to be a little bit more cognizant of being safe. This is one way of at least identifying, if you're going to do something, if you're going to take that risk, you're going to have to pay for it.

Now, hopefully it's a deterrent up front. Hopefully you don't need to do something wrong and get caught and then have to pay the price. Hopefully it's a deterrent enough that people would say, you know what, I'm not going to take that risk. I've already got enough expenses in my life, I don't want to add to that. Even if they're not thinking about the safety factor, because sometimes our mind goes somewhere else.

We're all cognizant of how much money we have in our pockets. If this does anything to deter people, it's definitely a move forward, and I believe it is. If somebody does get caught, I would hope this would then serve as a serious deterrent. Because if they get caught a second and a third time, it gets worse and worse for them, and I would hope they catch on to that.

So, Mr. Speaker, I just wanted to echo that I support this bill. No doubt this is a move in the right direction, and hopefully we'll continue to move in that same direction in the future.

Thank you, Mr. Speaker.

**MR. SPEAKER:** If the hon. the Minister of Justice and Public Safety speaks now, he will close the debate.

The hon. the Minister of Justice and Public Safety.

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

I'm happy to be able to stand and close second reading on this. Firstly, I'd like to thank my colleagues for their comments: the Members for CBS, St. John's East – Quidi Vidi, Mount Pearl – Southlands and Conception Bay East – Bell Island. I listened to them all attentively. I took some notes. They still have an opportunity in Committee to ask questions again, but I will address some of the points they made or try to address them.

The first thing I would note, globally, is that is this the only thing we can do? No, there is more we can do and I've said that in my preamble, in my earlier comments. I'm looking at other steps that can be taken when it comes to this. I'll get more into this now in a second because I have to address some of the comments that were made.

One in particular I'm extremely insulted by, actually, but I'll get to that.

The Member for CBS, I appreciated his comments. I appreciate the fact that it's going to be unanimously supported. The Member, as well as the Member for Conception Bay East – Bell Island – deterrence; they said deterrence is the big thing. Deterrence is one of those things, how do you measure it? What is the means that you put in place? Do you get too heavy, too prohibitive? Do you get too light? There are other things we could do. Why not put jail time in? Why not take the car away? There are all these different levels that one can look at.

One that I'd like to look at – but the other thing about doing this is you have to explore because you start to get into the effects of the decisions that you make. If you do A, what will B result in. One of the things I'd like to look at, I'd like to consider – and I don't know if it's done elsewhere. I'd like to look at the seizure of the device that's being used. I'd like to see it because I tell you what, that's a deterrent. That's going to be a deterrent. That requires proper research. You can't change legislation of this nature without doing the proper examination of everything.

In this case, immediately after taking over this portfolio this is something that I've talked to law enforcement about, talked to my department about. When you look at the fines and the penalties, they were severely outdated and minimal and obviously not having the deterrent effect.

The Member for CBS mentioned about maybe you have to measure is it too heavy or not. That's why there is the graduated schedule. The initial one, \$300 to \$500, is still light when you look at what it is now. I think now it's \$100 to \$400. I think we need that deterrent and especially for the youth, because once they have that first time – and again, I don't think this is necessarily just a youth issue, but I also think that the best way to educate anybody about anything is to start at the youth level, whether that's safety, it doesn't matter, start when they're young. We all say we teach our kids. Well, I think this is the best way to do that too.

I appreciate the comment and I do know where he's going with it. I think this allows for that. I know it's heavy but by the time you get to that third one, you're not learning your lesson. You're not learning. That's why we also have the demerits. I'm also willing to consider other penalties, especially when you throw in the harm that's caused.

One of the things he mentioned was the education. I have to give compliments to our RNC. Recently, they had a display set up at the Avalon Mall of a simulator of texting and driving. I haven't done it myself. I've had people talk about it. They say it absolutely amazing. I think if we talk to people who participated in this, they'll talk about that real-life effect of showing what the impact is.

The second thing I would say, he talked about a device. Actually, we all know what a Breathalyser is. Well, there's research being done now on something called a Textalyser. It's a device that's being used. It's actually an Israeli company that's done it. Again, you're getting into issues there where there are constitutional issues where you can take the device and test it to see how long ago they texted, but then you're getting into access to all the information, then you're getting into charter issues.

I think there are things being looked at and we can see them – and again, that's the thing about legislation; it can go and be amended down the road as we learn more and as we know more. I have no doubt that any legislator who sits here five years from now will have something new they can use to make the legislation better and make the streets and the roadways safer.

Another thing he mentioned – and I completely agree – it's not just the resources to catch people. It's the resources to prosecute. Right now, this is a significant fine here. It's tough to catch people. It is a tough challenge, and I know our law enforcement deal with that. You look at, when you go down that road, a ticket and you have the chance to contest it, then it goes to court, the resources that we're using. I think a greater deterrent so we can avoid all that because that's resources throughout our entire system that are being used for something stupid, you shouldn't be doing in the first place, period, there it is. I don't normally like to use that word

in here, but I think we all agree if we or anybody else is doing it, there it is.

The Member for Mount Pearl – Southlands, I think he brought up the anecdotal side of this talking about the individual, what they did. We've seen that. I've seen similar ones myself. I can remember driving through Edmonton once and seeing somebody shaving with the electric razor in the car. I still remember that. That was at least 20 years ago and it stuck with me. I thought it was crazy then and I think it's even crazier now.

What I would say is that there are other sections of the *Highway Traffic Act*, imprudent driving, dangerous driving that can be used to take care of these behaviours if they are witnessed. I would suggest to people is that we have to point this out and pass this on, if we see people doing this. So there are other sections.

Again we have seen people, even if it is just elapsed, people can be charged and they have significant penalties, imprudent driving, especially on the insurance implications that come with this. They are very heavy.

The Member for Conception Bay East – Bell Island, I appreciate the commentary he made. I think everything he said was very on point and I appreciate the support as well. The Member for St. John's East – Quid Vidi – and again, I appreciate the support of the Member. I'm going to make sure because I thought I heard the comment well, we're only talking about cellular phones. If you look at section 176.1, we are talking about hand-held wireless communication devices or other prescribed devices capable of receiving or transmitting telecommunications, electronic data, email, text messages. So that does take into account the GPS. That does take into account anything receiving.

The other thing is that you can change through your regulations the prescribed devices, if we had that, as well as the other means that we have through that piece of legislation to stop people from distracted or bad driving. We have those other means, I would put out there.

Now, I will say the point that was mentioned, and maybe this was just an aside, but it caught me, was that we are doing this because of the

revenue. That was said and if I'm wrong, the Member can correct me when we get to the Committee stage. That is the most insulting thing I've heard. We're doing something to make our streets safer and she has to bring it back to something like that. That is absolutely ludicrous, ridiculous and it is insulting to everybody that is here. We are all talking about the safety of the roads and we have to throw something else like this here. It is talking about deterrents to stop people from doing activities that might kill people and she has to bring it back to revenue.

Now if we want to talk about revenue, the fact is as well, Mr. Speaker, this is not about revenue. This is about deterrents. This is about stopping us from doing stuff that might kill somebody. The other thing she brought up in the same side was the – and again, she'll get an opportunity during the Committee stage to ask these questions or correct me if I'm wrong, but the problem I have, at the same time she was talking about his, she says we need more resources on our streets – we need more resources on the streets. What I would say to that is I don't think anybody disagrees with that, but I don't know where the Member has been for the last month and a half that we've been talking about the budgetary challenges that we've been facing.

Again, it is always about you need more this, you need more this, you need more this, and sometimes it's upsetting. I'd love to have the ability to increase that. Over the last number of years, I've given compliments to the other Members. The fact is that policing budgets have increased. We do have more money spent in policing now than has been spent.

But again, to talk about that and just talk about the revenue side of it is just insulting. I would suggest just stick to the – well, we need to do more; we need to do more. Do you know what? I think I said that starting off, yes, we would like to do more, but you're not just going to go and change legislation without thinking about the consequences and the repercussions of doing so. Doing one thing will have an equal reaction on the other side, so we can just change it – let's put them all in jail, why not? Then we're going to talk about we need more resources to handle that. Do you know what? Go ahead and build that new penitentiary too.

I'm sorry to get off on an aside, but I find it insulting when I talk about legislation, and I mentioned a story here involving a young girl and her father who almost died, and we're trying to make the roads more safer and the Member opposite has to get into the political side and talk about trying to raise revenues. It's insulting and it's sickening to me.

Again, I look forward to the question in the debate in the actual Committee stage where we can go back and forth. I can't say that enough. We're doing something to make the roads safer. I appreciate the commentary and the fact that this will receive unanimous support when it is done, and I look forward to the fact that I will have more time in future sessions of this House to update the *Highway Traffic Act* to make the roads safer for the people of this province.

Thank you, Madam Speaker.

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

**MADAM SPEAKER (Dempster):** Order, please!

Is the House ready for the question?

The motion is that Bill 33 be now read for a second time.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

**CLERK:** A bill, An Act To Amend The Highway Traffic Act No. 2. (Bill 33)

On motion, a bill, "An Act To Amend The Highway Traffic Act No. 2," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 33)

**MADAM SPEAKER:** This bill has now been read a second time.

When shall this bill be referred to a Committee of the Whole House?

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

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

**MR. A. PARSONS:** Madam Speaker, I move, seconded by the Minister of Education, that the House resolve itself into a Committee of the Whole to consider Bill 33.

**MADAM SPEAKER:** It is moved and seconded that I do now leave the Chair for the House to resolve itself into a Committee of the Whole to consider the said bill, Bill 33, An Act To Amend The Highway Traffic Act No. 2.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MADAM 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 considering Bill 33, An Act To Amend The Highway Traffic Act No. 2.

A bill, "An Act To Amend The Highway Traffic Act No. 2." (Bill 33)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

The hon. the Member for Ferryland.

**MR. HUTCHINGS:** Thank you, Madam Chair.

Madam Chair, I just had a question for the minister in regard to some of the data on some of

the infractions over the past number of years. I know this is relevant to enhancing the deterrent in regard to the changes we're making in regard to first, second and subsequent offences.

I'm just wondering if you could share some information as regard to what the record has been under in the past number of years in regard to increased infractions, to violation, to hand-held cellular phone devices. Have we seen an increase, decrease? Any idea of where we're to in regard to that?

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

**MR. A. PARSONS:** Thank you, Madam Chair.

What I would say is that I don't have specific data in front of me. I can certainly undertake to provide it before third reading of this House which will also allow for an opportunity to discuss it.

The number I had – I do think anecdotally you can say that it's grown. I also think that the number of 1,352 has been an increase from previous years. I do think the number is going up, but I will ensure to provide that information. You'll get an opportunity – if there are questions on it, certainly I'm willing to discuss that even during the third reading stage. I'm more than willing to put that out there.

One of the big things that I will say is that when you talk to members of law enforcement, what they'll say without even having the stats in front of them is the numbers are going up and we're seeing it more. I would put that out, but I can make sure that information is provided as soon as possible.

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

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

I know the minister has sort of addressed it. I raised it in second reading and the minister did sort of address it. Just for the record, I just want to put it in there that I really do believe – I understand that the minister did say that there are sections under the *Highway Traffic Act* for

imprudent driving and dangerous driving and so on.

Not being a lawyer or anything, though, I would question to what degree of offence would have to occur for someone to actually be charged with that. I don't know if somebody, for example, had a pet on their lap or was shaving with a razor, as was mentioned, or doing their hair, or whatever, I'm not sure that would necessarily qualify for an offence under dangerous driving, whatever.

So I would just throw it out there that I would like to see that we would expand maybe the definition of distracted driving to include other things besides cellphone use. That's not a question; that's more of a comment and request.

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

**MR. A. PARSONS:** I thank the Member for his question.

What I would say, first of all, is that when it comes to legislative change, I would put forward that I'm always willing to entertain change. I would suggest the best way, even if it was put in writing or a letter or anything like that, I'm always willing to consider that. I think it's in the best interest of us all.

I've seen imprudent driving. Something as little as an individual got in their car and the gearshift went back, ended up in reverse, rolling out in the street and hitting another car – complete accident. And I've seen, actually, those matters get in court and it depends on an interpretation by the officer. Again, it can be a million things, and there's a scale there from high to low. There's also under the *Criminal Code of Canada*, section 249, which is dangerous driving.

It really can go either way, but I think overall there's a difference between the accidental and the person that's doing it on purpose. The fact is, nobody is accidentally texting, nobody is accidentally talking, but we've all got those people – and again, certainly we've all had maybe that time when you didn't look in the mirror or something happened, and especially it can happen when you're young and it can happen when you're old. So I want to make sure,

because the intentional action versus the accidental action is something we have to be cognizant of, that I always worry about. Again, sometimes I've seen those where that only comes out after the charge is laid.

Going back to the greater point is that when it comes to legislative change, certainly that's something – again, I've actually had meetings with other Members opposite and Members in my own caucus when it comes to pieces of legislation – not this one specifically – and say, look, if you have something you want to bring forward, willing to consider it – in fact, I'm pretty sure I'll have legislation coming in the next session that was discussed by Members of the opposite side. You hope for the best, and there's a lot of work that goes into it, but I would put that out there now.

Thank you.

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

**MR. K. PARSONS:** Just a question, Minister. It's a question if you look at technology today. As we all know, we're all using cellphones. The technology I saw just recently, cars come in now that, unless you put your seatbelt on, the radio doesn't come on.

Is there any technology out there used in other jurisdictions or anything that can say your cellphone won't go in usage while you're driving a car? I'm just asking the question because I think it would be smart technology if somebody had it that you couldn't access – probably a warning could come up that someone is trying to call you. Is that technology out there? Is there anywhere you could get it?

**CHAIR:** The hon. the Minister of Justice and Public Safety.

**MR. A. PARSONS:** I think the Member opposite may be auditioning for *Dragon's Den*.

I get where he's coming from. I'm not aware of that, but the fact is when you look at the devices that are out there. For instance, a person who is convicted of impaired driving and has the alcohol ignition interlock device, something where you have to blow into it in order for your

car to start or else it locks. I mentioned earlier the Textalyzer.

I would imagine there's technology and ability for everything, but with that comes the need to assess it to ensure – what are the possible drawbacks, negative consequences, positive consequences. I haven't done that scan, I haven't. Maybe it's one that we need to do, because we've only had so much time in this case. In this piece of legislation it was a case of, what can you get done to put in an immediate deterrent without offending charter implications.

Actually, I meant to mention earlier and I forgot, but BC, effective June 1, 2016, has actually brought in some pretty hefty financial penalties for the same offence. There are other provinces that are moving this way, but this is where a lot of times it's good that you can talk to the Members in departments, law enforcement across the country and see what's being done elsewhere. What other steps are they taking, but what are the drawbacks, the pros and cons of doing each.

I'm always willing to listen to anything, but at the same time making sure we do as much assessment as we can to make sure that it doesn't have unintended consequences that probably weren't thought of.

**CHAIR:** Shall the motion carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Opposed?

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?



Carried.

On motion, enacting clause carried.

**CLERK:** An Act To Amend The Highway Traffic Act No. 2.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, title carried.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

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

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

**MR. A. PARSONS:** Yes, Mr. Chair, I move that the Committee rise and report Bill 33.

**CHAIR:** The motion is that the Committee rise and report Bill 33.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

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 the Whole have considered the matters to them referred and have directed me to report Bill 33 carried without amendment.

**MR. SPEAKER:** The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 33 carried without amendment.

When shall the report be received?

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

**MR. SPEAKER:** Now.

When shall the bill be read a third time?

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

**MR. SPEAKER:** Tomorrow.

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

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

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

I would move Motion 8 on the Order Paper, that the House, pursuant to Standing Order 11, not adjourn at 5:30 p.m. today, Thursday, June 2, and Motion 9, that the House, pursuant to Standing Order 11, not adjourn at 10 p.m. today, Thursday, June 2.

**MR. SPEAKER:** It is moved that the House not adjourn at 5:30 today.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Carried.

It's also moved that the House not adjourn at 10 o'clock tonight.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

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 House resolve itself into a Committee of the Whole to consider Motion 1, a resolution respecting the imposition of taxes on personal income, Bill 13.

**MR. SPEAKER:** It is moved and seconded that the House resolve itself into a Committee of the Whole to debate Bill 13, An Act To Amend The Income Tax Act, 2000.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against?

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 are now debating the related resolution and Bill 13.

### Resolution

“That it is expedient to bring in a measure respecting the imposition of taxes on personal 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 appreciate having the opportunity to speak to Bill 13, the personal income tax rate increases. As we've discussed during debate around the budget, and had lengthy discussions, the fiscal situation of the province has required that we take action. One of those actions we had to take as part of the budget was the need to increase personal income tax. While those decisions were very difficult, certainly they were due to the serious fiscal challenges facing the province. We had to increase many fees and taxes, including personal income tax. The income tax rates for all income ranges will be increasing, and the new temporary Deficit Reduction Levy will also be introduced.

The changes will be effective as of January 1, 2016, with the administration as of July 1, 2016. This means that the effective rates for 2016 will only be half of the full year implemented. So there has been some confusion. The budget was on April 14, the implementation date will be effective January 1, 2016, and administered as of July 1, just for clarity.

It important to note that even with these changes we are still the third-lowest rate on the first income tax bracket, and even with the levy, income tax payable on all income levels is lower than it was in 2006, and we are still very competitive with our Atlantic Canadian counterparts. The estimated revenue from the increase, as has been discussed in this House, is \$204 million annually. Our government chose to implement a broad rate increase across all income ranges. The rate increases for higher income individuals are more than the increase for lower income individuals.

The information on the personal tax increases, as has been communicated, can be found on the Department of Finance website, along with other important information about the budget, I might add, Mr. Chair.

I'd like to take a moment now just to lay out those increases for people here in the House of Assembly, and for those people watching the proceedings at home.

There are five income tax brackets. The first bracket is on income up to \$35,148, and the rate will increase to 8.2 per cent for the 2016 tax year, and 8.7 per cent for the 2017 tax year. The

second bracket is on income from \$35,149 to \$70,295, and that rate will increase to 13½ per cent for the 2016 tax year, and 14½ per cent for the 2017 tax year.

The third bracket is on the income tax from \$70,296 to \$125,500. That rate will increase to 14.55 per cent for the 2016 tax year, and 15.8 per cent for the 2017 tax year. The fourth bracket is on the income from \$125,501 to \$175,700. The rate will increase to 15.8 per cent for the 2016 tax year, and 17.3 per cent for the 2017 tax year. The fifth bracket is on income over \$175,700 and the rate will increase to 16.8 per cent for the 2016 tax year, and 18.3 per cent for the 2017 tax year.

As I said earlier, personal income tax rates remain competitive in the Atlantic region and in Newfoundland and Labrador, and we will maintain the lowest top marginal rate among the Atlantic provinces at 18.3 per cent.

To help mitigate the impact on low-income individuals and families, government introduced the Newfoundland and Labrador Income Supplement and this new benefit will provide up to \$450 for any individual, \$60 for a spouse, and \$200 for each eligible dependant. In addition, to the low-income tax reduction, amounts have revised so that those who fall below the current income thresholds will continue to pay no provincial personal income tax. These measures will help lessen the impact on the personal income tax changes on low-income individuals, families and seniors.

Mr. Chair, we know that the decisions with this budget have been difficult and certainly the choices we've had to make and the decisions we've had to make have had an impact, and we recognize that, on all of us and all residents in this province. We have a plan to get our province back on stable, fiscal ground and one that is designed to achieve fairness, I would say, Mr. Chair, for all generations of Newfoundlanders and Labradorians. We cannot continue to push debt and our debt costs up as we continue to put the weight of the debt and the debt we have per person in this province onto future generations, Mr. Chair.

Thank you.

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

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

It's a good opportunity again to get up and speak on anything related to the budget. This is another mechanism to our budget, the increase of income tax rates.

Looking at this rate increase, increased from 7.7 and 8.2 up to 8.7 in your lowest income bracket and then upward in your bracket; 35,000 to 70,000 you're looking at, in 2017, a 14.5 per cent, a 2 per cent increase; 70,000 to 125,000, it's 2.5 per cent and then your higher income of 125,000 and up to 175,000, you have an increase of 3 per cent. So I guess it's a gradual increase. As income rises, there is an increase. People have argued sometimes it's probably not enough, it's imbalanced and that the lower incomes seem to – it's not done proportionately. In the meantime, if you look at it, it's still – \$125,000 and up, it's going to be 17.3 per cent as opposed to 14.3 per cent. It's significant.

I guess probably to put it in the fairest context if this was one of the only budget implementation bills, one of a few, you'd be tolerant. It would be so much more palatable. We know there are an awful lot of budget implementation bills that makes this budget whole. Every opportunity you get up to speak, it's important to remind and to speak to it that people are very concerned out there with the implementation of this budget.

You take this here, like I said in the beginning, there was a time – and I think I got up and spoke there one time earlier the week. It was back in the day when people looked at two, three key items in the budget. If the price of alcohol and tobacco never went up, they were okay a long time back. That's when life was pretty simple.

We know now, when you look at personal income tax rates going up, it's kind of – I was fully expecting it. This morning the reaction to the price at the pumps, I was at home and I knew they were going up, but then I got up and I went online and it was all these pictures of before and after. It's quite a jolt. It's looking at nearing 20 cents in one night. We're always used to a one- or two-cent adjustment.

I'm not sure when it was in recent – probably a year or two ago. I know gas was going up. I guess it was probably a couple of years back gas was making a big increase on the Wednesday night. It was word that they were going to increase. I went to the local gas bar and they ran out of gas. That increase, I think, was a four- or five-cent increase; it was one of the bigger jumps. It was when oil was very unstable.

When you get almost 20 cents, I believe I know up in my – there are variations of it. Some of them base their prices on competitive pricing. I believe up in CBS it went up for 18 – anyway they dropped it back to around 16 because they compete with their local gas bar which is alongside them.

I always say, whenever I have the opportunity to get up, you need to take the budget in its entirety. These tax increases alone or with a couple other measures, they're still increases, but I think the majority of the public would expect that and would accept that.

If you look at the increase of the 2 per cent HST, I guess it's been brought up in the House, but it's interesting a lot of people have not equated that had the current government not reversed the increase that was scheduled for January 1, 2016, and took it back – they cancelled the increase as of January 1 – it's in the vicinity of \$100 million to \$110 million in lost revenue. This is approximate, but that could have reduced the need for a levy.

There's not a Member in this House who can't agree with me that the levy has been one of the biggest lightning rods of the budget, outside of everything else. That's kind of sad actually in a way when you look at it because I talk to a lot of people out around and I don't think anyone disagrees, it's a topic of the day wherever you go. It is on each and everyone's mind.

Today, they're talking about gas. Every conversation starts with the tax increase. The levy became an issue, but when you sat and talked to them, the entirety of the budget became their issue. It was: How am I going to do this?

I listened to commentary this morning on our local radio station. It was a guy saying he's looking at roughly \$1,100 extra a year in gas

alone. When I heard him say that amount, I'm not one to quote, I don't know, but they're his numbers. That was more, in some cases, than what people were paying with the levy before the adjustments.

Take the insurance tax of 15 per cent that is going to come in in July. That's going to mean another \$500 or \$600 to people. Then you take your personal income tax increases that you're going to see next March or April when you do your taxes. Then you put 2 per cent for HST on things – which I think most people were expecting. Then you take used cars – I might be wrong, but I've seen a lot of tax bills, it was 14 per cent and we bumped it to 15 per cent.

All of these things have fees increases, but all these things – it is death by a thousand cuts. I use that term because I remember it was used a few years ago. It was a good point of what not to do when you do a budget like this. That's when the former PC government was in power. I know behind the scenes at the time they hit a patch in the road and they were trying to find savings.

I worked closely in my previous world with other senior ministers and that and they used to always be – that was a conversation I was privy to numerous times: We can't do this by death by a thousand cuts. If you're going to do it, we have to do it. It really stuck with me because in this world we educate ourselves on what we feed and listen to others that are in the know or have that experience.

It's like everything now, no one ever agrees foolhardily on everything, but you come in and come and pass without huge implications. There were implications, there were savings and they made the numbers work, but it wasn't a death by a thousand cuts, as I say, because it only affected certain groups.

Every time I get up and speak on the budget or speak to any bill pertaining to the budget, I always keep saying that – because that's probably the truest implications of this budget that you hear every day, you hear it on the streets and that's everyone's issues. It affects every single person in the province.

Back in 2004 there was a big public outcry. I know Members opposite, no doubt, have been

told – and I was around. I wasn't in government, but I was very close to the former government and I knew what was happening. My wife was one of them actually. That affected a group, the public sector. In 2006 – my dates may be wrong – we had the revenue sharing, the resource sharing with the crab, a big dispute. You affected the fishermen.

Bill 29 we upset the media. I know people in my district that still don't know what Bill 29 means, but the media were all over it and did an effective job. *Budget 2016* affected every single person in the province. I don't think there are truer words to be said –

**AN HON. MEMBER:** Everyone's upset.

**MR. PETTEN:** Everyone is upset, and everyone is affected.

This morning I was sat down in a coffee shop actually and it was a spot – I try to go to different places for coffee some days just to get around to meeting people. I went down to a place this morning, I went in and there were only a few people around. I sat down and there were a couple of people there I didn't know, so I sat and read the paper and had a coffee. There were three conversations around me and every one of them was budget related. Luckily they didn't realize who I was. I kept my head down and I wanted to read the paper, but I would have talked to them. I was just there and every conversation was the budget. One was on gas –

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

**MR. PETTEN:** It's unbelievable, everywhere you go – I did Camp Day yesterday at Tim Hortons; I know some of my colleagues did as well. I was in the drive-through and I had vehicles hauling up as they were getting their coffee and you were giving them their stuff, they were having a sidebar for a second. The lineup was right around the building out on the road, but it just triggered the conversation.

It's near and dear to every person in this province and I don't say that to fill in time. If anyone is following me, I'm not one that has videos on Facebook of I'm out roaring and bawling. I just speak here and if anyone wants to

go in and follow it online, they can go in and see what I said. I'm not one of them self-promoters.

When I get up to speak I speak my mind, I speak what I hear on the street, I speak really what people put me here to do. My record will speak for itself. I try to tell what the real story I'm hearing on the street is. As the sayings goes, there are no punches pulled. These are honest comments from people. I always like to use the word real people because that's what we all are, really, at the end of the day. When we leave this and you go home, we go out around, we're all residents of the community, we all got to go to the gas station, we all have to pay taxes, we're all affected, each and every one of us are affected in some way. With this budget, there's a negative impact.

It's unfortunate that there wasn't more creativity given when the budget document was being prepared. When the Minister of Finance announced the budget on April 14, we were doing the briefing before you come out – and my background is accounting actually, ironically, on taxes and stuff. When you get the spreadsheet, your columns, anyone knows it's a balancing effect; this has to add up to this. All I could picture when I was reading some documents was that's what this appeared to be. That's your target, this is where your starting point is, but that's my target and I have all of these columns to get me to that target.

Even now, many hours we have sat in this House and we've talked about the budget, some of the theatrics and whatever, and that's fair game, I keep coming back to that point and it sticks with me. When it was being done – and I know that's not exactly, but I can't help but feel, play with numbers. Wait now, we'll add that. We need that amount to be that amount. How are we going to get there?

The term has been used in the House, a lazy budget. Well, everybody works hard. All the staff in Finance, I know the minister can agree, they work day and night. I know from previous years seeing officials in that department, that's a pretty tireless, thankless job. They work very hard. Probably we don't give them credit for the work they do behind the scenes.

The direction that staff takes to make this budget is the issue. That, to me, is not where we should be when we're doing a budget that's affecting the province in such a negative way. I said it last week and I'll say it again as I'm closing on my time, I really and truly believe this.

I know my colleague from Virginia Waters – Pleasantville pointed out, he took exception when I made reference last week – but people have lost the bounce in their step. I can't say it any clearer than that. People are concerned. People have lost that sense of freedom or the ability to go spend or the want to spend.

As recently as yesterday, I was talking to a person – new home building. Housing starts in CBS has been through the roof for a long time; one of the leading in the province. I was talking to two contractors yesterday. One in particular doesn't know if he's going to get any work. The other guy is going around trying to take whatever he can get. You couldn't get them to give you a price less than a year ago, now they can't get any work. That's how quick the economy is turning against them. They're residents of mine. Their concerns are very valid, as are everyone's here.

In closing, I want to thank you, Mr. Chair, until I get another chance.

Thank you.

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

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

It's indeed a pleasure to get up here today. We're back on the budget again. Every chance I get, I will get up and talk about the budget and the effects the budget is having on people in the province and people right across Newfoundland and Labrador.

This is probably the one bill that makes a little bit more sense. It's reasonable to people where you increase their tax based on their salary. Not like what the levy did, which was just pick out a group and then went and did whatever.

No matter what we do in increasing taxes, we all look at this budget – and like I've said every time I got up, the budget to me is all about choices. The choices we make and how we – there's nobody in this province that are going to come to you and say, listen, that's it, let it go, let her go the way she's going, don't do a thing, we know that things need to be done. It's all about the choices that we make and how it impacts our society.

We have a lot of people in our society that can pay the extra few dollars and we have people in society that can't pay the extra few dollars. The bill is based on different revenues that everybody makes, whether it's everything below \$35,000 basically, and then \$35,000 to \$70,000 it's a different rate that you pay. People are reasonable; people understand that's how the income tax works. The more money you make, the more taxes you pay.

Increases in each category have gone up by quite a bit, but it's something that people could probably live with. The problem is that there's so much. This is one part that people probably can understand more than what they can other ways. It's just so much. I heard it said lots of times that it's too much too fast. The shock that this has done to the people of Newfoundland and Labrador is unbelievable.

My colleague just mentioned about being at a coffee shop yesterday at Tim's day. I did the same thing myself. What a great day I had. It was a good bit of fun. We all had a good laugh. I'm not the best person now; I'd need a lot of training to become a Tim Hortons. I poured a good few coffees. I wasn't bad at it, I suppose, but they're pretty quick.

**AN HON. MEMBER:** Spilled a few.

**MR. K. PARSONS:** I spilled a few too, yes. I hope all the customers at Tim Hortons on Torbay Road yesterday were in it for the cause and not for the quality of the coffee that I made for them. We all had a great day, a good cause. Newfoundlanders and Labradorians came out, they supported it.

It's unbelievable what they do to support any charity, and we see it in all our communities. Every time anybody is asked to jump in – we

need something for somebody, whether it's somebody who needs a wheelchair, whether it's somebody who needs a ramp to their house, whether it's somebody who had some kind of a fire.

I saw the week that the little girl, Quinn, out in the Member for Harbour Grace – Port de Grave's area, they had a fundraiser for her. They expected to raise only so much money and they went over their expectations. It just shows you what kind of people we are.

I'm very proud to be a Newfoundlander and Labradorian.

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

**MR. K. PARSONS:** I'm very proud to live where we live today, I really am. I'm proud that I can say my neighbours and my colleagues across the way and colleagues all over this Island, we do care about people. We actually do care.

When the time is there, I guarantee you, Newfoundlanders and Labradorians step up to the cause. I have to say, whoever organized that event, I believe it's a playground that's going in Paradise, it'll be a memory for that little girl forever. It's such a tragedy, but hopefully it will be a memory that young children will know. I believe there are other things they're doing with the Kirby House, making extra beds available and stuff like that, too. It's really good to see people step forward.

The problem is, getting back to the budget, it's too much too fast. The reason being is we're taking too much money out of people's pockets. Now, I'm going to get a couple of chances to speak on this today, but I really believe there are people we're hurting out in society under this budget that I really hope government will just listen to.

I had a phone call last night, it was a from a friend of mine, that her dad went yesterday to get – he gets a shot, a vitamin B shot is what he gets. He's 85 years old, lives in his home, him and his wife. They're lovely people, very nice people. I missed their birthday and I ended up going down and seeing them, and what a nice conversation. I could hardly get out of their

house. Really nice people, but they're struggling. They're seniors. He's 85 years old. His wife has some medical issues and he has some himself, but two of them do not want to leave that house. They want to stay in their house as long as they can, and that's what most seniors are like in Newfoundland and Labrador. They want to stay there.

Yesterday he went to the local drugstore down in the community and he was charged \$12.16 for his vitamin B shot. Now, that may be a small amount of money, a very small amount of money, but to that gentleman it was unbelievable. This was something that he got, an over-the-counter drug that he got. It didn't cost him anything. It didn't cost him anything, until yesterday when he went to go get it, the pharmacist told him, now Mr. so-and-so, this is going to cost you \$12.16.

Again, maybe it's not a lot of money, but when you're a senior and you're on a fixed income and every month now you've got to go to the drugstore and that's another \$12. That gentleman and his wife, they paid their price over the years. They raised a lovely family. They're pillars in their community. Like I said earlier, if you needed someone who was going to buy a ticket or give a donation or bake a cake, I guarantee you, you would have no worries to see what these people would do.

Here we are on this budget, these are seniors in their own home, trying to stay in their own home, now for a vitamin B shot, as of yesterday, he has to pay \$12.16. I think that's unfair. I really believe to do that to our seniors – I listened to the *Open Line* show this week and a gentleman was on *Open Line* talking about the same thing. It was a prescription he needed that was \$4.50.

Why are we doing this? There has to be other ways. This senior, they have a car, so right now they're going to pay 15 per cent more on their insurance; they have to come up with that. Then they have to pay another 15 per cent on the insurance in their home; they have to pay that. And now the gas today went up 18 cents. So, here they are, to operate their car it's going to cost – and we're going to charge a gentleman, 85-years-old – it's unbelievable how hard they're working to stay in their home – an extra

\$12.16 for a vitamin B shot. By the way, Mr. Chair, the doctor actually comes to their home, does a home call for them so that he can give him the shot at the home. He gets it up to the drug store; the doctor visits their home and does the shot for him at the time. That's \$12.16; this is what we're doing to seniors in our province.

I think it's absolutely shameful that the seniors in our province now going to our drug stores, that have something for free – now, if they never got it for free and they were always paying for it, okay, because they would budget it. They'd have it in their budget. It's a small amount of money I know, but how many other things are there and how many more seniors in the province are going to drug stores and finding out that what I got for \$5 or what I got for \$6, now I have to pay more for it?

I understand we're here today and we're talking about people who are making \$75,000 and we're talking about people making \$150,000, but I'm talking about seniors in our province that, all of a sudden, got a vitamin B shot – to get his vitamin B shot, he'd go up and the druggist would give it to him. As of yesterday, he walked into the same drug store and now he has to pay \$12.16 for it.

Do people on the other side – I know you do. I can't say that. That's not right to say that to you. But you must realize how hard this is on seniors in our province. And why are we doing this to seniors in our province? These people pay the price. An example, like I just said, that gentleman wants to stay in his home. Perhaps that's what we'll do, we'll drive them out of their homes, and we'll have to set up a long-term care facility to put him and his wife into long-term care because they won't be able to afford to live in their homes. Is that what we're trying to do? I think it's so shameful. It's unbelievable that we're doing this to people.

You may think – or I know when you did your budget – well, it's only a small thing. But I can tell you every dollar counts to people who go home when they get their cheque and can tell you where every cent is going. That's what's happening here. I really would love to the government to consider what you're doing with over-the-counter drugs, what you're doing to our seniors and people on fixed incomes.

**CHAIR:** Order, please!

**MR. K. PARSONS:** Really think about this.

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

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

I'm glad to have the opportunity to stand again here in this House and speak to the impact of the budget that has been brought down by the Liberal government. The bill that we're dealing with today, the bill which will make changes to the income tax system – not to the system itself, but to the amounts of money that people have to pay in income tax by changing the percentages of income that tax is paid on in our income tax system gives me an opportunity to speak more to the concerns I have with regard to the impact of this budget on the lives of people.

The Member for Cape St. Francis just spoke to an issue that I think I'll start with. What I'm trying to do, every time I stand up, is to show the government the impact on people of this budget. I promised people that if they sent me their stories on how the budget is impacting them, I'd be happy to bring that here to the floor of the House and that's what I'm doing.

A government budget should be there for the good of the people of the province. The budget should be there to help people, not to make life more difficult for people. A budget should have a vision so that people will be taken care of, that revenues will be adequate to help people be taken care of.

What we have here is not a vision. We even have the – the changes that are being suggested here to the *Income Tax Act*, the changes that we're dealing with here today, only go so far with almost everything else in this budget. Yes, making changes to the income tax – and we do have the tax payable per individual going up in each of the brackets, but it once again doesn't do it in an equitable way. The government could have come much more close in the last two tax brackets, much more close to those top brackets, to demanding more from people in those tax brackets and be closer to, for example, what Nova Scotia and PEI charge.



But no, they backed down and didn't even bring the rates for the top brackets up to where they were when the cuts were first made in income tax rates by the Tory government when they were in. They backed down and continue to make life harder for people who are mid to low income. It's not all low, low. The mid to low income are really being affected by this budget.

As I was about to say, the Member for Cape St. Francis was talking about over-the-counter drugs. I don't know if the government thinks that over-the-counter drugs are drugs that weren't necessary or they're drug that people don't need. That they're drugs that people can do without.

My answer to the minister and to the Members, if that's what they think, is that many over-the-counter drugs really do make life better for people and keep people from becoming more ill and having to use the health care system. So, for example, some of the drugs some of us may never use, but there are people out there who need them.

There is one example I want to use because this is one I didn't even know about. This is from somebody who's on dialysis. This person uses a cream. The name of it is Amila. The cream makes life more bearable and actually helps the skin. What it does is it numbs the skin around the needle sites. It costs \$50 a tube. This person uses three tubes a month. It was covered under the special needs part of our drug plan but due to the budget cuts, it's no longer covered because it's one of the over-the-counter drugs that isn't been included anymore, not even in the special needs section.

This person is a low-income earner and barely makes it from cheque to cheque. So what will happen is he's not going to be able to afford this cream, and dialysis is something that keeps him alive. This is not something that's not necessary. This keeps him alive. If his skin becomes more irritated and becomes sore because of not being able to use this cream, that's really going to cause real problems for him. This is an example.

We also know there are people with bowel conditions, for example, who need drugs like stool softeners that are no longer able to be accessed over the counter. Over the counter

doesn't mean not important. Over the counter doesn't mean, well, you can live without that. Over the counter simply means that it's not necessary to have a prescription for that drug, but it doesn't mean the drug is not important. This is what the budget seems to be implying, and it's very disturbing.

When I talk about middle-income people, I have an email here which really fits this middle-income couple. Husband and wife, she works two days a week. She makes a little less than \$20,000. Her husband, a provincial pension, old age security, CPP and, between the two of them, they make approximately \$55,000 a year. Now, as she puts it, if they can keep their expenses to where they are, if they can keep their costs to where they are, they can make it. But as she says, we don't need any cuts to our income or increases to our taxes, fees and purchases, because if that happens, they are not going to be able to make ends meet from cheque to cheque. They just won't be able to do it.

As she says: We do understand that something has to be done to get Newfoundland and Labrador back on track, and are willing to do our part, even though all our previous governments have consistently dropped the ball. I think the amount of income my husband and myself have is a decent income and we have no problem pulling our weight, but I just don't want to end up in the poor house doing it. Now, there's quite a statement, and that's from this person. I'm reading exactly what she's saying.

Also, I will mention that she did write to her MHA who is on the government side of the House, and the MHA did answer her email by saying he would get back to her, but that never happened. In her original email that she sent to her MHA, she just didn't talk about herself and her husband who can make ends meet, but with any changes to expenses – and I'm sure they must have a car and if they don't have a car, they use a taxi.

We heard from Doug McCarthy on the radio this morning, I can say, because he spoke publicly in the media. As a taxi driver he's going to be spending \$44 more a week for gas for his car, and he says that his taxi is one of the smaller ones. So if Doug is paying \$44 more a week, somebody using the taxi – maybe this couple –

is going to end up having to pay more money for that taxi.

So they can't cope with more expenses. The gas went up today, whether they have a car or whether they use a taxi, that's going to affect them. For them, they cannot absorb any more expenses. That's the problem. Or, as she says, they could end up in the poor house.

She's also concerned about her son and she talks about the son, a son with a wife and one child. They live here in St. John's and as she puts it, they eke out a living here in St. John's; eke out a living to be able to take care of the family and keep a home. This budget is making it very hard for him to do that. She says: As I said, I'm willing to put up with the budget and try to eke out, but for God sake put a stop to the gouging of young families, the working poor and our seniors.

This is a concerned voter, somebody who lives here in St. John's, and who, if we continue down the path we're continuing, is not going to be able to make ends meet, will either do without or build up more and more debt. That's what this budget is going to be causing. The majority of people are like this couple that I'm reading about here now.

Thank you very much, Mr. Chair.

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

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

It's a pleasure once again to stand in this hon. House and this time we're speaking to Bill 13, An Act to Amend the Income Tax Act. Mr. Chair, obviously the minister has already outlined what this bill is about. It's going to raise income tax for people in this province. And, quite frankly, if that's all we were talking about, if we were talking about this bill in isolation, I'd have no problem standing up here and supporting it – I wouldn't, if we were talking about this bill in isolation.

But we're not talking about this bill in isolation. We're talking about a number of bills, a number of measures and the cumulative effect of all those measures, which is why I cannot support

any of the bills that are coming before this House that relate to taxation and the budget, simply because they all have that cumulative effect and that negative impact on people, and that's why.

I just heard one of the Members across say and that's why you're over there. Yes, absolutely that's why I'm over here and I'm glad I'm over here because there's no way that I could subject my constituents to all of these brutal taxation measures. That is all you can call it is brutal. It's going to be brutal on people; everybody knows it.

I would recommend to any Member of this House if you don't believe me, go out in your district and knock on doors. Knock on random doors: the good, the bad, the Liberal doors, the PC doors, the people who don't vote for any particular party doors. Knock on every door, randomly. I can guarantee you that you're going to get the same feedback that I've gotten and people on this side of the House have gotten, and I know that you've gotten because I've seen the emails. We've all got the emails.

The Member for St. John's East – Quidi Vidi – I think that's the name of the district; I keep mixing it up.

**AN HON. MEMBER:** St. John's East – Quidi Vidi.

**MR. LANE:** – St. John's East – Quidi Vidi was reading an email, and she's after reading a few. I can tell you, Mr. Chair, that if I wanted to I'd say I could print off about a thousand emails – and I'm not joking, that's not an exaggeration – from all over the province that will all be similar. They would be tweaked in different ways, different situations depending on where they're from, depending on their financial status and so on. They're all very similar in that the common theme is this is just too much, too fast on the people. That's the common theme and they're there.

I'm not going to read them today. Certainly if we get to the levy bill, if that comes before us – I understand it is, if it is – then I'm prepared to read a thousand emails, every one of them, one at a time. Absolutely I will so that we get it on the record. For now, I'll just keep my remarks

coming from what I've heard without actually reading off emails.

It is the cumulative impact of all this stuff. If you go up later on and look out your window and you see all the people out here in front of the building in another little while – I hope there's a huge crowd; I don't know if there will be or not. Whoever is out there, they're going to be protesting the gas tax. But it's not just about the gas tax; it's about the cumulative impact of all of these changes.

I know everybody knows that's true. I know that deep down everybody in this House understands that. Do you know what? It's still not too late. I don't care if the budget – look, we voted on the budget, so what, big deal. The government can come in tomorrow and bring in an amendment to that budget tomorrow if they wanted – or not tomorrow, the House is not open tomorrow, but on Monday. You could bring in amendments on Monday. We could debate those amendments. If they're reasonable, then I'm sure we could support it. So it's not too late. If you think for a second just because we had the budget vote that means this is all over, it's not over. This is not over.

This debate will continue on at every given opportunity until this House closes. Then it will continue on in the community well beyond that, because this is not going away. I can tell you it's not going away. Do you know why it's not going away, Mr. Chair? Because there are going to be constant reminders, people will be constantly reminded. Every time they go to the gas pump, it's a reminder. When they go to file their income tax, it's a reminder. When they go to register their vehicle and their licence, it's a reminder.

When they go and get their moose licence, it's a reminder. When they go and they renew their insurance, it's a reminder. Every time they go to the store to buy a loaf of bread or something, it's another 2 per cent on it, it's a reminder. It's a constant reminder. Everywhere people turn there's another reminder. That's not to mention the trickle-down effect of all of this.

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

**CHAIR:** Order, please!

**MR. LANE:** I can bet you dollars to donuts, whether the gas tax increase is legitimately going to have a big impact on the price of bringing in food and goods and services and so on, whether it really will – because I know diesel is not gone up the same degree as what gas is gone up. I can guarantee you if you look through history, that will be just the excuse that will be needed to start driving the prices of everything else up.

Oh, we had to put up groceries. Why? Oh, because of gas. We had to put up this. Why? Oh, because of gas. It's funny how we can put prices up because of gas and taxes but when that condition changes, it never goes down. It never goes down to the level it was, never. It has never happened yet. I haven't seen it. So this is going to have a trickle-down effect.

Even things as simple as – I heard the Leader of the Opposition, yesterday or the day before, talk about taxis. I know it just came up a little while ago: taxis. Just think about it, if you're a taxi driver, gas has gone up big time, insurance on your taxi, which is much higher than regular car insurance – I don't know what it is, but I understand it's much higher because of the virtue of the fact it is a taxi. That insurance is going up big time. Every time the taxi driver brings the car into the garage for repairs, which they do on a regular basis with brakes and so on it's another 2 per cent.

When they go to renew their licence, that's going to be a bigger cost and when they go to get their registration, that's going to be a bigger cost. What do you think is going to happen, Mr. Chair? The meters are going to go up. They have to or these people won't survive. These taxi drivers are barely surviving as it is. They're going to have to put up their meters.

Who's using the taxis? Who is using the taxis when those meters go up?

**AN HON. MEMBER:** People who can't afford cars.

**MR. LANE:** People who can't afford cars, senior citizens. Those are the people that are using the taxis. If it's somebody – because some people said, well, a lot of people who are on income support use taxis and it gets paid for by

the government. Yes, and that happens too, but then that means the cost to the government is going up.

Either way you look at it, the disadvantaged are going to be paying for these rates and the government itself, in a lot of cases, are going to be paying the higher rates. That's what's going to happen.

What do you think is going to happen when people stop going to restaurants because they can't afford to? What's going to happen to the restaurant? They're either going to have to cut back their hours, cut back on staff or shut their doors completely. If that happens, jobs are gone. Where do the people who lose their jobs – where are they going to get a job if you see that happening? That has to be a negative impact. I said before I'm not an economist, Mr. Chair, but my goodness, I don't understand why we're not getting that point.

I understand there has to be balance. I understand the financial circumstance. Everybody understands it and everyone's willing to pay their share, but we're gone too far. That's all we're saying. That's all the people are saying – we're gone too far. Some of the other decisions that are being made around education and so on, there's not even a dollar value associated to that. That's not even saving money. We're going to implement new programs at the cost of existing ones. Everybody is saying it, the Teachers' Association, teachers, administrators, parents, school councils. They're all saying don't do it.

It's not even a matter of money, but we're going to do it anyway because somebody has it in their mind that's what I said I'm going to do and by God, I'm doing it. That's what it comes down to. It's not acceptable and the people are not going to take it.

**CHAIR:** Order, please!

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

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

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

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

I'm certainly happy to be rising in this hon. House again, but not at all happy to be speaking to this budget which I really do believe – and I followed politics my entire life. I think I was born with the political bug. I grew up in a political family. My father was actually at the Liberal convention when –

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

**MS. PERRY:** He was at the Liberal convention when Joey was supposed to resign – and he was a supporter of John Crosbie. When Crosbie walked out the door, so did my father, and we've been Tory ever since. And quite proud to do so, Mr. Chair, because people deserve to have all voices heard, and people need to challenge the government. Because a government that doesn't listen to the people is a government that ends up delivering budgets like we see here in the House of Assembly again in 2016, which is bad for the people.

I truly hope that the people of Newfoundland and Labrador make their voices clearly heard in the next election and express their full displeasure with the fact that everything they voted for and everything they believed in was thrown out the window once power was granted to the Executive Council opposite, I will say, because I think many of the people in the back bench are like many Newfoundlanders and Labradorians, in complete shock at what we see in 2016, Mr. Chair.

It's very disheartening. In fact, I almost come to tears with some of the emails that we read, and I know, and I'm sure many of you know – especially those of you who live in rural districts – that people in our province, many people, really do struggle. I've been in homes and I've left and I've wondered how these people were going to feed themselves, how these people were going to get to their medical appointments that they needed to get to. And that was in the good times.

So how they're going to fare once all of the implications of this budget are brought down, I'm genuinely very worried and very concerned, Mr. Chair. I truly hope, like my colleague for Mount Pearl South just said when he got and

spoke, that there will be some sober second thought to some of the measures in this budget. I know that I've talked about these issues previously when I got up to speak on the budget, and I probably will speak of them over and over and over again over the course of the next month or so as we continue to debate the bills that are on the floor of this House of Assembly for us as a part of the course of this budget.

The Liberals campaigned on the theme of people matter. If you truly believe that people matter, then please listen to the people, and take some sober second thought with respect to some of these measures. As my colleagues on this side of the House have stated when they get up, it's not the one particular tax increase; it's the cumulative impact of tax after tax after tax after tax, after cut after cut after cut after cut. It's too much too fast for people to absorb I say, Mr. Chair, in a way that is not going – how it's not going to cause a lot of pain and suffering for many of our people is beyond me.

Again, I'm going to call attention to things like the study on the tunnel. Some of the key messaging they use when they get up, they'll say: It's all your fault, all right. That key message is not working out for them so well because they were the ones who promised the people, oh, we can fix all your problems with no tax increase. We're not going to increase the HST and we're not going to have any layoffs. It's strange you know, lately, since they've taken government, all the Members of Cabinet, you only hear them speak of attrition. That's all they say, we're all about attrition, yes. When we were talking about attrition it was a terrible thing.

My fear is they're going to go much further than attrition. As we've already seen, they are going much farther than attrition. People are receiving layoff notices. In my district alone, we have lost three librarians; three women with young children, decent jobs in rural Newfoundland and Labrador. Their jobs are gone. We're seeing two nurses gone as a result of the cutbacks in health care. That's five jobs in my district alone that we know of already, and there are more to come.

People who supply goods and services in the private sector, they're not going to be able – the small private business in rural Newfoundland and Labrador probably only operates on a profit

margin of 5 or 10 per cent in some cases. They're just managing to keep the lights on, pay the bills and make a living. They're eking out a living. They're not rich. They're not prosperous. They're not making millions and millions and millions of dollars like some of the more affluent people that live probably in urban areas.

In rural Newfoundland it's a struggle to survive, but they do it because they love their communities. They know their communities need a grocery store. They know their communities need a gas station, but they're gravely concerned about being able to keep those businesses going.

Inevitably, in order to pay the increased cost of insurance that they're now going to have, the increased cost on tax, the increased costs on goods and services, the increased income tax, the increased corporate tax, they're going to lose jobs in the private sector as well, Mr. Chair. It's going to be totally, totally devastating.

I'm praying for a miracle sometime between now and the passing of the rest of the bills we have here in the House before the House closes. In the absence of that, the only thing left to do is pray for an increase in oil to hope that some of these impacts can be reversed for the people of our province in short order. I know come the next election – because one of the things that's very clear to me, and to all of us in Newfoundland and Labrador so far, is that this government, the Executive Council of this government, is not listening to what the people are saying.

The people of the Province of Newfoundland and Labrador, the onus is on you now. The onus is on you to make sure you send a strong and clear message, not just to the politicians who run in 2019 but to every future politician whoever wants to represent a Newfoundlander and Labradorian, that you will not tolerate being fed a bunch of baloney – because we have to be careful about the words we use.

People expect honesty. They expect integrity. If you promise something to the people, then they expect you to deliver, Mr. Chair. That is something that now the torch has to be shared by both Opposition and members of the public as a whole as we clearly send a message, like I say,

to all future politicians, that if you want our vote and if you want to govern us then be honest and deliver on the commitments you have made.

This budget, we've never seen anything like it ever in terms of such a complete contrast from what was promised versus what was delivered. We never saw such an extremity in what people were led to believe versus what we actually got. I hope it never, ever, ever happens again in Newfoundland and Labrador. I truly think the people will be upset enough as a result of this budget that they won't allow it to ever happen again.

It is unequivocally, I do believe, the biggest let down ever. It shocks me when I have people who have been Liberal their whole lives and have respected me and the work I do, but have said my dad was Liberal and my dad's dad was Liberal and I've always been a Liberal. You're a great lady, but I can't support you; that are saying: Tracey, can I work on your campaign the next time? That's astounding. I've never experienced that before. It's actually quite incredible.

I haven't really talked about anything I have here in my notes, Mr. Chair. So I look forward to a few more opportunities to get up and speak. In particular, as a rural Member, the attack on rural Newfoundland and Labrador is absolutely devastating.

I will say the Liberal government of the '90s, at least they tried to do something for rural Newfoundland and Labrador. We're all scratching our heads in rural Newfoundland, saying: What are they trying to do, get us all moved to the Avalon Peninsula? Well, there's no room. You can't accommodate all of us on the Avalon Peninsula.

I actually did an interview not too long ago with a local reporter. I said, look, if this government thinks they're going to force all of us out of rural Newfoundland, I, for one, will be moving to a rural community in another province because I'm not an urbanite. I don't ever want to be an urbanite.

I like rural living. I like the calm and peacefulness that rural Newfoundland has to offer. I like the fact that you can go to bed at

night and not have to lock your door. I like the fact that you can walk to your neighbours and walk in and have a cup of tea. It's a different way of life. It's one that I think we need to maintain. Where would tourism be if we didn't have rural Newfoundland and Labrador? That's what our ads are all about.

I see my time is running out, Mr. Chair. I look forward to getting back to speak more on the concerns of the people of Newfoundland and Labrador and how we must do whatever we can to change this budget.

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

**CHAIR:** Order, please!

The hon. the Member for St. John's Centre.

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

I'm very happy to stand and to speak for the first time to Bill 13, An Act to Amend the Income Tax Act. Over the weeks we have talked quite a bit about the budget, and not only the budget, the economic situation here in our glorious Newfoundland and Labrador. So many words have been said and so many different opinions have been brought back and forth across the aisle here.

Mr. Chair, I started a process last week where I was going through a presentation by Toby Sanger, who is an economist, who prepared an analysis comparing Alberta to Newfoundland and Labrador. It's a very interesting comparison. What he does is he shows us what is similar. He's also very, very much aware that although both are going through a very, very difficult fiscal time, a time where their economies are hit really hard by the drop in oil prices, and both provinces rely quite heavily on the income from oil and natural gas, but the key thing is we cannot control what happens to the price of oil. We cannot control what is happening to the price of commodities worldwide globally, but what we do have control over is how we deal with it and what our response is.

I loved some of the comparisons he made. Again, Toby is a well-respected economist. He talks about how Newfoundland and Labrador

and Alberta both have glorious mountain ranges. We both have wonderful people in our arts and in our cultural industry.

One of the things I've mentioned before, I'll mention again, that I found very interesting is that both provinces have almost the same number of moose. Alberta has 118,000 moose and Newfoundland and Labrador have 115,000 moose. I found that very interesting and very, very surprising.

What he did was he looked again at what was the different approach to the economic crisis that Alberta undertook and what was the approach to the economic crisis that Newfoundland and Labrador took. The interesting thing is that Alberta has a new government. They have a new NDP government, led by Premier Rachel Notley. Newfoundland and Labrador has a new government. It's a Liberal government led by our Premier.

What he did then was to look at what were the approaches, how did they handle this particular crisis that's both our provinces are facing. One of the things is that we know the role of government in an economic crisis is to have a steady hand, to help the people of each province, to help the people in our province, to help business in our province to weather the storm so that, in fact, we can become stronger. It's to help stabilize the economy.

It's very interesting to see the two approaches that each province has taken. We know that we're not exactly comparing apples to apples. Alberta did not have the same level of debt that Newfoundland and Labrador has. Our deficits are quite different as well. The population, of course, of Newfoundland and Labrador compared to the population of Alberta is quite different.

Although the similarities are that in both Alberta and in Newfoundland and Labrador there are many hard-working Newfoundlanders and Labradorians who want to work. In Newfoundland and Labrador, we have a lot of Newfoundlanders and Labradorians who are unemployed. In Alberta, we have a lot of Newfoundlanders and Labradorians who are unemployed. In both provinces, we have Newfoundlanders and Labradorians who want to

work, who are willing to roll up their sleeves, who are resilient people, who are hard-working people.

I did go in detail some of the different approaches. The other interesting thing is both Alberta and Newfoundland and Labrador brought their budgets down on the very same day, April 14. I find that quite interesting.

After looking at the similarities, Toby Sanger said, but let's look at where the differences are. A bit of a thumbnail sketch is in the area of public spending. Alberta has instituted a 2 per cent increase in overall operating spending. They have instituted stable funding for education and health. They've also instituted increase in infrastructure funding by 23 per cent this year, and by another 13 per cent next year.

Now, what has Newfoundland and Labrador done? What has this government done in its response to the fiscal crisis that we find ourselves in? Newfoundland and Labrador, this government, has made \$260 million in cuts in this budget. Except for the cuts, they've put another \$1.3 billion into Nalcor. We've been talking a lot in the past few days, actually in the past week, about Nalcor, Mr. Chair. Particularly because when we are looking at what is happening, we can't get any straight answers, there are all kinds of evasiveness, there are all kinds of confusion about either the dismissal or the resignation of the CEO of Nalcor, and also about the board being very unhappy with government as well and resigning en masse.

Anyway, \$1.3 billion has been put into Nalcor again, and \$100 million cut to planned capital and repair projects. So what we see is that Alberta, in fact, they called their budget a jobs plan, and what they're doing is that they're investing. We know that what has happened here is that they're investing in their people, they're investing in infrastructure projects, they're investing in health and education, so they're investing in they're people. They are helping the people of Alberta weather the storm.

That's not what our government has done. When I first read the budget, I was heartbroken. I thought, oh my God, what is this government doing to help us weather the storm? What are they doing to strengthen the people? What are

they doing to ensure that people have jobs? What they're doing is cutting jobs. And we know what the result of cutting jobs is: further unemployment. We already have the highest unemployment rate in the country.

So, our government, rather than developing a budget that will put people to work, that will strengthen people, that will strengthen our public services, that will strengthen our communities, they are impoverishing our people. They are creating further unemployment. They are closing schools. They are closing libraries. They are putting an incredible burden of taxes and fees on people who are already just barely making ends meet, just barely able to pay their mortgage payments, their car payments, their heating payments, their student loans, their child care and putting food on the table for their children.

So our government, in fact, the Liberal government of Newfoundland and Labrador has decided to put the squeeze on the people rather than strengthening people so that we can weather this storm. That's unfortunate and the government says that they a Government Renewal Initiative. So their Government Renewal Initiative has different measures that they're employing. I think that is really grim. Their approach to the budget, their approach to the people, is a grim approach. Their Government Renewal Initiative measures are grim. They are not strengthening the people.

A few days ago, I looked at the comparisons between what Alberta and Newfoundland and Labrador are doing in the areas of health, in the areas of education, in the areas of infrastructure and now I'm going to go through a few of the other areas that we haven't had a chance to look at in this particular presentation. One of them, one area that we haven't yet had a chance to look at is the environment and climate change.

Alberta includes climate leadership, a plan to end coal and to cap oil sands. That's one of their main measures in the environment and climate change area. They are doing proactive measures. They are being very proactive. They're being very progressive in that area. And it's a hard thing to do. For a province that relies on oil, it's a very interesting, brave step to take.

They're introducing a carbon levy with progressive refunds. We don't have a carbon levy at all. As a matter of fact, what we have is a levy that we placed on people and then increasing gas taxes, whereas Alberta is doing a much more creative approach.

**CHAIR:** Order, please!

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

Thank you.

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

I'll stand again and finish this presentation.

Thank you.

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

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

Good evening, it's good to have another chance to speak to issues related to the budget. It might be a little bit confusing for the public because there was lots of drama and commotion this week about the vote on the budget, but that was the vote on the formal budget bill, the formal budget motion, I should say, and the Supply bill that then enables things to move forward.

But there are other pieces of legislation that need to be brought in to enact various elements of the budget. One that is coming that I think the public will be particularly interested in is the bill on the levy. Various bills have already been voted on, the debate has occurred, but there is still important debate that needs to happen in this House. So that's why we're here this evening – a little longer than normal as the sitting day goes – to continue debate on the issues related to the budget that affects people.

I think Members so far this afternoon have done a good job of highlighting issues that are important to them and the people that they're hearing from in their communities and in their districts. That's a role we take quite seriously. That's why we will continue to debate the issues when we get the opportunities to do so. We look



forward to more opportunities in the coming days to do more of that.

In the few minutes I have this evening, and hopefully I'll have an opportunity to speak again a little later on. I'd like to talk about issues that perhaps some Members are tired of hearing me talk about, issues related to the education system and how it affects schools and families in my district.

I was pleased to have an opportunity to speak in debate yesterday in this House where we talked about full-day kindergarten and our belief that it should be delayed. Not that we should cancel it. We all believe – well, I can't speak for everybody, but certainly the vast majority of people in this House believe the concept of full-day kindergarten is a good one. I know recently people have pointed out research that suggests otherwise, but the overwhelming amount of research I've seen supports quality, play-based, full-day kindergarten. That's not what we were debating. We were debating the timing and the impact that plowing ahead with it at this point has on the rest of the K to 12 system.

In the few minutes I have right now, I'd like to talk about some of the concerns I'm hearing about. Not all of them are specific to my district. There are no schools closing in my district but there are some schools closing around the province. The impact of teacher reductions and layoffs is still yet to be determined to some extent. I'm getting bits of information from various schools about what the allocations look like and what impact it will have on classes and schools in my community.

There has been some infrastructure projects delayed and some cancelled. One issue I was really surprised to have to contend with in my own district in Mount Pearl is combined grade and multigrade classrooms. I just don't believe with the school population we have in this region that it's the right play. I think it could potentially impact the quality of education in a negative way.

So because of allocations, because of numbers, because of budget cuts, Mary Queen of the World on Topsail Road in Mount Pearl, a school that's been around for many, many years, for the first time in decades – I can't speak with

certainty that there's never been combined classes because maybe many, many years ago when the community was first being established there may have been combined grade classes at Mary Queen of the World at that time, but in recent history there certainly hasn't been. In September, there will be a multigrade classroom at Mary Queen of the World. It's just not necessary. I really believe that there is a better way forward.

The other challenge at Mary Queen of the World related to Intensive Core French. Since this debate has come up and since there's been growing concern in the public about Intensive Core French, I've become aware of some schools where there have been draws in the past to determine who participates. I can honestly tell you, Mr. Chair, I had no awareness of that before now. I didn't know these draws had taken place in the past.

Now they're taking place all over the place. So while it may have taken place in certain schools in the past, due to capacity and whatever the case may be, now that Intensive Core French is being attacked and being reduced significantly, these draws are happening in – I won't say every school that has Intensive Core French, but many, many schools that have Intensive Core French.

I really find it frustrating when I hear those involved with the government suggest that this program is somehow an optional luxury for people living in town – is the way I've heard it described by some. I find that particularly troublesome and offensive. Access to education is important no matter where you live. Granted, Intensive Core French is not a program that exists in every school and that's due to population realities.

Members opposite have pointed out that there are multigrade classrooms in Newfoundland and Labrador and have been for many years. Yes, because in some communities there aren't sufficient numbers to do anything but. I don't have a problem with that. To suggest that because you can't have Intensive Core French in those situations it shouldn't be available for others, that's not a logical or sensible argument in this day and age. I think it unfairly pits rural communities against urban communities. I'd like

to think we've moved past that here in Newfoundland and Labrador today.

At Mary Queen of the World we're going to have the multigrade classroom situation. We also had a draw take place for the first time perhaps ever – but certainly for the first time that I know of – where several students were voted off the island. Several students were told, no, you can't participate in the program. That's no longer available to you.

It just doesn't seem fair. There has to be a better way. That happening at Mary Queen of the World this year, the multigrade classroom happening at Mary Queen of the World this fall, those things are a direct result of this budget. So that's why we need to keep this discussion going, because there's still time to fix those things.

I know that it takes time to get ready for a new school year. There are budgeting issues and teacher allocations issues, human resource issues, there's all of that which the school boards have to contend with, no doubt, but there's still time. This is June 2, so if government moves quickly, I think there are some of these issues that can still be addressed.

The other thing that really bothers me about the situation with Mary Queen of the World is that in September the school is going to have six empty classrooms. Meanwhile, we have a school like St. Peter's Primary that's already at overcapacity. It's been overcapacity for many years. Now, in September, we're going to have another school across the community – and Mount Pearl geographically is not a massive place. We're going to have another school across the community with six empty classrooms.

The Minister of Education, who says he doesn't get hands on, actually directly contacted the chair of the school council at St. Peter's Primary, who I've been working with for several months, and said: Hey, your MHA is suggesting that you'd be okay with students being just bused and moved over to Mary Queen of the World next year. I never suggested that, Mr. Chair – I never suggested that.

What I'm suggesting, though, is there is a long-term solution that could be implemented as early as this fall. Some classes do need to potentially move to Mary Queen of the World, but I'm not suggesting we just randomly uproot some classes and move them over temporarily. The long-term solution, the better solution is to create a French immersion stream and adjust the zoning so that the population challenges within the Mount Pearl system are addressed.

I understand why the school board doesn't want to touch the zoning, but that may be the best solution. In the meantime, if you established a French immersion stream, which there is sufficient demand for in Mount Pearl at Mary Queen of the World, well that would take care of your six empty classrooms and it would take pressure off St. Peter's Primary.

Those are the kinds of practical suggestions that we want to try and bring forward to try and influence change in a positive way. We may not be able to stop all of these cuts and changes as a result of this budget, but there are things we can do to make the best of what is unfortunately a bad situation.

I see my time is running out. There are some other things related to the schools that I'd like to talk about. Hopefully as debate related to the budget continues in the days ahead, and maybe even later this evening, I'll have an opportunity to do so.

Thank you, Mr. Chair.

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

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

Indeed, it's an honour to get to speak again to the budget and outline some of the concerns that have been echoed to me by my constituents and people all over this province. I've had the opportunity, like my colleagues on this side of the House, to speak a multitude of times, and particularly outline some of the major concerns. We've talked about education. We've talked about literacy. We've talked about health care. We've talked about all the impacts they're going to have on people from an economic point.

I'm going to concentrate for the next 10 minutes or so – and I'll have a number of other opportunities to speak to some other issues around the budget, particularly how it relates to my own district and the impacts it's going to have and some of the responses from some of my own citizens and how it's going adversely affect their quality of life and their sustainability, and that becomes a challenge.

One of the first things that I'll note here is a letter from the mayor of the Town of Wabana where he talks about the impact that this budget is going to have on the citizens of Bell Island, particularly. In the letter he notes a particular thing here about where we are and, particularly, about what was promised as part of this whole new administration's philosophy around a stronger tomorrow and moving our province forward. He talks about two of the Liberal's five-point plan was to focus on building a stronger, smarter economy, and the supporting safe and sustainable communities.

Well, Bell Island being on the Northeast Avalon, it's probably lumped in with full economic growth, sustainability, because it's all part and parcel of all the investments that are happening on the Northeast Avalon and all the companies that are coming here, and the job market being very fluent and very accessible.

Well, there are some challenges when you come from Bell Island. Because you've had a population where it went from a boom to bust and people are only now being able to get to an opportunity to get proper education, to be able to compete, to be able to provide services and get jobs in the service sector. We've tried to put in play a better ferry service, an affordable ferry service; we had the Advanced Education and Skills office who had worked with former clients to ensure they had not only the skill set, but the supports. In some cases, supports was around day care, some cases it was around start-up and some cases, it was around training. In a lot of cases, it was around basic education, their adult basic education programs and services.

So we had all these amenities that we were now putting in place, it's been decades where we've been trying to put this into play so that we could not be a burden in any way, shape or form on the rest of the taxpayers of the province, but would

be able to contribute back. We've moved forward immensely over the last decade or so. We've gone anywhere from 1,700 ad 1,800 cases of Income Support relying clients of some way, shape or form having to rely on the state to support it. Only because the economy, their circumstance dictated that.

We've gone from that down to less than 900. We've cut it by half. Those people are the same individuals now who travel on a daily basis to come to St. John's and help provide services for people. They work in the health care. They work in the education system. They work in the service sector. They work in the construction sector. They've done their part, and they want to continue to do that.

What they're noting here, and the mayor has noted here, in a number of things, of the impact it is going to have on its citizens around increases to ferry rates, cutting of schedules down the road. The impact that the gas tax is going to have now on people, the fact that they are not services readily available on the island for them to access – these are all things. Insurance costs – all things that are going to have a direct impact.

Some of the other things even outside of the direct, financial economy for people travelling to sustain that, are their own loved ones who are in long-term care who now don't have access to certain drugs, who are already on fixed incomes because they're third or fourth generation where there wasn't a sustainable year-round job for them. This is going to have an impact on them, because now they've got to find a way to offset, with all these other additional costs, another health care cost, that they have to help make sure whoever it is that's in the long-term care over there gets the proper medications they need, the proper drugs. And it has an effect on everybody.

When people look at the impact it's having – and we're hearing by the protests out there by the general public, the impacts it's having. If you go to any island in this province, particularly ones that are populous and people are having access to employment, you add all these additional costs, you're taking anywhere from 20 to 30 per cent additional money out of their pockets. Unless you've got some exorbitant

high-paying job, 10 chances to one you don't live in one of those communities, because you're going to have to be very close to whatever job that is. These other jobs that you're travelling, you're making middle- to low-income wages and now you've got to absorb an exorbitant amount of money all in one time, it's not sustainable, it's going to create hardship for people and it's going to force people back on a reliance on the state that they worked for years to get away from and took pride in being able to get a hand up and not a hand out. Now all of a sudden, we're going to put them back to where they were a decade ago or beyond.

It's frightening that there isn't a vision here when you're talking about, particularly two of the five points here, very sustainable – making communities that now exist sustainable, by either finding a better way to merge the services we have; or particularly, engaging the citizens so that we find a better way that those communities themselves become self-sufficient to the fact that they're contributing more because they've drawn businesses to be there; or people themselves have taken control over their own destiny and have started to move things forward.

What we're doing is being again – I've talked about regression in our education system; we're becoming regressive in our economics, particularly in sustainability for communities' own survival.

Now, if our intent, the intent of this House, particularly the government side, is to resettle all these communities that have a population of less than 3,000 people, well then, say that to the people. Tell them here's our standard, here's our process for the next 10 years, and here's how we're going to do it by cutting services, by forcing you out from an economic point of view. For making sure that it's not accessible, the services that you're going to have; by not putting anything in place that would encourage businesses to invest, or for citizens to take the few dollars they may have saved to put back into a quality of life for themselves; or making the basis of life – health care and education – not accessible because it is not in a proper geographic area for you.

If that's the intent, be honest with people and tell them we have a plan, that we can only sustain

195 communities in this province. Be upfront with people. At least the communities can determine how they sustain that and families can start looking over the next generation as to what they want to do.

I would hope and think – I guarantee you that's not the plan of the majority of the people in this province. As a result, the plan is here to support everybody. Are there economic ways that we can tighten up what we do, make it more efficient? Sure there are. The problem here is we went out to ask people to do that – or the government did. And I was one of the people who sat in on some of these sessions, would give my two cents' worth. I thought that information would be taken and actually looked at.

Because just in the session that I was at, I saw very intelligent people from all backgrounds, people who work in the private sector, people who work in the government sector, people who are single parents were there looking at, educators were there, medical professionals were there, people from post-secondary, every sector that you would want were represented – people from different cultural backgrounds.

So you had a good cross section for people to be able to come in and say here's what we suggest, here are the things we think you need to tighten up on because you need to be fiscally prudent and you can make those plans without being detrimental. Here are the things we think, from a long-term perspective, would be beneficial to people. Here are the types of services that you can collaborate on to still provide a proper service without it being an additional cost but actually a savings. Here are the things we suggest of how you can drive the economy, how you can enhance it. If there are only X number of dollars you have now and you need more, well then you have to enhance the economy. You have to encourage other business to come here. Be more creative; be more diverse.

Those were the conversations that were happening. I even questioned the 15- to 18-month delay process but I said if the government is sincere about this, they want to get it right, you need a bit of time to do that and you need to engage the right people. So having all of these open forums, having people sit down with structured questions to have an outline so they

can get their head around exactly what they should be suggesting would be the best way forward, I thought would be a great process.

But obviously, we saw none of that was taken into account when we looked at the budget process, and it couldn't be. It couldn't be if you were cutting libraries, you were cutting AES offices, you were cutting clinics from a health care point of view; if you're increasing major taxes on insurance and on gasoline, and you're trying to drive the economy around tourism, or if you're trying to encourage other industries to set up in rural communities so that they can sustain the employment rates in those areas; if you're trying to look at other things in the fishing industry and industries like that, that have been normally sustainable in rural communities, or if you're looking at a better way of providing services in suburban areas; if you're going to have cluster service areas, but none of that seemed to be focused on what this budget was all about because there doesn't seem to even be a plan on that. It seems to be just a cut, and some of the cuts are actually so detrimental to people it's going to mean a negative around their health, their mental health, their physical health. It's obviously going to be a negative around their employability and their sustainability for employment.

When we get to get a point where we're aggressive, because people now are either having to quit their jobs or because they're actually not going to be able to make enough money to be able to get to their jobs, then we have a real problem here, and that really makes our economics extremely regressive.

We've done it in a number of other factors here. It's unfortunate that we're still thinking that way. I will get an opportunity to speak to some of the other things that have a detrimental effect on my district.

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 really glad to be able to stand again and raise more issues that arise from *Budget 2016*.

It's interesting, government started off with a budget with all the initiatives, and with all the protests that happened in the province with the initiatives, there have been slight changes in their language, slight changes in their approach. One of the things I've noticed is the introduction of the word temporary.

It first came in around the levy. All of a sudden it became not the levy debt reduction but the temporary levy debt reduction. That's fine, if it's temporary. I just don't think it should exist at all. When government says temporary, I'd like to know what exactly that means.

Then today I heard the Minister of Finance talk about the temporary gas tax. Well, I didn't hear that in the very beginning being called a temporary thing either, but it's easy to make something like that temporary. You can do it. You can put a levy on and take it off. You can put a gas tax up, lower it, put a new one on, take it off. You can even do it with over-the-counter drugs. You can say, today they aren't being covered, tomorrow they are being covered. A whole system hasn't been torn down. So a lot of the things that are there can be termed temporary. A lot of them I don't think should be there, but they can be termed temporary.

The one that's really getting to the heart of people and is really upsetting people, there are many, but the issue that for a lot of people was the straw that broke the camel's back, was the closing of the 54 libraries. I had an email, a Facebook message actually yesterday, from somebody who right now is on Fogo Island. She's an educator and a researcher – post-secondary educator and researcher. She's on Fogo Island and there's no library. She talked about the fact that it is heartbreaking and the people on the Island feel that the heart of their community has been taken from them.

This is what really disturbs me. I'm really being affected by it because that is what's happening. You can't turn that one around overnight. You close down a library in the community for two or three years, you can't turn that over overnight. You've lost the expertise of the staff who worked in the library. The library itself has

probably been dismantled or not dismantled because it's in a school still having to be reinstated as a community library. Especially in the places where they're not in schools, it's even worse.

The heart of the community has been torn out. Government will be hard pressed to talk about that one as a temporary initiative because it's something that is part of the structure of the community that's been removed.

I actually have quite a number of emails that came in from people about the libraries and the way in which it has really torn at their hearts and the way in which they are really affected. Some of them are very moving in the language they use.

There's one I have here and she says: This is absolutely heartbreaking – and that word is coming up over and over again. How many services can we possibly cut with there still being a positive future for Newfoundland? So many people depend on libraries for basic things like using the Internet to find a job, using cookbooks to learn how to cook, using resources for school projects and getting help with family history. Closing libraries is basically saying that the government does not care about the people of Newfoundland and Labrador and those who depend on the services that these treasured libraries provide.

Closing these libraries is also a signal to young Newfoundlanders everywhere saying don't bother trying to pursue your education goals, we don't value them here. As a young 24-year-old library technician – and this is very interesting, a female as well – who was seriously considering pursuing a masters in library science and wanting to work in her home province, this budget has me seriously thinking, why bother. The government is shutting down libraries in a province with such high illiteracy rates it is absolutely deplorable and depressing.

So we have two or three issues here, Mr. Chair. We have the library itself being shut down. We have the shutting down of the library affecting the education of children. We have the shutting down of a library affecting the future of a young woman who hoped to do her masters in library science and work here in Newfoundland and

Labrador. That's the spinoff effect of the closing of the libraries.

I have another letter here which has affected me. When I say affected me, I went to bed last night literally thinking about what must it feel like to be on Fogo Island and not be able to go to a library. I can't picture it. They're on an island and they can't go to a library with all of the services that are part of a community library.

The person who Facebooked me yesterday – they messaged me on Facebook – said it's like the heart of the community is gone. She too used the term heartbreaking. She too used the term that this is just tearing at me and tearing at the people in the community.

I have another letter here from a woman who worked in the Vancouver public library system for a few years. She refers to a blog that one of our librarians from this province has put up that is filled with stories of people here in the province. She says, as someone who worked in the Vancouver public library system for years, I recognize all of the stories here. I know those elderly people who come to the library for conversation and a warm place to stay. I know the new immigrants and refugees struggling to learn more about their new language and their new homes.

I know those children whose parents have never managed to get them to a library before. I know the people looking for information about spousal violence, addictions, divorce. I know the youth looking for information about sexuality, relationships, identities. I know the families sharing story times, learning about computers, taking workshops. I have met and spoken with all of them before in another library system on the other side of country, but these stories are what make libraries matter. They are at the heart of what libraries do every, single day.

She goes on and talks about – I won't read her whole email – an experience which puts another face on the role of library: Although my family has lived in St. John's since our arrival in the province in 2008, we have visited libraries in different communities while holidaying over the summers. I still recall happy hours at the Cow Head Library – bye-bye – where we took cover

after heavy rains interrupted our camping trip at Shallow Bay.

We weren't the only camping family there. Others, too, had taken advantage of a refuge filled with books. We read, we played with the small children's games, we caught up on our email, we chatted with the librarian and we watched local community members, too, pop in and out of the library over the hours we spent there.

So tourists from our own province able to spend rainy days when in Gros Morne Park in the library in Cow Head won't be able to do that again. The breadth of the role of the library is fantastic, even on rainy days in the city. I remember as a child when we couldn't go play tennis in Bowring Park or go down to Bannerman Park, going to the library. This has been taken away from these communities.

Here we have another dimension to it, an effect on tourism. What happens if tourists are going around our province and can't even find a library to go into when they are touring and need to get another dimension to their holidays or need a refuge because it has started raining? The effect of the closure of the libraries is so vast that I'd have to believe the minister did not sit down and really do a full analysis of this decision, which is one of the worst decisions of this budget.

Thank you very much, Mr. Chair.

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

I remind the speaker her time has expired.

**MS. MICHAEL:** Yes, thank you.

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

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

**MR. K. PARSONS:** (Inaudible) don't worry, Mr. Chair, you'll be okay. Who was the cheer for? I wonder was it for me or was it for you? I think the cheer – you're in the Chair. I'll let you have that one, okay? They cheer for me all the time anyway, so I'll let you have that one. It's nice to see you in the Chair, Sir.

It's an opportunity again this evening to get up and speak to Bill 13 and to continue what I was saying a little earlier. As I talked about the budget so many different times before, I always say it's about choices. I do and most Newfoundlanders and Labradorians do recognize that we are in difficult times, but the choices that we're making are not the choices that the majority of the people want.

I went to some of the consultations that were held here around St. John's; I went to the one out in Roncalli one night and it was very interesting. I sat with some people around the table and there was lot of interesting – yes, you were there; a couple of Members from the St. John's area were there. We were all sat down. It was good and had a great conversation.

I know the Minister of Transportation and Works there now – a good suggestion at our table was and just listening to the people, the lady was wondering why are the lights on all the time in government buildings in the nighttime. And if you drive by a government building – it was a really good comment that she made. We drive by the Confederation Building, a lot of times you drive by late at night and there are a lot of lights left on. Obviously, the people of Newfoundland and Labrador are paying the light bill.

That was a simple suggestion, just like people do at all of these consultations, and they had suggestions. I thought that was a reasonable suggestion. Sometime when the Minister of Transportation and Works gets up, maybe he can explain to us why the lights are left on, or maybe there is a reason for it or maybe there is not. I bet if the lights were turned off, we'd be able to save a few dollars over a number of years. Maybe it would save enough money to save the libraries. It was an interesting suggestion.

You went out, the government, and you had 500,000 advisors that gave you advice on this budget. I'd like to go back to the 500,000 advisors right now and ask them what they think of their suggestions. I tell you, I don't think you would get very many people that would agree with what is on the go in this budget.

Again, people are concerned, people engaged, and there were so many people who came out

and so many people had different suggestions. We see petitions here in the House of Assembly; I've been around for eight years and I can tell you right now, I've never seen so many petitions with so many names on them. Every day people get up with petitions in the House of Assembly – when we were on that side and the Opposition were over here, there would be three or four names. You'd get a scattered one with 50 names, maybe 30 names.

Even the hon. Chair tonight, he presented one with 1,050 names on it. I had one from outside my district at Mary Queen of Peace where they say listen here, it's the wrong time to do full-day kindergarten. Don't do the cuts to the education system. Don't cut the education system. Listen to us. There are 700 children in the school and 500 parents put their names on a petition asking you to look at full-day kindergarten and you're not even flinching. Not even, nah, that doesn't mean anything to me.

The hon. Member for today got up and spoke. He had a petition from Ferryland. He had a petition with over 500 names on it. He presented his petition. Basically his petition was the same thing; the cuts that you're doing to education are too much. People say reconsider; look what you're doing to education. If you need to save that much money, maybe there's a better way to save it. Do not do these cuts. Do not do these cuts because – just leave full-day kindergarten to another time. Do full-day kindergarten in two years' time when hopefully we're in a better financial position. Don't cut the buses; don't increase class sizes.

I had a great visit this morning. I went down to Holy Trinity Elementary. This is part of this job that people at home won't realize. It's important, but it's probably the most enjoyable thing that you do as an MHA. I'm sure most of you do it as an MHA is walk in a grade four class. Everyone in the grade four class are doing a course. They all sent me – they did a card up where they did a painting on the back and had suggestions to their MHA.

There are a lot of them want zip lines down in Torbay and some of them want swimming pools. One little guy, he's planning on getting an electric car, so he wants to make sure there's a

plug-in in Torbay so he can get one and all the great suggestions.

Today I went down and they asked me – I just stood up in front of class. What I did, every single one of the cards that I got, I replied to them, individually wrote down what they had to say and gave the answer to them about swimming pools and they wanted sidewalks. We talked about the new school. They asked me questions, how you enjoy your job. They wanted to know when the new school was going to open.

It's so nice to be able to go and talk to our children and be part of that because that's who we are. We represent them as MHAs. Not only do we represent adults, but we represent the children in our area.

I always say there will never be a better place to grow and never a better place to bring up a child than right here in Newfoundland and Labrador. We're so fortunate, but we have to be smarter. Look what we're doing to our young people. We're going to force young families to move away. It's even in your documents – it's in the document. You're expecting a decline in population. You're expecting people to move away.

I heard one Member get up the other day and he said, b'y, I had to move away. I had to do it so what's wrong with it. Do you know what? It's unfortunate that you had to move away – very unfortunate, but do you know what? I don't want to see anybody move away. I'd like to see everybody here because there's no other better place than Newfoundland and Labrador to raise a family. There's no better place than Newfoundland and Labrador to get an education. We're fortunate. We're very fortunate, but your budget is really hurting the young, the old, the middle class.

There are choices you could have made in this budget that should be completely different. There's a \$30 million contingency in case we have, God forbid, something like happened up in Fort McMurray. It was never in the budget before. 2001 was the last time that was put in the budget. So why are we doing it today when we're in economic times that are so hard?



We're going to put \$30 million aside and we're going to close 54 libraries for a million dollars. We're going to tax books. We're going to increase the cap size in our education system. Where are our priorities?

I walked in a classroom this morning and what a nice feeling to see our young children getting educated in a beautiful school with the best you could have in technologies. We've come so far when it comes to education in this province that we should be proud of it. We should be very proud of all our teachers. They take their job so seriously. They do a great job teaching our children. Yet, we're cutting classes. We're cutting teachers. We're combining classes. We're changing bus schedules – and the Member from Labrador told me their children go to school in the dark every day.

I feel bad. It is unfortunate they have to do it, but why do that to everybody? If that's what happens there, because it's happening in one place, why – the minister is saying combined classes are happening all over the province. Why do it if we don't have to do it? Why are we doing it? Why are we making these changes? Why are we going back to where we were 10, 15 years ago? We've made great progress.

Our children are getting educated well. Our children going to post-secondary are getting the best education in Canada for the best price. That's something to be proud of. To be proud that we can offer – here in Newfoundland and Labrador we can offer university education better, cheaper and good education, more so than anywhere else in Canada. Isn't that something to be very, very proud of? That's what we have to be focused on. Why are we doing what we're doing?

The last time I was up I spoke about seniors and the effect this budget is having on seniors, but let's talk about education this time. I spoke about education. Can you please look at what you're doing to the education system? Delay full-day kindergarten. Eliminate the cuts that we're doing to children. Look, give our children the best possible opportunities they can get to survive in society. They can be educated and they can be great people to this province. They can add to this province. They can be pillars of our communities. Don't let them move away,

keep them here. By the cuts that you're doing in this budget, you're going to make them move away.

**CHAIR:** I remind the speaker his time has expired.

The hon. the Member for Conception Bay South.

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

It's nice to see a different face. Anyway, it's good to get up again as we discuss the budget.

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

**MR. PETTEN:** Thanks for the applause, yes.

Mr. Chair, like I said, it's great to get up and talk on the budget again. I just wanted to go back. I meant the last time I got up, actually – there were a couple of times I got up. I know the Member for Lab West took great exception and I know he – I've spoken on this numerous times and I felt it important to just touch on it again tonight.

There's been some discussion about it but we'll get into that feasibility study of the Labrador link. The only reason I go back to it is I don't feel that my point on it – now I'll speak on me personally, I don't believe our caucus as a whole but me personally. I don't have any objection to a fixed link to Labrador. I've always said it intrigued me. I think it's an interesting option.

When I've commented on it – and every time I stood up and commented on it, all I've ever said is this is not the time based on when you take the budget in its entirety. I know that the Member for Lab West has taken great exception to it. I understand why he would. So he should in his role as MHA for Labrador and other Members, Cartwright – L'Anse au Clair as well. I respect that and I would expect no other, but I just wanted to – I'm not going to go into great detail on it because I know it's kind of always been a sore point. I don't think anyone on this side of the House ever opposed a fixed link.

Again, we talk about the budget. We talk about gas taxes today going up by almost 18, 19 cents a litre and colleagues – and we've all talked about the effects of the budget and what we hear

every day. Mr. Chair, \$750,000 for a fixed link study in this time when libraries are closing, Intensive Core French; kids are denied because of budget cuts to education, multigrade teaching and the class size. Again, I'll go back to what I said earlier. I really believe this is probably the fairest statement yet, it's death by 1,000 cuts.

I remember back in 2005, why was it publicly announced that you were spending \$750,000 on a study? If you were proud of it, that should have been something that should have been exposed in the budget documents. It was very important to the MHAs for Labrador and, obviously, to people up on the Northern Peninsula. Why not make it public?

We found this through Estimates documents because the budget as a whole was so painful to the public it seemed like no one wanted to go there to say we're spending \$750,000 on a study, but say it. Put it out and publicly announce it. When we dug through the documents we found it. Again, this is not the time to do it. I'll say that and I'll be on the record of saying that every time I've spoken of it.

It's funny; it's a curious thing about that study. I've talked to people who have been involved and been around with the 2005 study. There are people who are in the know, who have knowledge and were close to that. They don't feel like it's going to be much more different this time around than what they discovered in 2005, maybe a few minor details. The 2005 study cost \$100,000 but this study is costing three-quarters of a million in these times.

The Premier is the Minister responsible for Labrador Affairs, and the MHAs are so focused on this fixed link. We're not opposed to it, but why didn't you go back and look at the 2005 study. You could dust that off and do it up. We're talking about a study; we're not talking about the actual link. If you looked at that 2005 study, you'd be intrigued to find out that having anything other than a train shooting back and forth one way at a time, that's the most you're going to get. This was done by a pro-development company back in 2005 and they couldn't find a way to make it work.

I'll move on from that. I just wanted to clarify it was never about us opposed to it. It's just about

the timing of it, but also about giving the 2005 study some more look, take the dust off it and give it some serious consideration.

Move off that topic, Mr. Chair. I want to just go into – we're talking about all aspects of the budget, but I think one of the topics that have not been spoken about enough is the cuts. I tend to bring it up a lot because I feel it's important.

July 1, I think, is going to hit people just like the gas tax hit people today. The tax on insurance – I've said it before, and my colleagues will attest to this, I bring it up to them a lot; 15 per cent on people's insurance, they don't know it coming until it hits them. When they get their renewals later this month, probably any day at all now or early this month, for the July 1 renewal is when most insurances renew, when they get that renewal the 15 per cent is going to be an awful – and it's going to affect everyone in this House more than likely if you own a vehicle or a house or anything. That is going to have just as big an impact – I say this all the time; that is almost as bad as the levy, to a different degree.

That's like the gas today. That gas is probably going to cost most people as much or more than what the levy would have. It's strange, the levy was insulting, but the gas tax, the insurance, which is going to be – they'll get their renewals I would say because I know mine is up in July, I haven't gotten it yet, so I'm expecting it within a week or so, then you'll add that much more gas to their fire. No pun intended, because you can't overstress the effects of this budget, the crippling effect this is going to have on the economy.

I have a few minutes left. I touched on it when I got up last, contractors in my district – CBS, if you look down, it has been seen for years as one of the fastest growing communities in Atlantic Canada. That was because of new home builds. Personally, two years ago you couldn't get someone to give you a quote on getting a step put on your house, let alone a new home built. No renovations, the economy was on fire. They were too busy. It was a great complaint, new home developments going everywhere.

In such a short period of time, and I'm only talking within the 12 months – not even 12 months really, the last six or eight months, well,

in December when gloom and doom hit, the economy started to slow then. It never waited until now, because a lot of budget effects are not kicked in yet. We're just got the gas increase today and that's all over the news. Wait until the insurance kicks in. Wait until everything else – personal income tax, you name it, the HST and all of it starts hitting everyone the one time. It's going to be a drastic impact.

This is on the speculation of where our economy is going to go. The market is after dropping off. I've been told by contractors there is hardly a new housing start in CBS. Now, there are some, no doubt, but there's hardly any. Now, I'm not making that stuff up. I'm hearing that from the people, that's what they do for a living. That's on anticipation of what effect the budget is going to have. The budget hasn't had its full effect yet because it's only the early stages of it being implemented.

You don't overstate it, but I want to stress it. It's important to me in my district because my district is growing. Paradise and CBS are closely aligned and they're fast growing communities because that's where a lot of the young families are moving. There are a lot of developments, but you are seeing the slowdown. That is just in that sector. Car sales and all of that, that is another issue. That is a bigger issue, but no doubt it's there.

Again, we zero in on certain trigger points in the budget, and that is fair enough. I say it every time I'm up because I think it's so important that this is going to have – a guy said to me yesterday, and it was funny but actually he made a good point. He said I'd rather one good swift kick in the guts than 25 jabs in the face. He said that's what this budget amounts up to. I thought it was funny. The budget is not funny but the comment made sense to me. I said, I get it. Give it to me once, one swing, don't just jab me until – and that comes back to my death by 1,000 cuts. I use that term, but that's the feeling on the street.

We stand up here in our place over and over and we repeat it. I don't think it should be overstated because the public want to be on record of bringing their concerns to the floor of the House of Assembly. That's what we all should be cognizant of and I'm sure Members on the other

side of the House are listening. We saw what happened the other day with the budget but these are real stories and there are real people involved.

Thank you.

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

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

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

It's quite interesting to see that sitting in the Chair right now is the hon. Member for Mount Pearl North. I would hope that this would signal a further modernization here in the House and an atmosphere of co-operation, which is something that all of us have been asking for. Hopefully this is a good sign that this is an omen that, in fact, we will look for further co-operation in ways of using all the expertise in the House and using all the skills of all Members in the House as we go forward.

Again, I would like to continue on with the presentation of Toby Sanger, who is an economist with CUPE. What he was doing was looking at the situation in Alberta, the situation in Newfoundland and Labrador, and the different approaches: the approach by the Notley NDP government in Alberta and the approach by the Liberal government led by our Premier here in Newfoundland and Labrador.

Mr. Chair, I must stress, I will stress again, I don't believe I can stress it too often but we are fully aware, as is Toby Sanger, of the differences between Alberta and Newfoundland and Labrador. The debt load for Newfoundland and Labrador is far greater, is far more serious than what is happening in Alberta.

However, what we're looking at, we have no control over the price of oil, we have no control over the commodity prices, but what we do have control over is how we are going to approach the particular economic crises that are happening in both provinces, and that's what he was looking at.

So, again, we're fully aware that the Alberta economy at this point does not carry anywhere near the debt load, particularly per capita, that Newfoundland and Labrador does. Alberta has a far larger population than Newfoundland and Labrador does, and they have a much more resilient economy because they do not have the same debt load that our province experiences. Also, they have a greater borrowing capacity at this point.

However, again what we're looking at is, what are the general approaches to dealing with this? Again, the similarities are we have a lot of Newfoundlanders and Labradorians in Newfoundland and Labrador, we have a lot of Newfoundlanders and Labradorians in Alberta, we have a lot of unemployed Newfoundlanders and Labradorians in Alberta, and in our own Province of Newfoundland and Labrador; but we have a lot of people, a lot of Newfoundlanders and Labradorians who are willing to work, who are hard-working people who want to roll up their sleeves, who want to help our province regain a stable economy, who are willing to help pull us forward, who are willing to propel our province forward to once again a sense of economic prosperity and stabilization.

So I've looked at a number of the different areas like health and education, economic diversification – that Toby has covered in his presentation – and so I'd like to continue on with that, and then also get to a point of looking at what we might propose.

If we look at the environment and climate change in Alberta, in the Alberta budget it includes climate leadership, a plan to end coal and cap oil sands – which is quite a big step for a province that relies so heavily on the oil industry. They also introduced a carbon levy with a progressive refund. They invest \$6.2 billion over five years in renewable energy, energy efficiency and transit. That's an extremely progressive and visionary approach to their province. In Newfoundland and Labrador, there was not one mention of the word "environment" in the entire Budget Speech. Imagine, not one mention of the word "environment" in the entire Budget Speech. Perhaps it's there and someone missed it, but so far we haven't been able to find it.

There was no plan in the Budget Speech and in the budget – no plan to address climate change or to put a price on carbon. Instead what the budget for Newfoundland and Labrador does, it increases gas tax by 16.5 cents a litre. That came into effect today, so it's kind of interesting to speak about that today. We know that people have been lining up yesterday at the gas pumps. Many gas pumps are actually emptied out. People have been filling up their vehicles and filling up jerry cans in anticipation of that tax raise on gas.

It's sad that there were no progressive environmental issues addressed in our budget at all, not even looking at a carbon levy. On the issue of jobs, in the Alberta budget there were no public sector job cuts. Now, our government, the Liberals when they were campaigning said that there would be no job cuts. I think probably every single Liberal candidate repeated that as a mantra over and over and over and over again. What did this government do? They are cutting 650 public sector jobs. Those are the ones they are committing to cut. We'll see other rollouts from that as well.

Alberta is committing \$250 million over two years for job creation. Newfoundland and Labrador expects 2,500 to 3,000 other job losses in the private and public sphere. Alberta is creating jobs. The Newfoundland and Labrador budget very clearly states they haven't talked about job creation at all, what they were talking about is cutting jobs and then job losses. What happens when we lose jobs? We have greater unemployment. We are the province with the greatest unemployment in the country.

With the Alberta budget, they forecast employment to increase by 5 per cent by 2019. In the Newfoundland and Labrador budget, the forecast is employment to decline by 15 per cent by 2021 – decline by 15 per cent by 2021. What this budget says on page 5 of the Budget Speech, it actually says as a result of the activities of the plan of this budget that employment will decline by 15 per cent by 2021. What does that give us? That gives us either more unemployment, grossly more unemployment or people will have left. Perhaps people will leave.

Also, in Alberta, the measures that they have taken – and again, I am fully aware that the

financial situation is very different in Alberta than it is in Newfoundland and Labrador. They lost 60,000 in a crash – 60,000 jobs due to the drop in oil prices. So they're dealing with an economic crisis themselves as well, but they're dealing with it differently. And it's not just about borrowing and borrowing and borrowing; it's about a different approach to how we deal with that crisis.

So on the jobs, Alberta expects their jobless rate to decline from 8 per cent to 5.8 per cent by 2019; Newfoundland and Labrador, as stated in the budget, expects the jobless rate to increase, to go up. So they expect more unemployment. They expect the jobless rate to go from 13 per cent to 19.8 per cent. That's basically 20 per cent in 2019. That's horrific. Imagine creating a budget with a particular type of approach, knowing that what your budget is going to do is cutting jobs, thereby creating unemployment, but that also the whole jobless rate, period, will increase by 2019.

Basically, what this government is saying is that there is no way out for us. That's basically what they're saying. They've done – again, I've said this in the House a number of times – an accountant's approach to their budget. They haven't done an approach that as a government that's having the long-term and the long-range vision, looking at how do we strengthen our economy, how do we stabilize our economy, how do we get people back to work. They clearly missed the mark on this one, Mr. Chair.

**CHAIR:** Order, please!

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

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

**CHAIR:** The Chair recognizes the hon. the Leader of the Opposition.

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

**MR. P. DAVIS:** Thank you, Mr. Chair, and congratulations.

**CHAIR:** Thank you.

**MR. P. DAVIS:** This is not half way across the floor or anything is it? Just checking.

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

**CHAIR:** Order, please!

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

**CHAIR:** Order, please!

I assure the hon. Member that I am not crossing any floors.

**MR. P. DAVIS:** You hear the applause by the hon. Member over there. Do you want to get closer to that? A few people are moving away.

Thank you very much for the opportunity to rise this evening and speak in debate. While it's a very rare Thursday night sitting of the House; it's important work we do and we all know that and reflect on that on both sides of the House. We value the time we have when we come to debate.

This being a money bill allows for Members to talk about any type of a matter or any matter that's of interest of value to the province and the people of the province. The topic I want to talk to tonight is about changes in taxation, impacts on people, but not specifically what's happening with this particular budget. I want to go back and talk a little bit about the past because Members opposite, during budget debate and for some time, have talked about all the terrible previous decisions that were made by putting more money back in people's pockets.

It's very interesting to point out that last year when we were in government and we campaigned on increasing the HST, Members opposite said no, you can't do that. It's a job killer. You can't increase taxation because it kills jobs is what Member's opposite said. What we've seen in this budget is unprecedented with new levels of taxation and revenue out of the pockets of Newfoundlanders and Labradorians than we've ever seen before.

Members opposite actually campaigned and said: It's a job killer. The Premier went as far as to say – and he used the words publicly and people will remember this I'm sure. Some of his

ministers used it as well. I'm not sure about any of the backbenchers, but I know some of the ministers used it as well. They used the words: not on my watch.

The Premier said when it came to the HST increase: not on my watch. Some of the current ministers in the government repeated it. They tweeted it. They shared it. They had their graphics put out and said: HST is a job killer and not on my watch.

Mr. Chair, when I grew up, I was always taught when you say some things, you should be careful about what you say and so on. My father always taught me that you have to earn the respect of people. When you say things to people, especially certain phrases and so on, you better mean it because it's going to speak to your character and your credibility and will go with you forever.

Not on my watch means as long as I'm on the watch, as long as I'm in charge, as long as I'm at the helm, as long as I'm there, this will not happen. It doesn't say unless there's some information we're not sure about or we haven't looked into. It doesn't say, well, if circumstances change. It does say any of that. It means I give you my word that if I'm here that will not happen. That's what the Premier told the people of the province last year.

Now, I'm going to go back in time a little bit in history, Mr. Chair, because government Members opposite quite often will up and say, oh, they blew \$25 billion – they blew it. Where did it go? Well, we know a good piece of it replaced what we used to receive as equalization from the federal government. We know that much, but at the same time while we're heading towards coming off equalization and being self-sustaining, the government of the day saw fit to say, well, we should lower taxes and we should lower the burden on the people of the province.

Some would say why didn't you put it on the debt? Instead of lowering taxation, if you had additional revenue from your taxation, why didn't you put it on your debt? Putting it on the debt didn't drive the economy. It didn't do anything to stimulate the economy because you had less debt, but putting money back in the

pockets of Newfoundlanders and Labradorians had great value and had great impact.

It meant that when you go around today and you travel throughout our province, you go places – there are beautiful homes that have been built over the last decade or so in our province that you never, ever thought would ever exist before. You look at areas in the suburbs and outside of even St. John's and the Northeast Avalon – the Member for Harbour Main is over there, if you look up in her district there are beautiful new homes being built all over the place.

That was because the economy was growing. People had the money in their pockets. They had a chance to build business. They had a chance for the economy to thrive, because the money was taken from government taxation, the operations of government, and put back in people's pockets.

How many trailers have been purchased over the last decade? How many new snowmobiles? How many new trucks? How many boats? How many cabins have built? How many people have repaired their homes and put money back into their own homes? How many people go to restaurants more than they did before, or they spend money in retail? That's investing back into the economy.

When you put money back into people's pockets that's what happens, and that's what they did. They drove the economy, and we know that's changing now. We had to make changes. We moved to make changes. From 2004 to *Budget 2015* there was \$4.2 billion just in tax adjustments. That's money back in people's pockets because of reductions in tax adjustments.

Back even as early as 2004, the government of the day saw the value in reducing taxes, putting money back in the economy and driving the economy. They did a number of things. For example, the introduction of the low-income tax reduction for 2005. It was introduced in 2004. In the budget of 2004 that was introduced, the low-income tax reduction. Because the lowest wage earners in the province would benefit the greatest, dollar for dollar. The lower income you make, the greater the value to you as a family or to you as a person. The low-income tax

reduction was in budget 2004, became effective in 2005.

Indexation for the Newfoundland child benefit. That's a provincial tax credit for families with low incomes. At the time, it was low incomes for families below \$24,849. There were 11,000 low-income families that benefited from that; a huge number of families benefited from that.

The low-income seniors' benefit was indexed. Enhancements to the Mother Baby Nutritional Supplement. They were all done in 2004, to look at young families and low-income families to benefit them and also to fight – one of the things this province has been plagued with for generation after generation, and that's people packing their bags and leaving and going somewhere else. These are young families and low-income families that help keep them there.

Mr. Chair, we know over the years – I'm going to go through some more of these. Back in 2004 this province had the worst record of poverty in Canada. We know in 2015, we reached the top of the heap when we became the lowest level of poverty in Canada. That's something we should celebrate.

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

**MR. P. DAVIS:** That's not money squandered. That's not \$4 billion squandered. That was an investment that created significant value, especially to low-income families. How many people over the years you meet, low-income families, people not working and relying on social programs. They come with all kinds of challenges of why they couldn't get off social programs.

Well, if you reduce their taxation, you increase programming and opportunities, you have a good chance. Broaden their education and stimulate them in the system, move from social programs to self-independence, looking after their own families, earning their own living and that's what happened through a number of years, Mr. Chair.

That started in 2004, and throughout the next decade there was a long list of changes made to taxation year over year over year that brought families back to Newfoundland and Labrador,

that kept families in Newfoundland and Labrador, that created value in rural parts of our province and in urban areas. It grew industries. It helped to drive our tourism industry because there are people there to help. I'm going to stay here and create my own business, and the government helped them with that.

Now, Members opposite will say we squandered \$25 billion. Well, I say to Members opposite, that was not money squandered. That was money invested in our province. If we say we invested money in our province, it means we invested money in our people. That's what it means. We invested in and believed in the people of Newfoundland and Labrador. We went from a doom and gloom province to one that has celebrated everything we had to offer, and it's not that long ago. In a short six months we've gone from believing in ourselves to hanging our heads down, and we've got to turn that around.

Mr. Chair, I look forward to the chance to speak further during debate. I'm going to tell some more stories about taxation and how those changed over the years and how we made adjustments in 2015. When the price of oil started to fall in 2014, we knew we had to make adjustments in 2015. I'm going to speak to those as well.

Thank you, Mr. Chair.

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

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

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

I'm happy to stand again. I want to continue a thought I was on when I stood earlier this evening because I have so many more comments with regard to the closure of the libraries. As I said earlier, it's something that is really hitting at the heart of communities and at people's hearts.

I was reading a letter from a woman who is somebody who has worked in public libraries both in Vancouver and here. She lives in the Windsor Lake electoral district at the moment; she and her husband and their two children. Some of the things she said, that if I were to say

them maybe the opposite side would say I'm being melodramatic. So I'm going to use her words: I can't bear to think of a world without libraries. I can't imagine a childhood without libraries. I can't imagine a community without its library. I can't imagine having to leave an island to get to the library. I can't even imagine a world where driving 30 minutes to get to the library is somehow considered acceptable.

This is where she really gets at it: Of all the bad decisions in this particular budget, and there are many, this one is the one that strikes at the heart of the community. It is not just mean-spirited, it is soul less and the effects of this decision are soul destroying. This is really strong language but I believe in this language that she's using.

To take up a literary metaphor, this government is a death eater, sucking the life and heart out of this place I call home. Devastated can't even begin to describe how I and many others are feeling. I encourage you – she's speaking to everybody in this House – to reconsider the budget – well, that's too late for the present, because this government has passed their budget – and the implications of your decisions on the lives of Newfoundlanders and Labradorians.

As I said earlier, the absolutely devastating thing is while you can make a tax temporary and turn it around easily, while you can create a levy and make it temporary and turn it around easily, you cannot turn around easily the closure of 54 libraries in this province. You can't do that.

The fact that it's been done in what seems to be a thoughtless way, with comments from the other side making it seem like it's archaic to have a library. Well, it's not archaic in the city. You can go 30 minutes in this city and hit at least four libraries. So why do we think it's archaic in rural Newfoundland and Labrador, where they really need it?

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

**MS. MICHAEL:** Why is it archaic there?

There's a really good article that was written by Jessica Riddell. She's an associate professor in the English department at Bishop's University and was so upset by what happened in our budget she wrote an article for *The Globe and*

*Mail*. She's also the chair of Bishop's Teaching and Learning Centre. She may know a bit about what she's talking about. She just may know something. She gets at some of the points that I was just making, so I want to quote from her. Are we going to listen to people who know what they're talking about?

She says, "In the wake of the provincial government's decision to close almost half the public libraries in Newfoundland and Labrador, politicians have offered up a number of justifications. The most prevalent – and specious – argument is that technology has rendered libraries obsolete, and that libraries are now relics of the predigital age.

"This couldn't be further from the truth." I agree, and she gives her proof of why it couldn't be further from the truth. It's not further from the truth here, as I said a minute ago, in St. John's, but apparently it's the truth for rural Newfoundland and Labrador.

Well, she argues against it. "Libraries are not static repositories of physical books. Rather, they are knowledge hubs where people of all ages can seek out opportunities, collaborate, create, and learn." They are centres of learning, libraries. "When we think about libraries, we must extend our perception beyond the limitations of bricks and mortar ..." – if the government side is able to do that, I put out, Mr. Chair. Stretch themselves beyond the limitations of bricks and mortar, books and periodicals, and understand libraries as public, cultural, literacy spaces devoted to knowledge creation in its many forms.

"Public libraries uphold values of inclusivity, social and cultural literacy, and equal access to knowledge ...." It doesn't matter how little money you have, how much money you have, you can go to a library and have equal access to knowledge. "All of these are key values of a vibrant and thriving democracy."

This is the part that's very important when she says: "When we close our libraries, we threaten to unravel the very fabric that binds members of our communities together.

In this digital age" – and I really ask the Members to listen to this – "it is even more



important” – not less important, more important – “to invest in libraries as spaces where we encounter, explore and experiment with ideas, whether these ideas are found in the pages of books or are circulated by digital content platforms and new technologies. As a university professor, I have yet to find a technology that can replicate – much less supersede – the powerful learning that occurs when my students and I encounter complex ideas together in safe, supportive, and curiosity-driven environments.”

These are powerful statements that Professor Riddell is making, and they should really challenge us and challenge our thinking. I may sound like I’m being emotional. Well, I am. I’m still trying to understand what it’s like to be on Fogo Island and not be able to go to a library. Or to be on Bell Island and to think it is going to take me three hours probably by the time I get to the nearest library.

A library is the place you go to as part of your daily living, as part of your weekly living. It is not this strange excursion you are going to make once or twice a month or once or twice a year. It is part of living, and I just don’t get it.

I want to read a bit more from Professor Riddell. She talks about librarians today. “Librarians and library staff at my university are key collaborators in this vision: they are not guardians of books but rather facilitators, curators, community event organizers, archivists, researchers, educators and mentors. Moreover” – and this is the point that is really important – “they teach the next generation about digital literacy, a core competency of global citizenship.”

The interesting thing is in our community libraries, the librarians have also been teaching seniors about digital literacy. We have seniors in this province who, through their community libraries, have learned how to make that technology for them; work for them, for example, with regard to communicating with their families who are all over the country; go to a library and be able to write emails, go to a library and be able to see how this technology is not something to fear but something they can use; how they can go to the computer in the library and save a few bucks paying the government fees by being able to online and do

that, and to feel oh, I can do this and this is not something for me to be afraid of.

A library is a place where you have fun. A library is a place where people meet each other. A library is the heart of the community. You have torn the heart out of the communities that have lost their libraries. You’ve literally torn the heart out of those communities. You’re telling them they don’t matter, that their communities don’t matter.

I don’t know how you can sit there knowing that you made this decision. You have some of the Members of the government side who’ve acknowledged in one way that this is going to really hurt people in their communities, yet they still sat with that government, or stood with it, and voted to shut down the libraries in their communities and tear apart the communities – some who elected them. This is unbelievable how you can do it, how you can do that and sit there so calmly and smugly having made that decision, I’ll never know – and that’s only one of the decisions, but this is one that has really gotten to people and it really gets to me because it really is tearing at communities.

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

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

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

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

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

I’m glad to be able to stand in this House once again tonight and speak to the bill. Of course, it being a money bill, I get to speak to the budget in general.

Mr. Chair, where do I start? There are so many areas I could touch on. There are so many. But I just want to talk about seniors for a moment. I’ll just use an example of a seniors’ home, not in my district, in the District of Mount Pearl North, but it’s in Mount Pearl, and I have a family member there. It’s called Hillcrest; it’s a beautiful home. Some of the seniors there stay in the – well, they all stay in the home, but some of

them have the ability to get out and some don't. Some stay in the home all the time and others have the ability to get out and go to seniors functions that the Mount Pearl Seniors Independence would have, or they go to church and they do different things.

A lot of those seniors, the majority of them, are in what they call subsidized accommodations. Basically, with the subsidized accommodations these are people that the only income they have is their OAS, CPP and perhaps a supplement. So their income is very, very low. These people are living in that particular facility and by the time they pay their rent, when they pay their rent, if you will –

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

**CHAIR:** Order, please!

**MR. LANE:** – to the home all that remains is \$150. That's how it works. In all of the seniors' homes, all the seniors like that who are in these homes have \$150 a month. That's what's leftover, for everything. Now, that has to deal with personal toiletry issues; if they wanted to actually get a newspaper. For a lot of the ladies there, maybe once a month or once every couple of months a hairdresser comes into the home and they get their hair done. If they want a few treats or whatever – because, yes, there is food provided, but there are no treats or snacks or nothing like that. So if they want a few little things like that they've got \$150 a month. Now that's what they have to live on.

Some of those, like I said, they probably go to the Mount Pearl Seniors Independence for a game of cards or go to church or whatever. How do they get there? In a lot of cases they have to use a taxi.

The last time I was up I spoke about taxi fares are going to go up because of the impacts of this budget. That's going to cut into their \$150. Then we're going to have issues now with the non-prescription drugs that someone talked about earlier. About the fact that they might need – I think the Member for Cape St. Francis talked about a lady who gets a vitamin B shot is it or something?

**MR. K. PARSONS:** A gentleman, 85.

**MR. LANE:** It's a gentleman, but it doesn't matter, male or female. A vitamin B shot that used to be covered. Now that's going to cost him. These people are into the same type of issue with some of these non-prescription things that used to be covered, and now that's not covered. So that's coming out of their – think about it now – \$150 a month for everything and that's coming out of that. The increased taxi fees are coming out of that. That's all they have to live on.

You talk about a society is judged by the way we treat our most vulnerable people. When you think about the seniors in our province who have given their whole lives, many of them, and now they're in their golden years, we'll say, and they're living in a seniors home or whatever the case might be, or in their own home, and all they're getting is a lousy \$150 a month. Now we're going to cut into that. I have to be honest with you, there's something wrong with that picture.

I don't care what way you look at it, nobody can tell me that's right. There's not a Member in this House who can tell me that is the right thing to do. If there is, I challenge the Member, whoever it is, to stand up in this House and tell me that's the right thing to do to our seniors. I ask them to do it. I bet you there won't be one Member who will stand up and say that's the right thing to do. Do you know why, Mr. Chair? Because it's the wrong thing to do, that's why.

These are some of the things we're doing in this budget that are having such a negative impact on people. It's absolutely shameful. I have to say it's absolutely shameful that we're doing this in this day and age. We know we're in a financial crunch, but my goodness – we're talking about people with the denture program. That's another one.

I can remember at the time, when under the former administration they had to scale back the program. At the time, the then Opposition were talking about a half set of teeth. It was all a big joke. Oh, you only have a half set of teeth, a half set of dentures – and talking about dignity.

So we cured that in this budget, because we're going to give them no teeth at all. That's what we're going to do. We're not going to give them

any teeth. Instead of a half set, we're going to give them none. Problem solved, give them no teeth.

Seriously, I know people could look at that and laugh at it, but it's not funny. It's really not funny. That's somebody's mother, somebody's grandmother, somebody's grandfather. It could be your grandmother or your grandfather. It really could. I don't care what anybody says, there's something wrong with that picture. I don't know about any Member of this House, but when I signed on and raised my hand to take on this job, I didn't sign up to go attacking seniors I can tell you that.

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

**MR. LANE:** I didn't. I know nobody else did either. I've said before, I really believe nobody has intended for some of these things that have happened. It's not done because you want to hurt seniors, I'm not suggesting that. That would only be political rhetoric. I'm not interested –

**MR. LETTO:** It sounds like it.

**MR. LANE:** No, I say to the Member for Lab West, it might sound like it. It is not meant to. I say to the Member for Lab West, I know you don't want to hurt seniors. I know you don't, and I'm not suggesting that you do. I know you don't, but these are some of the consequences of this budget. It may not have been intended. Maybe it was overlooked or something, I don't know, but I know there is no way it could have been intended. I don't believe that you support it. I don't believe anybody in this House supports it, yet we're doing it anyway. That's the problem.

On the one hand I don't believe you support it, but on the other hand if I know we don't support it then why are we doing it anyway? That's the problem. Why can't we make a few amendments? That's all we've been asking in this whole budget. That's all I ever asked. Even when I was on that side, that's all I asked. Make some amendments.

**MR. LETTO:** (Inaudible).

**MR. LANE:** I say to the Member for Lab West, the only one he asked, no, that's not true at all. That's not true at all, Mr. Chair.

**CHAIR:** I remind the hon. Member to direct his comments to the Chair, please.

**MR. LANE:** Yes, thank you, Mr. Chair.

**CHAIR:** Thank you.

**MR. LANE:** Because you made some amendments to the levy but you only made some amendments to some people in the levy. You never made any amendments for any –

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

**CHAIR:** Order, please!

**MR. LANE:** – most of my constituents benefited nothing from that levy announcement, Mr. Chair, I can tell you that. Most of my constituents benefited zero from that. There were people who did benefit and I'm glad they benefited, but there was an awful lot of people who didn't and a lot of my constituents who didn't. It still doesn't address the cumulative impact on everybody. It does not address it all.

There are other issues there around education as well that's not addressed, that are non-money issues. They are not even money issues. These educational issues are not even money issues.

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

**CHAIR:** Order, please!

I remind everybody that the hon. Member has the floor. I certainly expect all hon. Members here to show respect and I'd ask the hon. Member again to direct his comments to the Chair, please.

Thank you.

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

I appreciate your protection from the Member for Lab West. I really appreciate it.

I know he's getting a little hot under the collar because he knows what I'm saying is right and

it's really getting to him. I know that he knows what I'm saying is right and it's killing him inside that he has to sit there and support what's going on because deep down he doesn't support it. Deep down I know he doesn't support it, and that's the problem. That's why we are hitting a nerve.

All I would say, Mr. Chair, before I conclude, I say to all hon. Members, it's still not too late. It is still not too late to make changes. I don't care if you voted for it or not; it's still not too late. There are enough people on that backbench to put the pressure on the frontbench to make some changes. The numbers are there.

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

**CHAIR:** Order, please!

I remind the hon. Member that his time has expired.

**MR. LANE:** I'd encourage you to use your numbers.

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

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

Someone needs their Wheaties, I think, tonight, Mr. Chair. They're getting a bit cranky in the House tonight.

Mr. Chair, earlier I was talking about taxation and a bit of history on what happened with taxation over the last decade, and the impacts it has on the lives of Newfoundlanders and Labradorians and also what it does for the economy. As you drive and grow the economy, lower taxes puts money back in people's pockets; it helps to drive and grow the economy; provides more money in people's pockets to spend; it grows their quality of life, gives them reason to stay here and raise their families here; they put money back into the economy which helps grow business opportunities which grows employment; it drives local economies in rural parts of our province as well as urban parts of our province, and benefits Newfoundlanders and Labradorians. And we had to be sensitive to that.

Over the years, in 2004, the reduction in revenue to government as a result of lowering taxes and cost to taxpayers in 2004 – which I talked about earlier – was \$4.8 million; in 2005, it was \$8.7 million; in 2006, it was \$8.5 million; 2007, it was \$104 million; and it continued to grow as time went on but so did our province and our economy and opportunity and benefits for the people that live here.

I talked earlier about the child benefit also in 2004, which came into effect in 2005. In 2006, the previous government eliminated and reduced 34 fees. Also in 2007, the personal income tax rate was reduced. There was an elimination of the surtax and indexation. The low-income tax reduction enhancement all occurred in 2007. The Seniors' Benefit was enhanced for couples in 2007. The RST rate on the sale of used vehicles – and we knew back then, and the province knew back then, that to help stimulate used car sales, they reduced the RST from 15 per cent to 14 per cent – because on used vehicles it's only RST; it is not HST. They reduced the 1 per cent to help to grow the used car business.

If you remember, back in those days it was very competitive and it became very difficult. There were low leasing rates and there were great benefits for people and used car dealers said well, what are we going to do with them; some are being shipped out and so on. So the reduction of 1 per cent helped to stimulate that.

The Canadian income tax for small business threshold was increased to \$400,000, which helped to drive and establish small business and stabilize their ability to get established in our province and grow. We know, Mr. Chair, there's been lots of new businesses developed in the province and a lot of them do business outside and government helped them do that. In a lot of cases, government helped them do that.

Mr. Chair, then through to 2008, there was further income tax reductions; Seniors' Benefit was enhanced for single persons; RST was eliminated from insurance premiums – and I remember that; I remember in 2008. I was working then as a police officer and I remember when the tax was eliminated, it was celebrated by so many people because it was a huge savings.

If you think about lower income families and those that I talked about in my earlier comments, you're trying to move them off social programs and give them a chance to be self-sufficient and survive on their own, then they want their car, they have to drive their car, they want to take their kids around, they want to drive them to school and so on, it was money directly back in their pocket. It was a benefit to them and that money then could be used for other things such as enhancing the quality of life of their family and their children.

Payroll tax thresholds increased to a million dollars. In 2009, low-income tax reduction enhancement; dividend tax credit enhancement; and small business threshold was increased to \$500,000, which benefited small business and helped them continue to grow and develop their business. Small business is a significant employer in our province. Think of all the tourism operators, they are all small businesses. They are all small business operators in rural parts of our province and increasing that threshold gave them a leg up, a hand up.

In 2010, the Seniors' Benefit increased to \$900; personal income tax rate reduction; the age amount increased; dividend tax credit enhanced; and there continued to be benefits for business and small business. Residential energy rebate, which came on in 2011 – I'm going to talk about that again a little bit more in a few minutes. That came on in 2011. In 2012-2013, remember those days, we had a bump in the road – and I was elected in 2010. In 2011, I became a cabinet minister and we had changes that happened in our economy and in our oil revenues, in our production. We didn't make any more improvements. We didn't do that; we didn't change that. We didn't improve taxes in 2012 or 2011.

Mr. Chair, when we get up to 2014 – that was a monumental year; that is the year I ran for the leadership during that summer. I remember it well. I don't remember anything about my personal life; I just remember about work and campaigning and so on.

I announced I was running – I think my friend there was July 1; I think I was July 2. Or I can't remember if it was the other way around, or I

was July 2 and you were July 3 or something like that –

**MR. KENT:** I've blocked it all out.

**MR. P. DAVIS:** He's blocked it all out, okay.

It was the first few days in July – I haven't blocked it all out. It was the first few days in July, the first, second or third of July that I announced that I was going to run for the leadership and I remember, Mr. Chair the price of oil started to fall. The harder I campaigned that summer, the more the price of oil fell, but it's not my fault. All summer the price of oil fell and fell and fell.

I became premier in the fall. We were waiting for the OPEC meeting in December, what was going to happen and, boom, it just fell. It just kept on going. We took steps, I remember, in December. I was a brand new premier and I said we have to start changing how we're doing business. We talked about reducing discretionary spending. Much like the Minister of Finance did this past December, many of the same things, reducing hiring. We put a new layer of hiring processes in place so we could reduce hires. We reduced discretionary spending and travel and so on. We did all those kinds of things. Then we worked toward our 2015 budget and we were like oh, my goodness, we have our hands full, what do we have to do here, because we had a significant revenue problem coming.

Oil was so volatile and where it was going, and the predictors in the world kept saying it's going to get better. It's going to turn next month, no, next month, no, next month. They were wrong and they were wrong and they were wrong. So we had to make decisions.

What did we do? We increased taxes in 2015. We added two new personal income tax levels for the highest tax earners. We eliminated the Residential Energy Rebate. We eliminated that, which everyone got that. We left the Home Heating Rebate on because that was for low-income families who got the Home Heating Rebate. This government opposite has eliminated that as well, but we eliminated the Residential Energy Rebate.

We increased the Financial Corporations Capital Tax from 4 per cent to 5 per cent because we had to find ways to create new revenue. We made a commitment to increase the HST from 13 to 15 per cent. We made that commitment to increase that from 13 to 15 per cent, which is essentially the Newfoundland rate from 8 to 10 per cent. We did that.

That's when Members – and I talked about this earlier – said, no, we're not going to do that. No way. Not on my watch. That's what they said: Not on my watch; it's a job killer. We fought that, Mr. Chair.

I went to an election in 2015 telling the people of the province I have to increase your taxes. We have to make steps to lower services and reduce employment levels of government and public servants in the province. They went out and said, no, we don't have to do all that. Jobs will be safe. There will be no job losses. No job cuts. No HST. They used the term “not on our watch” and they got elected.

We did some things last year that were beneficial because we reinstated the Labrador border zone rebate as well. I'm sure the Member for Labrador West was pleased to see that when we reinstated the Labrador border zone rebate. We started to do that.

I also knew, from back in 2012, 2013, back in the '90s, when the Liberals were in power and I was a public servant – a long time go back, but it's interesting and important to look at the history sometimes, because back in the '90s Newfoundland was trucking along and trucking along and all of a sudden you had a budget similar to what Members opposite brought in. It wasn't quite as harsh as what they brought in. They were hard on public servants and they had massive layoffs and so on – which we don't know what this government is going to do until the fall – and the economy went like that. It dropped like a stone, dropped like a rock, and people are afraid it's going to happen again.

In 2015, I stood before people and I said no, here's what we're doing. I've said this before in the House and I've told the Minister of Finance – she can correct me if I'm wrong and she can do it again. Of course, she can correct me anyway, or give different information. I believe

today there are fewer public servants – there was at least when we left government last fall – than there was prior to 2010, because over those last few years we're slowly, very slowly reducing the number of public servants because we believed we had to do that.

We slowly, over the last five years, reduced the public servants but nobody noticed. Nobody really noticed because we did it slowly and did it without shocking the system. That is what was important and that's why we said we wanted to do an attrition plan. We knew we were going to have to modify the attrition plan and that is why we said we have to increase taxes, but do it in a way where it doesn't shock the system. That's what we did. What this government has done is shocked the system. We may not see the repercussions of that for a long time yet to come, and we will not see it for a long time because it takes an enormous amount of time to turn that around.

Thank you, Mr. Chair.

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

**CHAIR:** Seeing 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 Income Tax Act, 2000.” (Bill 13)

**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:** 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.

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

**MR. A. PARSONS:** Mr. Chair, I move that the Committee rise, report the resolution and Bill 13 carried without amendment.

**CHAIR:** The motion is that the Committee rise and report the resolution and Bill 13 as carried.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

**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 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 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 Ways and Means reports that the Committee have considered the matters referred to them 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 moved, seconded by the Minister of Finance and President of Treasury Board, that the resolution 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.'

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**CLERK:** "That it is expedient to bring in a measure respecting the imposition of taxes on personal income."

On motion, resolution read a first time.

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

**MR. A. PARSONS:** Mr. Speaker, I moved, seconded by the Minister of Finance and President of Treasury Board, that the resolution be now read a second time.

**MR. SPEAKER:** It is moved and seconded that the 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 personal income."

On motion, resolution read a second time.

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

**MR. A. PARSONS:** Mr. Speaker, I moved, 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, Bill 13, and I further move that the said bill be now read a first time.

**MR. SPEAKER:** It is moved and seconded that the hon. the Government House Leader have leave to introduce a bill entitled, An Act To Amend The Income Tax Act, 2000, Bill 13, 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 Income Tax Act, 2000," carried. (Bill 13)

**CLERK:** A bill, An Act To Amend The Income Tax Act, 2000. (Bill 13)

On motion, Bill 13 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 13 be now read a second time.



**MR. SPEAKER:** It is moved and seconded that Bill 13 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. (Bill 13)

On motion, Bill 13 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 13 be now read a third time.

**MR. SPEAKER:** It is moved and seconded that Bill 13 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:** Those against?

**SOME HON. MEMBERS:** Nay.

**MR. SPEAKER:** Carried.

**AN HON. MEMBER:** 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. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Mr. Warr, Mr. Browne, Mr. Letto, Ms. Haley, Mr. Bernard Davis, Mr. Derek Bennett, Mr. Holloway, Ms. Pam Parsons, Mr. Bragg, Mr. Finn, Mr. Dean, Mr. King, Ms. Parsley.

**MR. SPEAKER:** All those against the motion, please rise.

**CLERK:** Mr. Paul Davis, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers.

Mr. Speaker, the ayes 20, the nays eight.

**MR. SPEAKER:** I declare the motion carried.

**CLERK:** A bill, Act To Amend The Income Tax Act, 2000. (Bill 13)

**MR. SPEAKER:** 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," read a third time, ordered passed and its title be as on the Order Paper. (Bill 13)

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

**MR. A. PARSONS:** Mr. Speaker, given the hour of the day, I would move, seconded by the Member for Stephenville – Port au Port, that the House do now adjourn.

I wish everyone a happy weekend.

Thank you.

**MR. SPEAKER:** The motion is that the House do now adjourn.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

**AN HON. MEMBER:** Nay.

Carried.

This House now stands adjourned until Monday  
at 1:30 in the afternoon.

On motion, the House at its rising adjourned  
until tomorrow, Monday, at 1:30 p.m.