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Speaker: Honourable Tom Osborne, MHA

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The House met at 1:30 p.m.

MR. SPEAKER (Osborne): Order, please!

Admit strangers.

I would like to welcome to our public gallery today Ms. Tammy Powell, who is the sister of the Member for Cartwright – L'Anse au Clair, visiting from Alberta.

SOME HON. MEMBERS: Hear, hear!

Statements by Members

MR. SPEAKER: For Members' statements today we have the Members for the Districts of Virginia Waters – Pleasantville, Conception Bay South, Exploits, Stephenville – Port au Port and Cartwright – L'Anse au Clair.

The hon. the Member for the District of Virginia Waters – Pleasantville.

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

I rise in this hon. House today to highlight that St. Paul's Junior High continues to excel both in academics and co-curriculum activities. Creating a culture of caring and support, the school provided an opportunity for students to travel after school to the Conception Bay South arena to watch the finals of the 14th annual Frank Roberts Junior High School hockey tournament. With over 70 students and half the staff cheering on their school hockey team, the boys won gold.

St. Paul's has also had tremendous success in their technology and science divisions. The school has been named as one of five regional finalist schools for the Samsung Solve for Tomorrow Challenge. The students will work on a real-world project to help better their school and community while inspiring them to engage deeply in the STEM projects.

Students are hoping to win up to \$50,000 in Samsung technology for classrooms. The journey so far has been extremely educational and will provide a foundation for success among students.

I ask all hon. Members to join me in congratulating St. Paul's hockey team on their

victory and wishing them the best of luck in the Solve for Tomorrow Challenge.

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 16, I had the opportunity to attend and present gold, silver and bronze Duke of Edinburgh Awards to 35 deserving young students at Frank Roberts Junior High in Foxtrap.

To qualify, participants must undertake a balanced program of leisure-time activities such as community service, areas of self-development, 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 their stories of personal growth and commitment as they embarked on various challenges and opportunities.

Mr. Speaker, I ask all hon. Members to congratulate gold recipients: Steven Rideout, Jonathan Payne, Ryan Letto, Carissa Haines and Jenna Broders; silver recipients: Krista Greeley, Nathan Lake, Emma Jacobs, Kelsey Smith, Kristina LeDrew, Sarah Fagan, Sara Burry, Katie Currie, Sara Priddle, Matthew Broders, Karley Morgan, Leah Pomeroy, Luke Strickland, Madison Tarrant and Miguel Santos; and the bronze recipients: Michael Chaplin, Anna Crocker-Kennedy, Benjamin Duggan, Michael Judge, Rebecca Wiseman, Kyle Lynch, Madison Clairmont, Erika Hiscock, John Peyton, Madison Fahey, Luke Budden, Tanner Hudson, Simon Smith, Amie Crocker-Kennedy and Laura DeGruchy.

This is quite an accomplishment and I wish them all the best in their future endeavors.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. DEAN: Mr. Speaker, I rise in this hon. House today to recognize the Bishop's Falls Lions Club, which last year celebrated its 50th anniversary. 2016 was also the 100th Centennial Celebrations of Lions International, and the Bishop's Falls club joined Lions around the world in reflecting back on their successes in community service.

The Bishop's Falls Lions Club was formed on April 22, 1966 and currently has 35 active members, and two life members. Over the past five decades, they have served their community with dedication and have raised over \$1 million to contribute to the development and well-being of the citizens of Bishop's Falls and surrounding communities.

The Bishop's Falls Lions Club contributes towards many causes such as the White Cane project, the Lion Max Simms Memorial Camp, Freedom to Move, the Janeway Children's Hospital, Ronald McDonald House, the Special Olympics, Red Cross and more. Lions Clubs exemplify community service and selflessness and have always been at the forefront of any community issue where their help is needed.

I ask all hon. Members to join me in commending the Bishop's Falls Lions Club on their 50th anniversary and five decades of exemplary community service.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Stephenville – Port au Port.

MR. FINN: Thank you, Mr. Speaker.

I rise today to recognize four outstanding students from my district. Amber Murphy of Stephenville, a graduate of Stephenville High School in 2013, and a recipient of the Terry Fox Scholarship, completed a Bachelor of Health Sciences Degree at McMaster University. Amber has been accepted at Queen's University Medical School and has received an \$80,000 scholarship.

Michael Gilbert of Noel's Pond, a 2013 graduate of Stephenville High School and the recipient of a \$60,000 scholarship to UNB, has completed an honours degree in science. Michael has been accepted to MUN School of Medicine.

William Forsey of Kippens, a Stephenville High graduate in 2011, attended StFX University and was the recipient of the President's Scholarship. He graduated with a business degree. He's accepted at the University of Calgary Medical School.

Bethany Power of Lourdes, a graduate of Piccadilly High School in 2013, attended MUN's Grenfell campus and received the Leslie Harris Scholarship. She recently graduated with an honours degree in science. Bethany has received a summer research grant of \$8,000 and she will attend MUN School of Medicine in September.

I ask all Members to join me in congratulating these exceptional students and wish them well as they embark in their medical studies.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MS. DEMPSTER: May I have your attention, please?

I rise to recognize an extraordinary group of young people that recently showcased the very best of Labrador theatre on stage at the Provincial Drama Festival in St. John's.

May I Have Your Attention, Please? is a powerful and moving play that explores the theme of suicide – a topic that is all too familiar to residents of Labrador. It was the first time in 41 years a team from Cartwright won the honour to represent their region at the provincials.

Suicide, Mr. Speaker, would be a difficult subject for a theatre troupe of any age, but this group of students performed it with empathy, heart and sincerity. I believe it should be performed in every school in the province to raise awareness of this important topic.

On May 5, I had the pleasure of being in the audience at LSPU Hall when the Ponderosa Players received a standing ovation for their truly exceptional performance. Well done teacher, Ms. Piercey, Heidi, Claire, Aaron, Kieana, Andrew, Marcus and special mention is warranted for Tyler Mugford, who won the Outstanding Actor Award. Cartwright, and indeed my entire district, is tremendously proud of this team.

I ask all hon. Members to join me in recognizing the Ponderosa Players of Henry Gordon Academy.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

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

MR. HAGGIE: Mr. Speaker, I'm pleased to rise in this hon. House today to outline a major milestone our government has reached in the implementation of regulated midwifery into the provincial health care system.

As announced publicly this week, a midwifery consultant has been successfully recruited. She will work with the regional health authorities, and other key stakeholders, to lay the groundwork for midwifery in our province.

Gisela Becker has been recruited as the provincial midwifery consultant and brings a wealth of experience and knowledge to the position, including direct care, leadership, advocacy, teaching and research. Ms. Becker has practised in a variety of settings in Germany, the Caribbean and Canada and has extensive experience in rural and remote midwifery services and collaborative maternity care.

Mr. Speaker, Ms. Becker's recruitment builds on the introduction of the *Midwives Regulations*, which came into force last September under the *Health Professions Act*. She will begin work in September of 2017.

I ask this hon. House to join with me in welcoming Ms. Becker and in marking this significant step in bringing midwifery to our public health care system.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Thank you, Mr. Speaker.

I thank the minister for an advance copy of his statement. We would like to join with government in welcoming Ms. Gisela Becker to the new role of Provincial Midwifery Consultant. The discussion surrounding the benefits and use of midwives in this province has been happening for some time. I'm happy to hear that we are finally ready to proceed.

Midwives are professionals who work in partnership with women to give support, care and advice throughout pregnancy, during labour and the post-partum period, as well as provide care and support to the newborn.

The care includes preventative measures and the detection of complications in mother and child. In addition, the midwife has an important task in health counselling and education. We believe midwives and their expertise will add great value to our overall health care system and we look forward to further progress.

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. I am pleased that the midwives regulations are in place and that the department has engaged Ms. Becker, who comes more than highly recommended. I know midwives are really pleased.

We will benefit from her experience and expertise in reinstating midwifery in this province, but I'm disappointed that the implementation plan does not include immediately setting up the midwifery program within the regional health authorities so that midwives will be completely public within our public health care system.

Thank you.

MR. SPEAKER: The hon. the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Mr. Speaker, I am pleased to rise today to recognize Mr. Paul Antle, Ms. Gloria Parsons and Mr. John Patten as inductees into the 2017 Junior Achievement Business Hall of Fame.

For 27 years Junior Achievement has recognized and honoured entrepreneurs who inspire others through their investment and success in both business and community. This year's inductees are certainly deserving of this distinction given their achievements with their businesses and their efforts to improve the world around them.

Paul Antle started his first business venture from his mother's basement and he has not looked back since. He used his master's degree in engineering to broker hazardous waste disposal services, and later pioneered environmental industries in Newfoundland and Labrador. Today, Paul is a respected community builder and is president and CEO of Pluto Investments Inc.

At the age of 26, Gloria Parsons entered the construction industry in 1972 with a Grade 11 education, and turned it into the Parsons' Group of Companies. In the early 1990s, Gloria created Chancellor Park, a long-term care home in St. John's, where she now serves as president and CEO. Gloria continues to receive recognition for her accomplishments while quietly supporting her community.

After graduating from university in 1978, John Patten worked his way up the family business of Browning Harvey, until being appointed president in 2005. John has never hesitated from his vision of growth, and has adapted to the ever changing marketplace by making investments in

plant infrastructure, facilities and technology. I had the pleasure of touring his company, actually, just a few weeks ago. He is a recognized leader both locally and nationally, and a proud supporter of numerous charities.

Mr. Speaker, these individuals are role models for the next generation of leaders, and deserve to be acknowledged for their excellence in business leadership, professional achievement and contributions to society.

Mr. Speaker, I ask all hon. Members to join me in congratulating Paul Antle, Gloria Parsons and John Patten on being named 2017 inductees to the Junior Achievement Hall of Fame.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

I thank the minister for the advance copy of his statement. Mr. Speaker, I join the minister in recognizing the work of Junior Achievement and those who have been recently inducted into the 2017 Junior Achievement Business Hall of Fame.

I congratulate Mr. Paul Antle, Ms. Gloria Parsons and Mr. John Patten on being inducted into the Hall of Fame. Business leaders, including all the members of the Hall of Fame, form a cornerstone of our province's economy. Their contributions to our business community help provide jobs for many Newfoundlanders and Labradorians and create economic activity.

Mr. Speaker, I would also like to recognize the valuable work the Junior Achievement program undertakes. My daughter just finished her three-year program in the Junior Achievement and this bracelet, actually, is one of their products for this year. I've seen the value of this program and the valuable skills they've learned and the communication, leadership and management along the way.

Once again, I want to congratulate this year's recipients.

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 advance copy of his statement. I'm very pleased to congratulate the latest inductees into the Junior Achievement Hall of Fame. They certainly are role models for future generations of entrepreneurs and leaders.

Small- and medium-sized businesses are invariably started by people with ambition and vision. Starting a business is always a struggle and a gamble and there is no guarantee of success.

Government must provide resources to encourage new entrepreneurs, but they also must be sure not to unnecessarily impede or harm them, and a \$5,000 fee on iceberg water comes to mind, Mr. Speaker.

MR. SPEAKER: Oral Questions.

Oral Questions

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, on Tuesday, the Minister of Natural Resources indicated that government will continue to retain EY for the Muskrat Falls oversight. Close to \$2 million spent to date, no reports, yet EY will be kept on by the Liberal government indefinitely.

Why is EY being given a blank cheque to stay on indefinitely with no idea of what their scope of work is?

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

MS. COADY: Thank you, Mr. Speaker.

I will correct the Member opposite. What I did say, and I have been saying, is EY is being engaged to finalize last year's report, the interim report that clearly laid out some very good recommendations to get the Muskrat Falls Project on track. As you know, Mr. Speaker, and as the people of this province know, this government is working very hard to make sure the Muskrat Falls Project is on a better course than it had been under the former administration.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: Mr. Speaker, as for how we might engage a company going forward such as EY, there are discussions with the Oversight Committee on the value of that independent assessment.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the minister referenced very good recommendations; indeed, they may be, but why not share them with the people of Newfoundland and Labrador as required.

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: The minister also stated the Muskrat Falls Oversight Committee was too busy to report publicly.

When did the minister find out they were too busy, and what actions did she take to have them meet their quarterly reporting requirements?

SOME HON. MEMBERS: Hear, hear!

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

MS. COADY: Again, Mr. Speaker, I'll correct the Member opposite. I think he might have some alternate facts in there; he's using them liberally today.

Mr. Speaker, the interim report contained a number of recommendations. It has been available to the public since April of last year. As soon as we got the report we made it available to the people of the province because we had to clean up – this government had to clean up the mess of the former administration with regard to the Muskrat Falls Project, Mr. Speaker.

Those recommendations, we have been working methodically and diligently to implement, and we will continue to do so, Mr. Speaker, because the efforts of this government have been bearing fruit, and the Muskrat Falls Project has been on track and has been working well.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Minister, the challenges to preparation for the UNESCO designation Mistaken Point are well known.

Can the minister advise if the manager of environmental education and promotions and World Heritage project manager was released from duties without cause in April 2016 when there was so much work to complete, to be done?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you very much, Mr. Speaker.

Mr. Speaker, Mistaken Point and its UNESCO heritage designation is very important to this government. One of the things in the management plan was the hiring of three extra staff people this year. That has been done, Mr. Speaker. Our new department had some management restructuring, Mr. Speaker, but that was done in breaking down silos and in the best interest of the province.

Thank you, very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the project management plan and the interpretation plan for Mistaken Point are essential components to maintaining UNESCO status.

I ask the minister: Who is now responsible for executing these plans?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you very much, Mr. Speaker.

Mr. Speaker, as the Member knows full well, that two weeks ago tomorrow I sat down with the Member opposite and the ambassadors for Mistaken Point. We made a sincere commitment to that organization that as a government we take our obligations to UNESCO, to Mistaken Point, to the Portugal Cove South heritage group, Mr. Speaker, we take that very seriously. At the end of the day, I'm responsible for what happens at Mistaken Point this year and I will live up to that responsibility.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, I recognize the hon. minister, we did have a meeting and I give him credit for that. At least we had a discussion. I think he has some understanding of what the importance of this is. We haven't seen that in the first 17 months, so I do give him credit for having the meeting, but there are still many questions and much management that's not being done at Mistaken Point.

Can the minister advise if the individual relieved of duties related to Mistaken Point was indeed terminated without cause, meaning the individual was doing a good job, and what was the cost paid out to that individual?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you very much, Mr. Speaker.

Mr. Speaker, I'm not going to get into individual human resource files in my department. What I can assure the Member opposite, though, Mr. Speaker, is that we've made commitments to Mistaken Point. We met two weeks ago tomorrow. I've committed again to meeting with the ambassadors at Mistaken Point next week. I invited the hon. Members opposite to join me in that meeting, and we will continue to meet with those people to fulfill our obligations.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: I'm not disputing the fact that obligations have been met, but it's a great speech. All I'm asking for, there's a management plan, there's an interpretation plan, this position was overseeing those plans. That person is no longer available.

So I'm asking you: Who is overseeing these plans for the implementation required for Mistaken Point? A straightforward question: Who now has the responsibility to do that? Because in our meeting you didn't identify it, so tell us today: Who has the responsibility for it?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you, Mr. Speaker.

Mr. Speaker, I'm responsible for Mistaken Point. It's a part of my mandate and I will live up to those commitments.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Again, I thank the minister for his answer, but it doesn't answer the question I asked him. There was a human resource person in that place. It was taken out, removed without cause. I assume payment was made out to that individual and the requirement is still there, so he hasn't answered the question.

Could the minister advise if the individual who would have overseen UNESCO inscription nomination planning and key to implementation of those requirements over the past year is still receiving remuneration from the Provincial Treasury?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Mr. Speaker, I said a few moments ago that I'm not going to comment on individual human resource files, but if that's information that I can provide to the Member opposite, I will certainly get it for him.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

In Estimates recently, we heard of a position with Government House which cost taxpayers almost \$400,000 to remove an individual, again, without cause. Now we have a needed position for a World Heritage Site that was removed again without cause.

Can you explain why you would not have secured this position for Mistaken Point? As we all know, it's much needed.

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Mr. Speaker, I think I've been clear to the Member opposite. We

understand our commitments to UNESCO, the commitment we made at Mistaken Point. We understand the management plan.

Last year, there were 10 employees at Mistaken Point. This year we are at 13, because that was a part of the management plan, Mr. Speaker. We're going to continue to live up to our commitments to Mistaken Point.

Like I said to the Member opposite earlier, I've sat down with the group. I'll be sitting down with the group again next week and we will live up to our commitments for Mistaken Point.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Thank you, Mr. Speaker.

The Liberal government is projecting that employment and jobs will fall every year for the next five years by 1.9 per cent this year, 2.8 per cent next year, 2.1 per cent the following year, 1.2 per cent in 2020 and by another 1.4 per cent in 2021.

What is your government doing to strengthen economic conditions for businesses in our province?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I appreciate the question because it was actually the budget of 2015 that the Member is questioning, which was the budget that she voted for. It was the previous administration that put it in place. If you go back to the economic indicators in the 2015 budget, Mr. Speaker, it was their previous administration that actually put those indicators in place.

Mr. Speaker, the real impact there is not so much about the decisions in 2015-2016, it's really about the poor planning of the 10 years prior to that where we saw a government that were running deficits when oil was at \$100 a barrel, were not concerned about economic

diversification, were not concerned about the fishery, tourism, all those things that would have helped us in the situation we're in today. They ignored what they could have seen and should have seen coming in their future.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Well, Mr. Speaker, the Liberals campaigned and led the electorate to believe that their captains of industry had a plan. A 10 per cent drop in jobs is no plan. *The Economy 2017* document reported that in 2016 the unemployment rate averaged 13.4 per cent, and in 2017 the unemployment rate is expected to average 13.9 per cent.

Will the minister acknowledge that despite an election promise of an economic growth plan, your government is actually projecting that the unemployment rate on its watch will continue to get worse?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

It's been just over a year, a year and a half now, since this government has come in place. The first thing we had to do was secure the financial footing. Mr. Speaker, we could not even borrow based on the plan that they had put in place.

They talk about their plan. Well, why don't they stand by their plan today which would say that it's \$80 a barrel? Mr. Speaker, I don't know if the Member opposite is completely out of touch with the realities around the oil industry because the plan that they were campaigning on was completely false. It would have led to not only just the economy, the province as a whole.

We have secured the financial footing of our province, Mr. Speaker; now a focus on jobs, a Cabinet Committee on Jobs. In case she missed it, a big impact in her own district last week about the investments we are making into agriculture just to start.

Stay tuned, I say, Mr. Speaker.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: I'm certainly very proud of the aquaculture industry that the Tories gave great strength (inaudible).

SOME HON. MEMBERS: Hear, hear!

MS. PERRY: In Estimates, I asked the minister for an update on the national housing strategy and this province's position. She could not answer, saying instead that she would provide me with an information note.

Minister, how come I have not yet received that information?

MR. SPEAKER: The hon. the Minister of Children, Seniors and Social Development.

MS. GAMBIN-WALSH: Mr. Speaker, the provincial government is working very closely with our federal partners to establish a national housing strategy. We're partners in the plan. I'm not sure if the Opposition understands what that actually means.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. GAMBIN-WALSH: Mr. Speaker, I believe in Estimates we answered some questions on the housing strategy. I did tell the Member that we were working on the provincial housing plan.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Well, we're getting a lot of condescending attitude but not many answers.

SOME HON. MEMBERS: Hear, hear!

MS. PERRY: Minister, it's been two weeks. This should be a file which you are very familiar

with. A housing strategy impacts many people of this province who cannot find suitable and affordable housing.

Can the minister provide this House with an update on the strategy today?

MR. SPEAKER: The hon. Minister of Children, Seniors and Social Development.

MS. GAMBIN-WALSH: In actual fact, Mr. Speaker, I am very well aware of the plan that we are putting in place. We've done provincial consultations. We have evaluated every single program in Newfoundland and Labrador Housing, Mr. Speaker, and we will put forward a plan the end of June. This government will put forward a program and plan the end of June.

So, Mr. Speaker, I look forward to showing the Opposition, and to showing the province, the work that we have done on some of the programs that the Opposition put in place, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Mr. Speaker, I asked for an update on the strategy in Estimates, I asked for an update here again today. If housing and homelessness was truly a priority for the minister she would know this information.

I ask the minister: Why does she not have this information readily available, or at least an update, for this hon. House and the people who so desperately need this housing today?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

I remind all hon. Members the only individual I wish to hear from is the individual recognized to speak.

The hon. the Minister of Children, Seniors and Social Development.

MS. GAMBIN-WALSH: Mr. Speaker, I certainly understand why the Member is saying

they need it today because they didn't deal with it at all, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MS. GAMBIN-WALSH: Mr. Speaker, as I said in my previous answer, we have evaluated every single program at Newfoundland and Labrador Housing. We are engaged in housing and homelessness, Mr. Speaker, and we are working on a plan for Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

In a January 12, CBC story entitled: Biofuel timber decision coming soon, the local MHA says an announcement is only days away. Through Access to Information we discovered that was not reality. Officials from your department in a response to the comments stated: I have no idea where he is getting his information.

Will the minister tell me where the MHA for Exploits got his information?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you very much, Mr. Speaker.

What I can tell the Member opposite is the Member for the District of Exploits has done an admirable job for his constituents in advocating for –

SOME HON. MEMBERS: Hear, hear!

MR. CROCKER: – this business opportunity, and there certainly is a business opportunity there.

As a department, we've worked with this company. We've had some back and forth discussions. We've signed an agreement in principle for the fibre.

There's a basket of fibre located in Central Newfoundland that was left to the province after they expropriated the mill in Grand Falls, incorrectly expropriated the mill, and left us with a burden of environment concerns.

Mr. Speaker, we will work with the people of that region to make the best use of the resource that's there.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: The January CBC story gave false hope to many in the Botwood area, but we now know that a deal is not imminent and much work remains to be done to even know if such operation is viable. People deserve to know the facts rather than the political spin.

When does the minister expect the deal with NewGreen to be finalized?

MR. SPEAKER: The hon. the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Thank you, Mr. Speaker.

As the Minister of Fisheries and Land Resources has just stated, there's a tremendous opportunity for the fibre that exists in Central Newfoundland and Labrador. There is a company that is interested. They are certainly working through their process. There was an agreement in principle put in place. They will go out and do their financing or do their process that takes place to realize opportunities that exist from this fibre and make appropriate investments and go through that process.

We're always open at the Department of Tourism, Culture, Industry and Innovation for anybody who has a business proposal or wants to do business in Newfoundland and Labrador, to have that discussion with our team of experts that we would have in business analysis and individuals to advance the economy.

We've had a lot of great discussions with the MHA for Exploits and advancing that issue for Central Newfoundland and Labrador.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Mr. Speaker, why was the CEO position at the English School District not made through the Independent Appointments Commission?

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

MR. KIRBY: Mr. Speaker, I'm really glad the Member asked this question because I think it's an important lesson about the, I guess we call, signature legislation that we introduced here in the House of Assembly last year.

The English School District is by legislation independent of this House of Assembly to a degree. Therefore, it is exempt from Bill 1, the Independent Appointments Commission legislation, because the trustees who they prevented from being elected for years, the trustees who were elected last November when we returned democratic governance to the school districts, they decide that not the Department of Education or any Member in here.

If he wants to be involved with that maybe you should run for the school board.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: This is the minister who talks about the same trustees that he doesn't take their recommendations seriously, particularly, around building schools.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: With respect to the new contract, did the minister make any changes to the conflict of interest clauses for the new CEO?

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

MR. KIRBY: Mr. Speaker, I encourage the Member to listen when he asks a question.

SOME HON. MEMBERS: Oh, oh!

MR. KIRBY: I mean, really. I just said we don't make that decision here. I have advised the chair of the board of trustees of my concern. I can provide him with a copy of that letter if he'd like. I have advised the chair of the board of trustees of my concern regarding conflict of interest but, again, unlike the previous administration that decided to run the school district from the eighth floor of this building, we are letting the trustees do the job that they were democratically elected to do next November. When they arrive at that decision they will make that determination.

I'm not going to dictate to them like the four ministers that stood here when I was in Opposition (inaudible).

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: I think history will show something different in the near future.

On the day that the former CEO resigned, the minister stated that he was concerned because of an indisputably perceived conflict of interest.

Did the minister feel the same concern when he found out about the clerk's conflict?

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

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

I'm certainly happy to stand up here today and speak about conflicts of interest. Again, it's something the Premier has noted that we're going to look at this legislation which is quite

dated and the previous administration, which had over a decade in office, had an opportunity to fix. As we've been doing in the last 17 months – not 24, I would say to the Member for Fortune Bay – Cape La Hune – we'll fix this up the same way we've been fixing many things up.

The Member likes to talk about conflicts of interest, but I still haven't heard a good answer of why they let deputy ministers resign to run elections and then get rehired the next day without any competition. I look forward to that answer.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: We've seen recently about firing people and then hiring back some of their own friends, so there's a conflict.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Mr. Speaker, last year, Coley's Point Primary and the school in the Mobile region were axed from the government's plan. One year later, and the Liberals fund a school in the Liberal district but ignore the other.

Why is the minister playing politics with our children's education?

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

MR. KIRBY: Mr. Speaker, it's highly ironic that the Member stands in his place and talks about hiring his friends. He should look behind him.

SOME HON. MEMBERS: Hear, hear!

MR. KIRBY: During a hiring freeze in this province he hired the gentleman who now is in the seat for CBS. He hired him during a hiring freeze as his second executive assistant, which doesn't exist anywhere in our government. He made a special position to hire his friend after he didn't get elected in a by-election.

Now, if that's not the pot calling the kettle black, I don't know what is. I mean, really.

SOME HON. MEMBERS: Hear, hear!

MR. KIRBY: Their leader said recently that we should remember history. He should remember his own history. So the next time he talks about conflict of interest, please just turn around and look at the gentleman sitting behind you before you make allegations about this government.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: I must remind the minister, it's not funny when people expect access to proper education and so does Coley's Point, but so does Mobile and so does Riverside Elementary also.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: It's not funny around education.

When asked in Estimates about the cost of the EY library report, the minister told us to check what the media had reported.

Considering the library report is months overdue, their cost of over \$187,000, are there any additional costs added to the EY consultant's costing?

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

MR. KIRBY: Mr. Speaker, I don't know where, again, the Member gets his information from. This report is not overdue. When it was initiated, at the request of the provincial libraries board, I gave a ballpark figure, I suppose – I was trying to estimate when I thought, last June, when it might be released.

So there was no deadline put in place. We wanted the work to get down properly. I am pleased to advise the Members of the House of Assembly that I understand that report will be released imminently. When that report is released, I will provide a full accounting of what it cost.

But again, we're not going to be lectured by people about cost. They spent \$40 million on the Corner Brook hospital and all we got is an expensive dog park. They know nothing about financial management, and I'm not going to be lectured by people who manage money like that.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

Mr. Speaker, I'd like to point out to the Minister of Education in November of 2015 the people of CBS hired me, and I'm very proud to represent them.

SOME HON. MEMBERS: Hear, hear!

MR. PETTEN: Minister, you confirmed in Estimates that your government would be relocating Crown Lands to Corner Brook on July 1.

Can you confirm today that the move to Corner Brook is still scheduled for July 1?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Mr. Speaker, I thank the hon. Member for the question. The relocation to Corner Brook is something that's a priority of our government because of our emerging priority that we've placed on agriculture, and it's about breaking down silos.

Mr. Speaker, what I can tell the Member opposite is we're going to work with our employees and we're going to work with our bargaining unit to make sure this transition is as seamless as possible for those who wish to take positions in Corner Brook.

Mr. Speaker, right now we're working with our employees to have the relocation to Corner Brook completed by the 1st of September.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

I'm glad he confirmed there is a change of dates. You also said in Estimates you would have all Crown Lands records digitized by the end of August – over 70,000 of them; many of which are very fragile and require special care. We learned that you just started to digitize Crown Lands records last week.

Are you delaying the move to Corner Brook because now you admit the move was poorly thought out and you cannot get the required work done?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Mr. Speaker, absolutely not. The Member stands up here and asks us questions week after week about Crown Lands. He never does bring out the facts; I guess it's the alternate facts again. Because the reality is, the Crown Lands office in St. John's will still be there. So if a person in this province wants to do a Crown Lands application in St. John's, the office will still be there to do that, Mr. Speaker.

The work in the vault is on track. The work in the vault actually came out of the *Lands Act* review that was done by the previous administration. This is not a new thing. They identified the problem and we're fixing it.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay South, for a quick question.

MR. PETTEN: Thank you, Mr. Speaker.

As the second largest municipality in the province and one of the fastest growing, isn't it time now to consider a dedicated police detachment of the community of CBS?

MR. SPEAKER: The hon. the Minister of Justice and Public Safety.

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

I do appreciate the question from the Member and recognize the growing community of CBS. In fact, I'll be out there tomorrow to recognize the police officers of the year, and I look forward to that and invite the Member to show up.

What I can say at this point is that, on many occasions, my staff and I have had conversations with the community about policing. This issue has not been raised, but my office is always open to listen to representation to ensure that we continue to provide safe policing to every part of this province.

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.

Government plans to eliminate the MCP fee code that pays doctors to give flu shots. We are told people can go to community health clinics, but community health clinics are limited in number and already have long wait times.

I ask the Minister of Health and Community Services what extra resources has he put into community health clinics to accommodate thousands of additional clinics as doctors stop holding flu shot clinics.

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

MR. HAGGIE: Thank you very much, Mr. Speaker.

I think it would illustrate things better that if you have a patient with a belly ache, they go to their family doctor. The family doctor bills the taxpayers \$31. If they're offered a flu shot at the same time, the family doctor extra bills the taxpayer \$17 for a service that can be provided

down the corridor, free of charge, no extra charge to the system. That is the logic behind the change.

There has been no reduction in the availability of flu vaccines. The vast majority of doctor-administered flu vaccines are done in the setting of existing community clinics.

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.

There's no hall going down to a clinic when I go to my doctor, so I don't know what he's talking about.

Doctors administer flu shots to 60,000 people annually, half the provincial total. We have the second lowest flu shot uptake in the country, which could get worse. In 2015-2016 there were 218 flu hospitalizations, 49 ICU admissions and 8 deaths.

I ask the minister: How many more costly hospitalizations and deaths will occur by closing off this vital access to immunizations?

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

MR. HAGGIE: Thank you very much, Mr. Speaker.

If the Member opposite wishes to visit her family physician for an office visit, she can still receive the flu shot. It will be provided free of charge both to her and the family physician concerned.

There's no diminution in access, Mr. Speaker. It's simply a question of reducing extra billing and using people to their full scope of practice. We really don't want physicians with 10 years of training sticking needles in folks when there are nurses down the corridor who can do the job.

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: Mr. Speaker, on December 6 the minister held a news conference promising access to Suboxone for opioid addiction treatment, saying it is a safer alternative to methadone and less prone to overdose. Six-and-a-half months later the province is deep in an opioid and fentanyl drug crisis, people are overdosing and some dying. Suboxone is still not readily available.

I ask the minister: Why has he not been able to make this happen and roll out Suboxone as he had promised?

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

MR. HAGGIE: Thank you very much, Mr. Speaker.

I think I'd like to take the opportunity to also mention that whilst unfortunately there have been some fatalities from fentanyl, there have also been 19 lives saved due to the measures we took with the naloxone kits. The issue around Suboxone is regulated by the College of Physicians and Surgeons of this province, and we have been engaged actively in attempting to reduce some of these regulatory barriers. We continue to work on those.

Suboxone is certainly a much safer alternative and I think ultimately will turn into the first line of treatment. But there are some regulatory barriers that the profession has to help me with at the moment and I'm working with them on that.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: Mr. Speaker, he has six-and-a-half months and still no sign of a solution.

Mr. Speaker, because of the fentanyl crisis, more people are desperately seeking treatment for opioid addiction, yet still have to wait at least

three weeks for an initial screening appointment with the Opioid Treatment Centre. Then they have to have a series of tests that can take up to 10 days or more for results. Addictions do not do well on wait-lists.

I ask the minister: What is he doing to put resources in place to speed up this process as other provinces have done?

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

MR. HAGGIE: Mr. Speaker, the Member opposite, having sat on the All-Party Committee on Mental Health and Addictions, would be quite familiar with a lot of the discussions that we have had around trying to deal with this emerging problem. There is, in the very near future, a full implementation plan for the All-Party Committee which will go a long way to answer a lot of her questions.

In addition to that, there is \$5 million in this year's budget to begin immediately implementing those. In addition, there is \$2.7 million of federal money which we can put into mental health and addictions at that point. She knows the answers to some of her questions.

SOME HON. MEMBERS: Hear, hear!

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

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Tabling of Documents

MR. SPEAKER: In accordance with subsections 273(3) and 299(3) of the *Elections Act, 1991*, I hereby table the supplementary schedule of contributions from the annual report on election finances January 1, 2015 to December 31, 2015 by the Office of the Chief Electoral Officer.

Further tabling of documents?

Notices of Motion.

Notices of Motion

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

MR. A. PARSONS: Mr. Speaker, in accordance with provisional Standing Order 11(1), I give notice under the same order that the House not adjourn at 5:30 p.m. on Monday, May 29, 2017.

Further, Mr. Speaker, in accordance with the same Standing Order 11(1), I give notice that the House shall not adjourn at 5:30 p.m. on Tuesday, May 30, 2017.

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 we insist that the well-being and safety of our families take priority over any economic consideration; and

WHEREAS we reject in advance any Nalcor-led plan to send its experts to Labrador to inform; and

WHEREAS we are calling for a process where independent experts are provided with everything they need to ascertain the safety of the North Spur, i.e., the proper mandate, documents, financing and time; and

WHEREAS we demand this process have a public component where we the people can have access and can ask questions; and

WHEREAS the Premier promised to open the books on Muskrat Falls and so far that has not happened;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to consider the establishment of an independent expert review of the North Spur.

And as in duty bound your petitioners will ever pray.

Once again, Mr. Speaker, I stand with this petition that is being sent in so that this issue can be raised here in the House of Assembly. I'm very happy to do that on behalf of the people who signed the petition in particular, and also the people in Labrador in general who continue to get signatures for this petition because of their great concern.

I am not in any way saying that what's happening in Mud Lake right now is because of Muskrat Falls, but I think what's happening in Mud Lake right now is something that we really need to look at and look at what would happen if we have a major fault of the dam in Muskrat Falls.

We all know one place that will definitely get impacted would be Mud Lake. We also see with what's happening today that even parts of Happy Valley-Goose Bay are being affected by the flooding because of what's happening in the climate right now, what's happening in weather in Labrador.

Once again, I'm not blaming it on Muskrat Falls. That's not what I'm saying, but it is a warning of what can happen if anything, a major fault would happen because of the North Spur. I don't know, to me it's really timely, unfortunate – I feel awful for the people in Mud Lake and anybody else, especially there in Happy Valley-Goose Bay, who may be affected by this. It's horrible, but how much more – we should say we can't, we have to make sure everything is done to ensure that this kind of flooding couldn't happen because of a fault at Muskrat Falls.

The experts around the world who are questioning the stability of the North Spur need to be taken into consideration, and I don't think

this government has done that. I don't think Nalcor has done it. I think what the people in Labrador are calling for and what those who signed the petition are calling for needs to be paid attention to.

Thank you very much, Mr. Speaker.

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

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

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

WHEREAS government has removed the provincial point-of-sale tax rebate on books which will raise the tax on books from 5 per cent to 15 per cent; and

WHEREAS an increase in the tax on books will reduce book sales to the detriment of local bookstores, publishers and authors and the amount collected by government must be weighed against the loss in economic activity caused by higher book prices; and

WHEREAS Newfoundland and Labrador has one of the lowest literacy rates in Canada and the other provinces do not tax books because they recognize the need to encourage reading and literacy; and

WHEREAS this province has many nationally and internationally known storytellers but we will be the only people in Canada who will have to pay our provincial government a tax to read the books of our own writers;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government not to impose a provincial sale tax on books.

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

Mr. Speaker, I don't know how many times I've stood in this House and read this petition, and then spoke to the petition in terms of how short

sighted this tax on books really is, and how detrimental it is in a number of ways. I can't imagine there is any other argument that I haven't covered as to why this tax is regressive, is detrimental, does not strengthen or empower our citizens, our communities, our retailers. It just simply makes no sense. It's an ill-thought out regressive tax that is harmful; harmful to the literacy rates of the province.

Again, our province has the lowest literacy rate. It's mystifying to people all over the province, and I'm sure it's mystifying to people on the other side of the House. I know there are government Members who feel this really makes no sense whatsoever to put this additional tax on books. Again, reminding everybody that this tax is not implemented anywhere else in Canada, only in Newfoundland and Labrador. Once again, here we are with the lowest literacy rates, the highest illiteracy rates.

I believe this is a tax that is a result of a lack of understanding of really what taxes should do. It's a tax that flies in the face of reason. It's not based on any kind of evidence to show there is benefit to the people of the province. Taxes really should benefit people. There is no perceivable benefit to this type of tax.

We've seen that government has had to rescind part of their gas tax. We've seen government has had to roll back some of its levy tax, the Liberal levy tax. So they should do the right thing and abolish this tax as well, reinstate the point-of-sale rebate on books in Newfoundland and Labrador.

Thank you very much, Mr. Speaker.

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

It is certainly a pleasure today to rise and present a petition on behalf of constituents of the Ferryland District.

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 Goulds Bypass is a major route that most residents of the Southern Shore use to commute to St. John's; and

WHEREAS the condition of the Goulds Bypass is in a very deplorable state; and

WHEREAS the condition of this piece of highway is putting commuters safety at risk;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to take necessary actions to do the necessary repairs to the Goulds Bypass.

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

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

For those familiar with the Southern Avalon, the Goulds Bypass – or actually Robert E. Howlett, it's in memorial of a Newfoundlander and Labradorian. That piece of highway was built a number of years ago for the purpose of improving the traffic link from the Southern Shore to the St. John's region.

With the expansion of the boundary of St. John's extended up to Middle Pond, to the border of Bay Bulls, that's significant piece of highway in regard to traffic for commerce, for people travelling for work, for a number of activities back and forth and for the companies and businesses that support along the Southern Shore and the Southern Avalon. Whether it's the fabrication, whether it's the fishing industry, small business, a wide array of activities there that this is needed for.

Unfortunately, two years ago, in 2015, we did some upgrades in regard to six kilometres of paving there, levelling, which held up well, but there are other sections that certainly need to be done and we were hopeful that they would be in the long-term plan in regard to what TW has put out.

We've never gotten the list of all roads that were assessed, so I don't know where that road has been in regard to being assessed. We'd certainly like to find out and where the work is, to do the

repairs to it. Because for economic, for residential and for all those activities, it is needed. I think the criteria for that, that the minister said when he assessed roads in Newfoundland and Labrador whether they would fit the bill for the long-term maintenance of highways, that it would fit in.

The other unfortunate part of this administration, we had approved an extension to the Robert E. Howlett to bring it 9.6 kilometres into the Bay Bulls region. Unfortunately again in their wisdom, on the other side, they saw a lack of vision and they cancelled this. When you look at the growth and the other things we're seeing in the region – and we know of the poor decision to cancel the new middle school as well.

Nevertheless, the people of the region, there's growth there, a lot of activity. This government talks about economic development and you have to put the resources in place, whether it's highway or schools, to make sure we need the needs of the region. We certainly implore government to revisit this and do what needs to be done in regard to this highway, the Robert E. Howlett.

Thank you very much.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Member for Cape St. Francis.

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

A petition to the 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 school-age children are walking to school in areas where there are no sidewalks, no traffic lights and through areas without crosswalks; and

WHEREAS they have put the safety of these children at risk;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure safety of all children by removing the 1.6 kilometre busing policy where safety is a concern.

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

This is not the first time that I've presented this petition; it's a petition that I've presented now since we've been in Opposition. It's a concern I've had since I've been here in government.

Mr. Speaker, there are a lot of areas in the province that have sidewalks and have safe walking areas to and from school. Some areas don't have the same traffic congestion that I do have in my area. On Torbay Road where I have Torbay Elementary School and now the new Torbay middle school there are 17,000 cars a day travelling along those roads. It is very dangerous for the children to be walking along those roads.

I know it's a policy that's in there and there's a cost related to it and the distance between school and getting home and stuff like that. And 1.6 kilometres may not seem a long distance, but it is quite the distance for families to be concerned about their children walking back and forth, especially in the winter months.

I know that in some areas they do clear – if you're in the St. John's area, the sidewalks get cleared. Schools are a priority. But in the area like Torbay where they don't have sidewalks and you have children walking back and forth to school, it's very dangerous because there's a lot of ice and the snow doesn't get plowed back as far as what it would if the sidewalks were cleaned.

I'd really like – and I know the minister had this concern himself when he was on this side of the House because he presented a similar petition all the time. I'm hoping that the minister will find the money and the resolve to be able to fix this problem because it's a serious concern.

In Torbay where there's a new school just opened – I spoke to a parent just recently and the concern was that the kids were used to going

back and forth on the bus but where the new school was put to, they had to walk. He said grade fives and grade sixes, they are a bit rambunctious as they are going to school and pushing and shoving, like we did when we were at their age. He was concerned about the safety of them going back and forth.

I ask the minister to seriously consider this, where safety is a major issue, to take this policy out of place.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

It's indeed an honour to stand again and present a petition.

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 there's been an identified lack of mental health services in our province's K to 12 school system; and

WHEREAS the lack is having a significant impact on both the students and teachers; and

WHEREAS left unchecked matters can and, in many cases, will develop into more serious issues;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to increase mental health services and programs in our province's K to 12 school system.

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

Mr. Speaker, we've identified, in our discussions around education for the last number of years, that there are obviously some serious challenges there. Society has some different challenges now

than faced previous generations and, as a result, kids are facing stressors. There are issues around mental health that are now coming to the forefront. There are issues within the school system.

As we change the dynamic of our schools – geographically, they are larger. Class sizes are larger. Integration is part of it. There are a multitude of students who have some particular challenges, which indeed adds to the stresses within the classroom system, adds to the inability, in some cases, of being able to supervise in a proper manner and address some of the particular issues; but if you have also societal issues around mental health, they obviously are going to carry over to the younger generation.

What we're hearing from experts, what we've heard from the All-Party Committee on Mental Health in their report, was if we're proactive versus just being reactive – and I know we have to be reactive because certain situations already exist and we have to be able to address those and we have to try to mitigate any impact they have on students, our school system, the people who provide our education, the families who take care of their loved ones and their children day in and day out.

We have to take a two-fold approach here. One has to be: We have to work with our educators, provide them the resources, the education, the supports necessary so they can help identify particular issues around mental health in the school system, do some primary interventions, do some assessments and be able to guide where the proper perceived intervention may be available. That has to come through a partnership. To develop that partnership, you have to have all stakeholders.

So we need to take the lead here, government needed to take the lead and particularly the Department of Education and Early Childhood Development and the Department of Health need to obviously look at how you integrate and develop programs that meet the needs in our school. There is no doubt there is a collaborative approach here by everybody that has the ability to put programs and services in place.

As we noted in the past, K to 12 are getting larger. There are more integrated programs and services that are needed. We need to have a strategy around mental health.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BRAZIL: Particularly as it relates to students because the plan here and the investment here would be beneficial because if we can alleviate some of the issues facing young people in the younger years, that will eliminate it in the later years.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. A. PARSONS: Orders of the Day, Mr. Speaker.

MR. SPEAKER: Orders of the Day.

Orders of the Day

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

MR. A. PARSONS: Mr. Speaker, I would call Order 7, second reading of Bill 10.

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the Government House Leader, that Bill 10, An Act To Amend The Natural Products Marketing Act, be now read a second time.

MR. SPEAKER: It is moved and seconded that Bill 10 be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Natural Products Marketing Act." (Bill 10)

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you, Mr. Speaker.

This legislation change will ensure milk quality and a penalty program is in place, but before I go into details on that program I would like to provide some background on the *Natural Products Marketing Act*.

In Newfoundland and Labrador, the *Natural Products Marketing Act* allows the minister to establish plans for the promotion, control, regulation or prohibition of the production of marketing of a natural product. These plans provide for an establishment of a commodity board and outline their powers, functions and duties for the application and the enforcement of that plan.

In the case of dairy, the commodity board is the Dairy Farmers of Newfoundland and Labrador and the scheme is the Milk Scheme of 1998.

Newfoundland and Labrador's supervisory board is the Farm Industrial Review Board which was established under the *Natural Products Marketing Act* to control and direct the operation of commodity boards. Given that the commodity boards are empowered to regulate their own industry, there is a need for an oversight body. The Farm Industrial Review Board provides a link between the commodity board and the government to ensure commodity boards operate with the best interest of the public.

Currently, the act does not address issues governing milk quality or provide commodity boards with the powers to enforce quality standards and penalties. As a result, an amendment is required to the *Natural Products Marketing Act* so that it will provide the Dairy Farmers of Newfoundland and Labrador with the tools to implement the milk quality and penalty program.

To summarize on why we need this amendment, the *Natural Products Marketing Act* only provides for the establishment of commodity boards which doesn't include dairy. Currently, milk quality standards are covered under food premises regulations but if this amendment is

accepted, the act will allow for it and will make the necessary changes to the regulations.

This is an important amendment, as it ensures we are becoming in line with the rest of Canada and will continue to produce some of the best milk products in the world. Canadian milk standards are seen as some of the most stringent in the world. Dairy Farmers of Newfoundland and Labrador are committed to maintaining their place as an international leader for milk quality.

The Dairy Farmers of Newfoundland and Labrador have been working with their counterparts in other provinces to move towards harmonizing their milk quality standards, which is what we are doing today. This amendment will allow the implementation of penalties for non-compliance through the new milk quality and penalty program.

This is a producer driven initiative to ensure processors located in and outside the province have the same high level of quality standards that are applied to all other Canadian dairies. Today's amendment will ensure that milk produced in this province will have the same standards and quality for production purposes.

As Minister of Fisheries and Land Resources, I am mandated to promote economic growth in the agriculture industry. Our government recognizes the unique nature of this industry, and through *Budget 2017*, we are following through with our commitment to expand this sector.

Dairy farms are the largest of all of our agriculture commodities produced in Newfoundland and Labrador, accounting for 36 per cent of our farm gate receipts. Farms in Newfoundland and Labrador produced 48½ million litres of milk in 2016 worth almost \$48 million at the farm gate.

This industry is comprised of 28 separate enterprises. Approximately 60 per cent of these farms are located on the East Coast. The largest amount of production occurs on the West Coast of our province, and that's where we have farms on the West Coast that are among the largest in the country. Over 20 per cent of the milk produced in our province today is shipped to processors outside the province for secondary

processing. We are currently looking at opportunities to attract proposals for secondary processing in our province, as this will further expand our efforts to become more food self-sufficient.

The implementation of this amendment will likely result in an expansion of our dairy sector; agriculture development has reached a pivotal point in Newfoundland and Labrador. Our government recognizes the importance of providing as much locally produced food as possible to our residents. Current production is meeting only 10 per cent of our food requirements. We are making a number of strides to increase our food self-sufficiency. Increasing food self-sufficiency is one of more than 50 initiatives outlined in *The Way Forward: A Vision for Sustainability and Growth in Newfoundland and Labrador*.

Newfoundland and Labrador produces enough of the supply managed commodities such as milk, chickens and eggs for our own requirements; however, we import about 90 per cent of the other food requirements via marine transportation. Opportunities exist to increase production levels of almost all agricultural products, including dairy for secondary processing.

In February, we announced that farmers and agricultural producers will have almost double the amount of land available to them through Crown Lands reservation prioritized for the agriculture production. We identified 62 areas of interest, making up approximately 64,000 hectares to increase agriculture development. These areas contain lands considered to be sufficient for agricultural importance due to soil characteristics and accessibility. Reserving Crown lands within these agricultural development areas is an important step for expanding our industry.

Local farmers and businesses recognize the need to obtain a greater share of the local market or to expand into new markets, and it's up to us as a government to help them achieve those goals.

In conclusion, this is a good amendment to move forward on. It will ensure our milk remains consistent with national standards and is on the same high quality, as these amendments ensure

quality assurance related to processing of dairy products. Raw milk of a lower quality has a negative impact on the entire sector.

Our dairy farmers in Newfoundland and Labrador are aware of the statistics and are aware the implementation date of this program will be August 1. In fact, the decision was approved at the semi-annual meeting of the Dairy Farmers of Newfoundland and Labrador membership and therefore applies to all dairy farmers.

This is an amendment our dairy farmers want and are eagerly waiting to implement. I ask Members to also support this amendment, and I do look forward to today's debate.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

Mr. Speaker, first of all I want to thank the minister's staff who provided us a briefing the other day. They did a great job, very thorough, and I want to acknowledge them and thank them very much. It was appreciated.

The minister just stated in Bill 10, under the *Natural Products Marketing Act*, the changes that were already read. It's important changes. It's a quality assurance piece, I guess, is more the thing. Our milk products right now are at a great standard, but this is just to ensure they stay at those standards. It's tightening up quality assurance, which is a good thing.

"The Newfoundland and Labrador Farm Industry Review Board is an administrative tribunal – a statutory appeal body with additional responsibilities for the general supervision of the marketing boards operating in the agriculture sectors."

The board's "responsibility under the *Natural Products Marketing Act* is to serve as a supervisory board with the power and authority under the Act to control and direct the operations of the provincial commodity boards

including Dairy Farmers of Newfoundland and Labrador, Egg Farmers of Newfoundland and Labrador, and the Chicken Farmers of Newfoundland and Labrador.”

Under the *Natural Products Marketing Act* the Farm Industry Review Board “is responsible for general supervision of the operations of commodity board created under that Act; hearing appeals filed by any person who is aggrieved by or dissatisfied with orders, decisions or determination of the commodity boards; and acting as a signatory to federal provincial agreements for supply-managed commodities.”

Currently, through the *Natural Products Marketing Act*, the minister can establish schemes plans for promotion, control, regulation or prohibition of the production and marketing of a natural product. These schemes provide for the establishment of the commodity boards and outline their powers, functions and duties for the application and enforcement of the scheme.

There are currently three commodity boards in Newfoundland and Labrador: the Dairy Farmers of Newfoundland and Labrador, the Egg Farmers of Newfoundland and Labrador and the Chicken Farmers of Newfoundland and Labrador, as I already stated.

Mr. Speaker, these amendments to the *Natural Products Marketing Act* will allow for the implementation of milk quality and penalty program. The scheme that governs the milk board is the *Milk Scheme, 1998*. The regulations under the Milk Scheme apply to all producers and processors engaged in the production of milk and marketing of milk. The regulations govern such things as licensing, production quotas, production levies, production pricing and inspections. The Farm Industry Review Board is also established under the *Natural Products Marketing Act*.

The board is a regulatory, adjudicated body responsible for the general supervision of provincial agriculture commodity boards, and the Dairy Farmers of Newfoundland and Labrador have requested approval to allow them to implement a raw milk quality and penalty program.

As you can see, this is coming from the industry, which anything that is industry driven to approve quality assurances in something like this and helps the industry is always a good thing. It’s nice to see it coming from the industry as opposed to the other way around. A lot of times government initiates stuff; this is the industry asking the government to help them to make their products safer and to help them grow their industry. So that’s always good to see, Mr. Speaker.

This program will include new stricter milk quality standards, increased testing, frequencies and associated penalties for non-compliance. The program has been approved by the board and would be effective following the legislative amendment. The amendment will allow the minister to confer upon the commodity board the power to impose penalties, prescribe quality standards and give the board the power to hear and determine appeals in relation to suspension and the revocation of licences.

Mr. Speaker, I guess the next comments will be basically what we’ve kind of arrived at, why the board wants this amendment – Dairy Farmers of Newfoundland and Labrador, I should say, want this amendment.

Milk has always been tested for quality according to the National Dairy Code standards and is subject to inspection of quality control by Service NL under the *Food Premises Act* and the *Food Premises Regulations*. The Dairy Farmers of Newfoundland and Labrador recently entered into an agreement with other provinces which will require the milk and quality testing to follow the same standards across Canada. This is why I referenced the quality assurance piece; it is actually improving upon what we already have, and I’ll get to that in a minute.

The new program will allow the Dairy Farmers of Newfoundland and Labrador to prescribe quality standards and issue penalties as a condition of the producer’s licence. All other provinces are set up this way. So again, it is keeping in line with the remainder of all the provinces across the country.

It’s a nationally based program that will ensure all provinces follow a coherent set of standards and testing. All provinces have committed to

implementing this by August of 2017, so in the very near future.

The purpose of the milk quality and penalty program is to maintain and strengthen current Canadian milk quality standards and initiate the enforcement of strict monetary penalties associated with these standards across provinces. It's not anticipated that this program will result in widespread application of penalties; rather, it will provide an incentive for them to produce and maintain quality milk. It will also strengthen our reputation with processors who expect quality milk.

The industry has provided strong support for the province and the Dairy Farmers of Newfoundland and Labrador to proceed with this change. Because there is no secondary processing in the province, our milk quota for secondary processing is currently pooled with milk from the provinces of Ontario, Quebec, New Brunswick, PEI and Nova Scotia, which is referred to as the P5 provinces, Mr. Speaker.

In order to ensure the consistent quality amongst farmers is ultimately pooled milk, implementation of a collective milk quality program is required. This will provide processors, as well as other provinces, with assurances that all milk is produced in accordance with the same high standards.

The Milk Scheme, 1998 and the *Milk Regulations, 1998* will be amended to provide the Dairy Farmers of Newfoundland and Labrador with the authority to implement the program and include program specifics: milk quality standard, penalty levels and shut-off levels respectively.

Mr. Speaker, in summary, some remarks I want to make. Through the supply of management, each province receives a quota for milk, eggs and chicken. The provincial boards then allocate the quotas to existing and new farmers. These quotas ensure that each province has enough milk products for their residents. I learned a lot of this the other day through our briefing. It was pretty educational. I thought it was quite interesting, actually.

Within Newfoundland and Labrador, all the fluid milk, drinking milk that is sold here is

produced here, with the exception of lactose-free and UHT milk. Industrial milk, which is produced in this province, is shipped to other provinces to make ice cream, cheese, yogurt and other secondary products. This is done as the facilities to process such volume of secondary products are not in our province. The amount of industrial milk shipped out is relative to the amount of secondary products shipped in.

The Newfoundland dairy farmers have now signed an agreement with the P5, as I said: Ontario, Nova Scotia, PEI, New Brunswick and Quebec, which will see our secondary processing take place in those provinces. In order to ensure this can occur, the province needs to have the same quality standard as those provinces. This agreement will guarantee that the farmers will have buyers for their industrial milk and guarantees them a price for it. Newfoundland farmers will actually get a higher price than PEI farmers for industrial milk.

The quality of milk will need to be better than 400,000 somatic cell counts. Currently, the testing which occurs is done by Service NL, as per the act. Dairy cows must have a standard of better than a human health standard of 500 somatic cell counts. Obviously, it's 100,000 less under this new proposal here which, again, I'll refer to as a quality assurance piece.

During our briefing, we were also told that, I think, there's one dairy farm that they can recall ever reached the 500,000 level. So the odds of anyone ever reaching that was the one time that it happened. Now we're lowering it to 400,000, and once again, the dairy farmers of Newfoundland and Labrador are the ones initiating and driving for this change. That's good to see, Mr. Speaker.

Through the new program, the standard which will be enforced by the dairy farmers will be better than the human health standard, which is a good thing. The enforcement of this new standard is not expected to be an issue as the vast majority of farms now well exceed the 400,000 somatic cell count standard.

The Dairy Farmers of Newfoundland and Labrador have asked for the amendment, and are all in the support of the new regulatory framework which this legislation will allow.

On that note, Mr. Speaker, I thank the minister, and once again, his staff for providing us with a briefing. This is a piece of legislation that we will be supporting.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Chair recognizes the hon. the Member for St. George's – Humber.

MR. REID: Thank you, Mr. Speaker.

I'm just going to take a few minutes to say a few words about this bill, and more specifically, about the dairy industry in the province and to pay tribute to some of the people in the dairy industry in this province.

It's good to see this legislation come forward and it's good to see that it seems to be accepted on all side of the House. That's very encouraging that people recognize the importance of the dairy industry in this province and the importance of this piece of legislation to the dairy industry.

I just want to say, the dairy industry in this province has an interesting history. There are some people who, at the beginning of the dairy industry, thought that a dairy industry couldn't exist in a province like Newfoundland and Labrador because we couldn't grow the grains here that we needed to support a dairy industry. We had to import some of our grains.

A number of families – specifically, I want to mention a few of them that are from my area: the Cormiers of the Codroy Valley; the Chaffeys from St. David's, Maidstone; the Wells of Robinsons and the Simmons from Little Rapids. Those are some of the families that sort of played a big part in the development of this dairy industry in this province, when many people were saying that we shouldn't have a dairy industry, that we couldn't have a dairy industry. They ignored all of that. They went about their work day to day and created a dairy industry that is such a big part of our farming economy in this province.

It's interesting, Mr. Speaker, that these families continue to be innovative. Innovative in the way

they run their farms. Innovative in the way they use technology on their farms. Innovative in the crops they grow. Only 20 or 30 years ago, people would tell you we can't grow corn in Newfoundland. Well, on the West Coast of this province now there is over 1,000 acres of corn being grown each year. That has a big impact on the dairy industry and the ability of our dairy industry to survive.

Also, I think we should mention the role of the department in terms of experimenting with new crops and, in partnership with farmers, developing new crops such as winter wheat and canola, the importance that these locally grown varieties and the success of growing and processing these here in this province, have on the viability of our dairy industry. The role of the department in doing that is very important. I just want to recognize the role that the department has played in encouraging that type of experimentation, partnering with farmers to expand the types of crops that we can grow in this province.

Also, it is interesting to know that we often think of farming and dairy farming as a low technology sort of activity, but if you look at the modern dairy farms today you'll find computers are a big part of the operation there. Several of the farms are recognized as leaders in the technology that they're using in their farms. They're dealing with environmental issues in innovative ways. They're pushing things forward in the way they manage their herds, to manage their reproduction.

If you look at farms I visited, a number of the farms in my own district, some of them have – one of the farmers has a cellphone and he sort of manages the farm sort of from his cellphone. He has sort of a robotic system that milks cows and if there's a problem on the farm with the system, it notifies him through his cellphone and he can sort of go and deal with the problem.

It's very interesting that agriculture is becoming a high-tech industry and the quality of the milk that we produce in this province is second to none in the world. Milk is a very regulated product around the world. It's something that's consumed and requires good regulation to maintain the quality. So I'm pleased to see that

farmers are accepting that and looking at ways they can continue to improve their quality.

We produce fluid milk, milk that we consume in stores, but also we've been making strides in terms of industrial milk quota in this province. I think some of these farmers are innovative enough that I think you're going to see some secondary processing of that industrial quota in short time. So it's very interesting. It's very positive.

I just wanted to take those few minutes to pay tribute to the dairy farmers who are really doing a positive job here in this province.

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 really pleased to stand this afternoon and speak to this bill, the bill to amend the *Natural Products Marketing Act* because I just believe there's so much that can happen in agriculture in our province, so much that is happening and so much that we should be proud of, that I'm delighted to be able to stand and speak to a bill that is dealing with that.

In this case, of course, we're dealing with the whole issue of milk. I thank the minister for his opening remarks, spelling out what the bill is about. I thank his department, also his officials for meeting with MHAs and researchers to explain the bill as well so that we can understand what it is we are voting for.

One of the things that is very interesting I think – there are a lot of things I've learned because of this bill, and that's exciting. One is the wonderful quality of our milk. Now, one of the things about this bill is it is dealing with making sure we have regulations that prescribe in writing what is demanded in the quality, if we are to continue sending milk for industrial purposes outside of the province, to be used by industry outside of the province.

It turns out that, in actual fact, while we'll prescribe it and put it in writing, we have

tremendous high quality. Milk is monitored and measured by what is called the somatic cell counts. This testing is done not by the Department of Fisheries and Land Resources but by the Department of Service NL under the authority of the *Food Premises Act* and Food Premises regulation.

In the national standards, a cell count of 400,000 or less is required to meet the standards of the provinces that we pool our milk with. It turns out the regulations setting down that it's 400,000 or less is really way beyond what we produce here in this province. In actual fact, our provincial milk quality is almost always below 100,000. So the regulations are in place, they're precautionary, but if we keep up this standard we have no worries. I think it's marvellous that we have such a high standard.

The breadth of the distance of where our milk goes, our milk is pooled with five provinces that are called the P5 group: Ontario, Quebec, New Brunswick, PEI and Nova Scotia. That's where our milk goes and is used industrially; in other words, in secondary processing.

One of the sad things is that while we have fantastic milk producers and fantastic farms, we no longer have any large-scale secondary processing. There are some small artisan enterprises. For example, Five Brothers Cheese is one of the things that come to mind, but we don't have any more secondary processing in the province.

We used to process in a large scale cheese, yogurt and ice cream. Of course, recently with the closure or the loss of the Scotsburn factory, we ended any secondary processing in the province. That is sad for a couple of reasons. One is part of the food security that the minister was talking about, we're certainly self-sufficient in milk for consumption, that's not the problem but we certainly are not producing anything as a secondary product. That is disturbing. Again, not just because of the whole issue of food security but also because of jobs. Because when we lost the Scotsburn factory we also lost almost 200 jobs. This is very disturbing.

It would be very interesting to see could we, once again, in some of these areas become competitive if we got more secondary

processing going on. Maybe we can't. If we can't, I understand part of that would be, I would imagine, economy of scale. We're a very small population spread over a very large area, so that does dictate some things. But at the same time, I wonder are we encouraging enough of people, entrepreneurs, in the industry with milk who might get into secondary processing of cheese, of yogurt, stuff that we did have secondary processing in.

In the meantime, making sure that our producers here in Newfoundland and Labrador can get the milk off the Island is extremely important. That's what the amendments are about. The provincial dairy farmers' milk quota for secondary processing, as I said, is currently pooled with milk products from the five provinces that I mentioned. It's really important that our dairy farmers – and we've had a description of how successful they are, but it's really important that our dairy farmers can continue to pool their product in this P5 group. The amendments to the act and the regulations that will be brought in because of those amendments are there to make sure that we will continue to meet the standards of the P5 provinces.

It's absolutely important that all producers produce good quality, because one producer pooling milk, one producer who does not have good quality can spoil it for everybody else. So this is why it's so important that we now are putting in place, in writing, prescriptions with regard to our production of milk so that it can move off the Island. It can, because of being sent to industrial customers, maintain a really strong industry here in the province of milk production.

That milk, the milk for consumers, we are sufficient in that, just as we are in eggs, for example. So we have security when it comes to milk. We have security when it comes to eggs.

With these amendments, we are allowing – or we are ensuring actually, that our milk production will continue, will continue in a way that is good, both for the producers of milk as well as for the economy of the province.

But I do, once again, want to say I really would like to see whether or not government is looking at can we support getting some secondary

processing back here and tie that with the need for jobs.

Thank you very much, Mr. Speaker.

MR. SPEAKER: The hon. the Member for Bonavista.

MR. KING: Thank you, Mr. Speaker.

It's once again an honour to stand here in the House of Assembly to speak to an issue that's very important to the District of Bonavista. The agriculture industry is a growing industry in my district. We actually have five families in the dairy industry in my district, so I just wanted to acknowledge them, like my friend and colleague did for Port au Port.

AN HON. MEMBER: St. George's – Humber.

MR. KING: St. George's – Humber, sorry. I got the name wrong the other day.

Eric Greening, Frazer Greening, Jeff Peddle and Jeff and Olive Greening – and those last two farms, Sunrise and Peddle's, they were recipients of awards last year through the Newfoundland and Labrador dairy association. So it's great to see that they're producing a very – all farmers are producing high quality, but it's nice to see some recognition, locally.

Finally, I want to talk a little bit about William and Lucas Strong. Lucas is a very young man, 20 years old and he's has Hillside Holsteins in Harcourt. I'm honoured to take the Minister of Fisheries and Land Resources there on Thursday and we're going to, hopefully, do a tour sometime soon.

This act itself is an amendment to the *Natural Products Marketing Act*. This is a big step forward. I sat into the technical brief on Monday and it was quite interesting. I was there for about an hour and I took lots of notes, but this is a step forward for the Dairy Farmers of Newfoundland and Labrador. It allows the Dairy Farmers of Newfoundland and Labrador to self-govern themselves and have an ability to impose fines on themselves, so that meets standards that are similar to other jurisdictions, Mr. Speaker.

What that does is it allows them to get into an agreement with other Eastern provinces by August 1, 2017. Currently, from Quebec East to Nova Scotia, they are all part of a group and hopefully this summer, with this legislation, that will aid them getting into that group.

What the group does, Mr. Speaker, is it allows us to export our raw milk, industrial milk, out of the province. As the Member for St. John's East – Quidi Vidi stated, we would love to see more secondary processing here; however, given the circumstances we're in, this is going to allow our dairy producers to get a better price in other parts of the country, and we can work hard towards bringing secondary processing back here in Newfoundland and Labrador. I just wanted to speak a couple of minutes on that.

One of the things I did last fall when the Minister of Fisheries and Land Resources visited my district was visit a dairy farm: Sunrise Dairy on the road from Musgravetown to Bunyan's Cove. Jeff and Olive have quite the operation there. You go in and the first thing you notice is how clean everything is, how organized everything is and how modern.

You look at that facility, you walk in, you see where all the cows are and then you look at how everything is automated. Then you look at another part, you go over and see where the little calves are and rearing them up. They do everything so precisely, so properly that they value, not just the milk that goes out, but the animals there as well, because they realize that the animals there are their livelihood. So they're treated very well. The young are treated very well because that's the future of their business, of their farm.

It was very, very interesting. It was the first time I had been to a dairy farm. I met with dairy farmers previously when the Minister of Tourism, Culture, Industry and Innovation was the minister. The five farmers that were there that day certainly gave us some good input on how they would like to see our government handle this industry. I think this legislation goes a long way in supporting what they want to do.

The great thing about this legislation – I think all parties will support it – is the fact the industry supports this amendment. That's very important

to note. We consulted with industry. We listened to them. This will allow them, as I mentioned, to form with the other eastern provinces when it comes to dairy production; allows them to ship out their industrial milk to get a better price.

I will fully be supporting this, Mr. Speaker, thank you.

MR. SPEAKER: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I just wanted to stand and have a few comments on Bill 10, An Act to Amend the Natural Products Marketing Act.

In my own district, in regard to milk production, I have a number of dairy farms, particularly in Bay Bulls and the Goulds region, and a long history of a connection to agriculture and the dairy industry in those regions. It is certainly important to our economy and important to the well-being of those regions.

I was just looking through the piece of legislation, I'll make some comments here and maybe the minister, when he gets up in Committee or to close debate, can maybe just respond to them. Just a couple of general thoughts I had reading through.

I know we're talking about supply management here in regard to the particular piece of legislation, I'm not sure – and maybe you could comment – if there's any change or any effect in regard to supply management with this piece of legislation on a provincial level. Then when you look at the recent agreement on internal trade that was amended and now we've transferred over to, I think, the Canadian Free Trade Agreement, which is in the process of being completed and signed off.

Are there provisions in this that are needed or provisions here that are being amended or are being enacted in legislation that are required, as requirements to meet specific clauses of the Canadian Free Trade Agreement? If the minister could give some comment on that. If there are, what they would be and what connection there would be to this bill and the proposed Canadian Free Trade Agreement.

Obviously, supply management, when entered into that, and as well the free flow of products between provinces, between regions. I guess that's what the amendment to the internal agreement on trade and the new agreement is all about, to break down some of those boundaries, but yet recognizing, under supply management, there are other protections that are there.

The other one that I just wanted to ask about, I note going through, is obviously it's about developing a Canadian standard in terms of quality. I think everybody understands that. That's certainly in the right direction.

The other one was the secondary processing piece. I think my colleague from the Third Party just mentioned when she was up; talked about secondary processing in the province. Our milk quota for secondary processing is currently pooled with milk from, I think it's called P5 provinces: Ontario, Quebec, New Brunswick, PEI and Nova Scotia.

So maybe the minister could speak to what the current status is in regard to secondary processing and, in the future, if secondary processing – and someone had quota here and they wanted to invest in secondary processing, are there any limitations to doing that or to opting out of this group? Could they do that? Are there any limitations in this bill to do so?

I guess that goes to the independence of someone here who wanted to go down that road and get involved in secondary processing. So maybe the minister, when he gets up, could comment on the whole secondary processing piece: where we are today, what the rules are, how this legislation will affect it, if it will, and if it does affect it, what those changes will be?

Then if he could just comment on the Canadian Free Trade Agreement, some of the changes here, is it required for the Canadian Free Trade Agreement? If not, why not?

I guess the last piece is in regard to the Comprehensive Economic Trade Agreement, CETA, that Canada has with the EU from dairy products and what we're talking about here. Is there any relation to that and is this, in any way, meeting any of the requirements from a

provincial jurisdiction perspective related to CETA?

So that's my commentary, Mr. Speaker.

I thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: If the hon. the Minister of Fisheries and Land Resources speaks now, he will close the debate.

The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you very much, Mr. Speaker.

I'll do my best to address the hon. Member's questions before I close debate.

This change in the legislation – we just reached an agreement with the P5, so the agreement now is the P5 and NL. This legislative change is for that agreement, not for the Canadian Free Trade Agreement. This was a part of our commitment to the P5 for letting us be a part of that pool. It's now not going to be the P6, it's going to be the P5 and Newfoundland and Labrador. I hope that answers one of the questions.

The question around secondary processing – and it's linked to CETA. Under the CETA agreement there is a new TRQ that the Government of Canada has received. It's about 17,000 tons of cheese. Currently, there is about a 20,000 ton TRQ. So what has happened – I know our dairy industry has applications made for parts of this TRQ.

The TRQ, under CETA, is destined or designated for existing industry. We would hope that our industry receives a portion of that. That would increase, obviously, our secondary processing because one of the things that we see as fundamental for the expansion of our dairy industry is secondary processing. It's fundamental to growing the industry.

We have support from the P5, and even the Canadian Dairy Association is supporting the fact that Newfoundland and Labrador needs to become a part of secondary processing in dairy

because, I guess, if you look at it from a Canadian provinces point of view or perspective, our milk is going into Atlantic Canada, for example, and they would much prefer that our milk were to stay here and we would use it ourselves instead of putting it into their markets.

I'm not sure if that answers all the questions the Member opposite had, but certainly in Committee, if there are more or if there's something that I need to get clarification for them, I certainly will.

Mr. Speaker, I do want to close debate now on second reading. I thank the staff at Fisheries and Land Resources for the work they've put into this. I'd like to thank the Dairy Association of Newfoundland and Labrador. They've done a tremendous amount of work on this. Our Dairy Association has been very, very active. They were just in Europe actually a few weeks ago looking for perspective industry players to come to this province and establish secondary processing.

I thank all the Members who took part in the debate this afternoon. It's important, and when we look around the province and we look at areas –as the Member for Bonavista pointed out quite clearly, his district is a hub for dairy production in this province. Along with the Member for Ferryland, who has a considerable amount of dairy production in his district as well; the Member for St. George's – Humber as well, who has one of the largest dairies in Canada located in his district. I had the pleasure last year to actually tour that dairy and see the tremendous operation they're running there, state of the art, and our dairy industry in this province is state of the art.

Again, Mr. Speaker, there are exciting opportunities in the dairy industry in this province. We're going to continue to work extremely hard with the Dairy Association, with Dairy Farmers NL, Young Farmers NL, to make sure that this industry gets to a point where it's what it can be because this industry has exciting opportunities before it. This change we're making to this piece of legislation today will only be another tool for our industry.

Thank you very much, Mr. Speaker.

MR. SPEAKER: Is the House ready for the question?

The motion is that Bill 10 now be read a second time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

CLERK (Barnes): A bill, An Act To Amend The Natural Products Marketing Act. (Bill 10)

MR. SPEAKER: This bill has now been read a second time. When shall the bill be referred to a Committee of the Whole House?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, a bill "An Act To Amend The Natural Products Marketing Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 10)

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

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

I move, seconded by the Minister of Fisheries and Land Resources, that the House resolve itself into a Committee of the Whole to consider Bill 10.

MR. 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 bills.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

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

Committee of the Whole

CHAIR (Dempster): Order, please!

We are now considering Bill 10, An Act To Amend The Natural Products Marketing Act.

A bill, "An Act To Amend The Natural Products Marketing Act." (Bill 10)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

The minister, in second reading took up a question. So I'm just wondering if he could clarify. He referenced CETA and (inaudible) ton TRQ. Is that related to, and is in the CETA related to dairy products for Canada, and if Newfoundland wanted to do secondary processing, would we have to apply to get a component of that to export into the EU? Could you explain that, Minister, please?

CHAIR: The hon. the Minister of Fisheries and Land Resources.

MR. CROCKER: Thank you, Madam Chair.

It's my understanding that under that TRQ we would have to apply to get a piece of that to go into Europe as tariff free. We can still do secondary processing and export it into Europe or anywhere, but it would be subject to tariff if it wasn't a piece of that TRQ.

Thank you, Madam Chair.

CHAIR: Shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 1 carried.

CLERK: Clause 2.

CHAIR: Shall clause 2 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 2 carried.

CLERK: Be it enacted by the Lieutenant Governor and House of Assembly in legislative session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

CLERK: An Act To Amend The Natural Products Marketing Act.

CHAIR: Shall the title carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, title carried

CHAIR: Shall I report Bill 10 carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: I move, Madam Chair, that the Committee rise and report Bill 10.

CHAIR: The motion is that the Committee rise and report Bill 10.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

MR. SPEAKER (Warr): 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 10 passed without amendment.

MR. SPEAKER: The Deputy Chair reports that the Committee have considered the matters to them referred and have directed her to report Bill 10 carried without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the said 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 Order 5, second reading of Bill 7.

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Transportation and Works, that Bill 7, An Act To Amend The Public Service Pensions Act, 1991 be now read a second time.

MR. SPEAKER: It's been moved and seconded that Bill 7, An Act To Amend The Public Service Pensions Act, 1991 be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Public Service Pensions Act, 1991." (Bill 7)

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

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

I'm very happy today to stand in this House and speak to Bill 7, which is An Act to Amend the Public Service Pensions Act, 1991.

As I often want to do when I debate bills, I often talk about the purpose of them and the size of them. So when you look at the actual bill – and I would point out that it's my understanding that Members of the Opposition have had the opportunity to receive a briefing from the Department of Finance and their staff.

This bill has been on the Order Paper for some time now. I always want to make sure and recognize the fact that (a) everybody has had a chance to review the legislation, which I think is important, and (b) to thank the members of each department who take the time to brief Members opposite, as well as the Members of the caucus.

There's a significant amount of time that goes into this and, as we all know, our Department of Finance has certainly been busy, given the fact that our budget just passed this week. We know how much time goes into that. So the fact that they've been dealing with that, as well as dealing with these important pieces of legislation, we want to thank them for all they've done and they do to make sure that we're aware of the relevant legislation.

As you can see, Mr. Speaker, this bill itself is not significant in terms of its actual size. What I will do is I will discuss the explanatory notes and discuss the actual provisions that are being changed here.

This act is not an act that is being repealed; it's an act that's being amended. So we're just amending the act from 1991 to reflect the quarterly payment amount required to amortize the promissory note. It allows the name of the corporation to be changed by a resolution of the board made by an affirmative vote of all the directors and it amends the objects of the corporation.

Basically, this is something that was announced in the not to recent past. Subsection 6.01(2) of the act is now repealed and the following substituted: The promissory note that deals with this shall amortize \$2,685,000,000 over 30 years payable in quarterly instalments of \$47,000,000 beginning March 31, 2015. So as you can see, this is a backdated amount reflecting when this amount, this promissory note is effective from.

Section 36.1 of the act is amended by adding immediately after subsection (5) the following – this is a new section – “(6) The name of the corporation may be changed at any time by a resolution of the board made by the affirmative vote of all the directors and notice of the change of name shall be published in the *Gazette* and the change of name shall have effect on the thirtieth day following the date of publication.”

And subsection (7) says: “A change in the name of the corporation shall not affect any rights or obligations of the corporation or render defective any legal proceedings instituted by or against the corporation and any legal proceedings that may have been continued or commenced by or against the corporation”

Basically, what it's saying is that if, for some reason – that would be obviously identified – if there is a change in name which has to be agreed to by all the directors, said name change would not discontinue legal actions for or against. That's a pretty standard provision.

Subsection 36.3 of the act is repealed and the following substituted: “The objects of the corporation are (a) to act as a trustee ...; (b) to act as an administrator of the pension plan, and to exercise those other powers and perform those other duties as may be expressly conferred upon the corporation under the joint sponsorship agreement; (c) to provide pension administration and pension investment services ...; and (d) to carry out other activities or duties as may be authorized”

Finally, the commencement date, as we noted before, which is under Section 4: “Section 1 is considered to have come into force on March 31, 2015.”

Mr. Speaker, as you can see, in terms of its actual size, there are only four sections that are being either added or amended or repealed here. So I just wanted to talk about a few of the different points that you see from this act.

Basically, this act doesn't contain new provisions, per se. It's basically amendments that allow for greater clarity in the administration of pension plans themselves. We're talking about quarterly schedules, name changes allowed by resolutions and we're amending the objects of the corporation to enable the corporation, which is administering this, to provide administrative and investment services to other plans. I would assume that would be done to allow for better administration of pension plans, because it doesn't matter which pension plan you subscribe to or are party to, you want it to be administered to the best benefit of the beneficiaries and the members of any plan.

We all recognize the fact that our pension plans were not sustainable as they were. We've had that discussion. Certainly, that's not something that's new. It's for that reason that we, as a government, are working to bring sustainability to the plans over the long term and to meet the needs of the public employees into the future.

We still talk about the unfunded pension liability that remains and work continues to address this pension liability.

I know that administrations in the past have had to deal with financial difficulties that they faced. It seems like, as a province, we've dealt with that issue. Certain administrations have faced, we'll say, greater challenges than other. Other administrations, in fact, have had greater resources available to them than perhaps others.

I don't think it's any surprise that since the time we've come in here, the financial challenges faced by our administration, I think, have been well documented and well known. We've made that quite clear since we stepped in. As a government, we've taken steps to reform the two largest public sector pension plans. These are further steps in that direction.

These amendments will allow for the continuation to reflect our obligations under the Joint Sponsorship Agreement. All of us, any pensioner, want to see their plan continue to be: (a) we need sustainability and (b) we'd like to see growth. We're trying our best, as a government, to allow for these things to continue on and to increase.

Our Minister of Finance has done yeoman's work to make sure that this is happening. She has taken on a significant challenge. I can't imagine – I don't think I'm overstepping my bounds by saying that I'm not aware of any other Finance Minister that maybe has had greater challenges. The challenges that she faces are just as great as those ministers previously have faced. She's done a great job, but she's been able to do that job with the support of a great department around her.

There are a lot of good people who are working here, who have been doing that work for some time. So I commend her for that work and I'm happy to support her in that work.

Mr. Speaker, on that note, I will take my seat. I look forward to the debate by my colleagues opposite. I will get an opportunity at the end, obviously, to stand and speak to this piece of legislation again.

Again, Mr. Speaker, thank you for this opportunity.

MR. SPEAKER: The Speaker recognizes the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I'm pleased to stand today to speak to Bill 7, An Act to Amend the Public Service Pensions Plan.

The changes proposed here will be retroactive changes to the Pensions Act to reflect an amount to be required to be amortized in relation to the promissory note, allow the name of the corporation to be changed and amend the objectives of the corporation.

This was discussed as well in regard to the promissory note in this particular budget. If we go back and look at our previous administration, we had started this process, as the Government House Leader had indicated, in regard to the unfunded nature of the public pension plans and the realization that, based on current status and direction we were going in, there was no opportunity to have these plans fully funded over a period of time.

During our time in office, we had met with, negotiated with, the various unions, starting with the public service union, to set up a corporation, joint management plan where the fund would be managed by members of the various unions, reflective of their pension plans, and government. In that way, the decisions that are made are shared decisions in regard to investments, when there's surplus, where that's invested to, and in the shortfalls, where they would go.

It will be jointly managed, which is a new perspective, and shares joint responsibility and joint risk. That will be done over a 30-year period. Through that period, we would get to a fully funded pension plan for those involved to ensure the stability of the plan, and ensure that those who had paid into the plan have a return from that plan as they expected they would have at their time of working and at the time at of contributing to the plan.

So the Public Service Commission and the new corporation were set up, which exists today – as

I said, from the Public Service Commission. My understanding is the amendment now looks at allowing changes for other union groups to be brought in under the legislation, and particularly to be able to deal with the unfunded liability nature related to those plans.

This does not alter the framework in any way of what was put in place originally at the time. The bill makes, as I said earlier, three changes about amortizing the promissory note – and that's the money that's put up by the provincial government in regard to those 30 years and making, not annual contributions anymore, but I do believe the Auditor General looked at the setup and rather than put in an annualized contribution on the promissory note, it was suggested that it be done on a quarterly basis.

I believe the amendment to this act recognizes that and puts in the requirement of the quarterly investment. That's one of the changes that are here. It will allow the name of the corporation to change and amend the objects of the corporation, as I said, to look at other pension plans being able to be administered through this entity. As I said before, all of the changes are to be retroactive, I think, to March 31, 2015.

To clarify the quarterly payment – and I talked about amortization of the promissory note – the original legislation or previous legislation included a yearly amount for the promissory note of \$195 million per year. And that's getting us over that 30-year period to making those contributions to get us sustainability in the pension fund.

So the note of \$195 million per year paid in quarterly installments, that's how the original legislation spoke to. The bill will amend this clause to clarify the exact value that needs to be put in for that quarterly period. That quarterly period and that value is \$47 million.

This is made, as I said, upon the recommendation of the Auditor General who did a review, looked at the legislation and suggested having clarity in a quarterly amount in the legislation instead of a yearly amount. The board, which is a joint board between the unions and government, has agreed to this. So it's an example of the joint management of this and

how this decision was made based on the two parties that are heavily involved in it.

One thing to note is that you divide what is in the legislation now of \$195 million to four quarterly payments. Each payment would equal about \$48,750,000. When that number is used for the quarterly payments over 30 years, government will actually pay too much. This was part of the AG's commentary and it's one of the reasons specifically he asked quarterly that the number be \$47 million in regard to quarterly payment related to the promissory note. That would be included in the legislation instead of that yearly amount that was in the original legislation.

As well, there are two clauses to section 36.1 of the act, which allows the name of the corporation to be changed by the board. The name will have to be published in the *Gazette*. The name change certainly does not void legal proceedings which may have been started under a previous name. It will just flow on and transition in.

I understand the board has chosen the name Provident¹⁰. They are currently using that name for marketing and branding but also would use it for legal purposes as well. The name Provident¹⁰ comes from the fact that Newfoundland and Labrador is the 10th province of the Federation, and actually the "i" in the logo is actually shaped like a person or an individual and it relates to our standing in the Federation.

The third part relates to the objectives of the legislation in the bill: "to provide pension administration and pension investment services for any other pension plan" So as I indicated originally, this was set up and the corporation dealt with one specific plan with the intent to move them through discussions with and coming to an agreement and understanding of how sustainability would be achieved and a fully funded plan over a 30-year period.

"... for any other pension plan that retains the services of the corporation and is approved by the board." As well, "to carry out the activities or duties as may be authorized by the board." As I said earlier the pension corporation is now up and running. Staff is now located there. I know we went through in Estimates with the Minister

of Finance last year and as well this year in regard to what resources were available. So I think there were some positions, if I remember correctly, within Finance or within various parts or divisions of government which dealt specifically with the pension plan. I think they were moved from that, from the public service, or with the department into that corporation. So you had those expertise and those individuals that worked in that department under the administration of the pensions when it existed solely with government, and they transferred over to the shared corporation to provide those duties.

So we had some discussion in Estimates from the minister on that, how that has taken place, and the structure, how it's been developed and how it will be used further, those services, as they're made available through the board, through the particular pension plans in terms of administration.

The original vision, according to some of the information from department officials, was to have the corporation use the expertise for other plans. I know that's exactly what it was, because I remember my days in government and in Cabinet in discussing this and this was meant for any and all, hopefully, the pension plans, to make sure – because ultimately at the end of the day, and I know the Government House Leader spoke to it as well, the issue here is to get to a fully funded pension plan for all of these that's sustainable and is available to all those that have paid into that plan and are participants in the plan, so it is available to them. So this is the process that we had set up over a 30-year period to make sure we get there. This legislation was enacted and is now being amended to make sure we can meet those goals, and it's there to provide that function.

As well, the entity that was set up, as I said, could market and provide services to other plans. Whether that be the minister, Memorial University's plan, for example, if that was to happen, the amendment to today would allow that to happen. So these services could be marketed through this entity and provide services to other places.

Other notes of interest, before the pension reform and before we had introduced it in our

administration, there were five plans in the pooled pension plan. It was the Teachers' Pension Plan; Public Service Pension Plan; Uniformed Services Pension Plan, which would take in areas like police officers, correction officers, I understand some firefighters; then we had a plan for judges and as well, MHA pension plan.

So the Teachers' Pension Plan is now in their own corporation. The Public Service Pension Plan is now on Provident¹⁰. So this act deals with moving forward and addressing some of the issues with the other pension plans and ability to provide services for them.

I know as well, in Estimates and with *Budget 2017*, there were some numbers in regard to a new actuarial analysis that was done in regard to those annual contributions I spoke of and what the amount was. With a new actuarial assessment done, if I remember correctly, there was a \$350 million shortfall for the contribution that needed to go in to keep that 30-year amortization period where it needed to be to make those adjustments. I understand this amendment as well, if I remember correctly, allows that to happen so that adjustment and payment can be made. I think it's already been made from the Provincial Treasury to make sure we meet the obligations, which was the intent of this piece of legislation.

So, Madam Speaker, from my perspective as Finance critic, I recognize the work that's been done in the past, certainly from our administration in terms of setting up the original joint management, joint partnership to look at the issue of the unfunded pension plan. I thank those that were involved from the union perspective in terms of the negotiations, along with government and staff and those now, the board that runs the – or participate in the board, gives oversight to the corporation and continues to approve the benefits that are available to those who are participants of the plan to make sure it is sustainable.

At the end of the day, that's what we all want, all Members of the House want to ensure it's done. You get sustainability, and liability is now shared between the unions and the government – which is the public, people, the population of the

province – to make sure we get to where we need to get. We'll be supporting Bill 7.

Thank you, Madam Speaker.

SOME HON. MEMBERS: Hear, hear!

MADAM SPEAKER (Dempster): The hon. the Member for Signal Hill – Quidi Vidi.

MS. MICHAEL: Thank you very much, Madam Speaker.

Once again, I'm pleased to get up in the House and deal with legislation. One of the main reasons why we are elected, actually, is to be parliamentarians. It always makes me feel proud to be able to stand and take part in discussion on the legislation that is important to the people of the province.

The piece we're dealing with today is very important, actually. I'm not going to go into great detail of explaining it again, because there have been two speakers ahead of me, including the minister, who've done a wonderful job. As has been said by my colleague from the District of Ferryland, we're dealing with the *Public Service Pensions Act*.

What was exciting was when we put into place in this House of Assembly the body, the corporation which is now being called Provident¹⁰ and which, legally, after we pass this legislation will be able to legalize its name as Provident¹⁰, as has been said, which is a corporation that is in charge of managing the pension plans of four of our major public service sector unions. So covering the pension plans for thousands of our public service sector workers in this province.

I think what's really important – everything in the legislation is important, but something that's really key, I think, is when we first put the corporation into place the objects of the corporation – this was in 2014 – were very simple. It was first to act as trustee of the fund, and then to act as administrator of the pension plan and to exercise those other powers and perform those other duties as may be expressly conferred upon the corporation under the Joint Sponsorship Agreement.

What we're doing today, among a couple of other things, is adding to the objects of the corporation. The two things that do that are very important. Section 36.3 will add two new objects for the corporation that will widen its mandate. One, the first new subsection, the corporation can administer other pension plans that requested services, subject only to approval by the board. This corporation is an independent body and its board will have the power to do that. Then the second subsection, it can carry out other activities or duties as authorized by the board.

What really is important about this, which I find extremely exciting, is these amendments stand to increase the pension corporation's ability to increase revenue. I think that's so important because increasing revenue will make our pension plan, that pension plan stronger. The pension plans of those four bodies that are represented by Provident¹⁰ will be made stronger as revenues increase, because the increasing of revenues, of course, will also mean – whether that increasing of revenues is by getting involved with the other pension plans, increasing its investments, et cetera. The increasing of revenues will make sure that the pension plan has no liability down the road.

I want to talk about one of the pension plans in Canada that's very, very successful; a public service sector pension plan that's very, very successful. It's the Ontario Teachers' Pension Plan. It's well known in the pension world for its success.

I remember when this happened in 2015, toward the end of the year they reported a \$6.8 billion surplus in the Ontario Teachers' Pension Plan. They were able to, through that, because of really increasing the revenues of that pension plan, successfully making investments, et cetera; they were able to give teachers who had retired before 2009, to make up for, partially, for inflation they were suffering from because of the economy, they were able to give pensioners who retired after 2009 a one-time increase in January of 2017, which restored their pensions to the levels they would have had at full-inflation protection, if full-inflation protection had been provided each year since they retired.

They've been so responsible as a pension plan management. The whole plan, of course, is \$154.5 billion, but the fact that in 2015, toward the end of 2015, I understand the status is the same, they had this amazing surplus of \$6.8 billion. Pensions plans, I think it's really important to note, and I'm not sure people are aware, that strong, healthy pensions are really important because pension plans do not only help the employees in the pension plan, but pension funds contribute to our economy.

I think that's really important for people to understand the role of pension funds in our overall economy. They're a huge pool of investment money, because that's how you keep the pot going is by investing the money. Good investments – they made tremendously wise investments with the Ontario Teachers' Pension Fund. Wise investments are good for those who are going to benefit from them, but it means the money, the pension money that's being held, is going into investment and that is so good for our economy.

It's really interesting, I always get blown away when I read this statistic but it's a really accurate statistic: Canadian pension funds have over \$1 trillion worth of assets. That's an amazing amount of money. It's the second largest source of capital after the chartered banks in this country. That's how important pension funds are to the economy of Canada.

When we think about pensions, well, we had to do that last night here in this House, when we think about the pensions of the public service sector and all pensions, not just the public service pensions, they are not a liability. They are an asset. Seventy percent of all pension fund assets are invested in the Canadian economy.

That's the other thing, when you get pensions – public service pensions in particular and others – they are really aware of investing the money in the Canadian economy. They may have investments obviously in corporations or ventures outside of Canada, but 70 per cent of all pension fund assets are invested in the Canadian economy.

I just think it is so responsible that we are here today making the amendments to the *Public Service Pensions Act* because the amendments

are going to give the Provident¹⁰ the ability and the responsibility to increase revenue, to increase revenue through their investments, to increase revenue that will be good for the employees who are represented, but at the same time, if we're investing wisely and we're looking at ventures within our own country and our investments pay off well, as they certainly have for the Ontario Teachers' Pension fund, then we will see a pension fund that is helping our economy and a pension fund that is helping retirees and a pension fund that is strong.

I'm delighted that the objects of the corporation have been changed by adding the two new pieces to it. I'm delighted that we have a corporation which is already showing itself to be responsible and to understand what its responsibility is.

I'll be delighted to vote for this bill, Madam Speaker, and with that I'll take my seat.

MADAM SPEAKER: If the hon. Government House Leader speaks now he will close debate.

MR. A. PARSONS: Thank you, Madam Speaker.

I want to thank my colleagues across the way for their words about this important piece of legislation. I think this is significant. I think it is the right step forward. I appreciate the fact that – again, I will recognize the Department of Finance for all the work they put into the preparation of this bill and allowing for the briefing.

Without belabouring this, I'll sit down. I'm sure if the Members opposite have questions, we'll allow for that during the Committee stage when we reach there.

Thank you, Madam Speaker.

MADAM SPEAKER: Is the House ready for the question?

The motion is that Bill 7 be now a read 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 Public Service Pensions Act, 1991. (Bill 7)

MADAM SPEAKER: This bill has now been read a second time. When shall the bill be referred to a Committee of Whole?

MR. A. PARSONS: Tomorrow.

MADAM SPEAKER: Tomorrow.

On motion, a bill, "An Act To Amend The Public Service Pensions Act, 1991," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill 7)

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Yes, Madam Speaker, I call from the Order Paper, Order 6, second reading of Bill 9.

MADAM SPEAKER: The Speaker recognizes the hon. Member for Fortune Bay – Cape La Hune.

MS. PERRY: Thank you so much, Madam Speaker.

It is indeed a privilege to rise in this hon. House once again and speak to the bills before the House. This bill in particular, we are happy to see at least somewhat of a reversal of the gas tax that was imposed on the people of Newfoundland and Labrador in *Budget 2016*.

We certainly feel very strongly on this side of the House, as an Opposition, and I would think the vast majority of Newfoundlanders and Labradorians, that this bill doesn't go far enough with respect to reducing the amount of taxes that have really crippled the economy of Newfoundland and Labrador since the Liberal government has taken office.

I speak regularly to people in my district and across the entire province who are really feeling the pinch and the burden of these additional taxes. We're seeing it hit businesses, particularly small businesses in rural Newfoundland and Labrador, where every dollar counts, Madam Speaker, every single dollar counts.

You struggle to make a living as it is and with the increased cost of insurance and the increased burden from the gas tax, many of them are really not sure that are going to survive, and indeed we have lost some. Many people who would otherwise be hitching their campers up to their pickup trucks and travelling across the beautiful parks we have here in Newfoundland and Labrador and visiting the smaller rural out ports are not making these trips because of the excessive price of gas.

We truly believe on this side of the House that there are other methods and other policies available to government that, as opposed to restricting our economy and making us go backwards, would help propel our economy and move us through a difficult time.

The philosophy of the Progressive Conservatives is that the more you lower taxes, the more you stimulate the economy, the more disposable income that individuals and companies have available to them to spend and generate economic spinoff.

So it's certainly a positive move to see the gas tax being reduced, but nowhere near far enough, Madam Speaker, in terms of the burden that the people in the province are still very much feeling.

Just the other day, I was sitting down getting my hair cut. It's always a great place to go to get your hair cut and you find out what people on the ground are really thinking. The lady who cut my hair said to me that she is absolutely astounded at the number of her friends and family and neighbours who have moved away in the last year or so because of the excessive tax burden placed upon the people of Newfoundland and Labrador.

She said, no joke, she can count 15 houses in her immediate area that have for sale or for rent signs and the families have packed up and

moved away. They're gone to Ontario. They're gone to Alberta. They're gone to BC. They're gone somewhere where they think they can eke out a better living than what they can do right here in Newfoundland and Labrador.

With such excessive taxation, Madam Speaker, for many families it comes down to a choice between food or paying the light bill or paying the gas, especially for people with young children or seniors who they need to care for. Again, looking at my rural district, we have to incur the price of gas just to get to a doctor's appointment or a specialist's appointment because our medical services are over two hours away, for the most part. We have clinics but if we are going for cancer treatment, if we're going for a dentist appointment, we have to drive at least 180 kilometres to avail of those services. At the same time, we see cutbacks in the Medical Transportation Assistance Program. So they're being hit on every single angle.

In terms of opportunity for revenue generation, we strongly believe that the government should really get serious about looking to alternate ways to stimulate the economy, to drive job growth and creation, and taxation is not the answer. I truly believe by reducing this taxation we're going to see some reprieve for some of the companies that otherwise would have had to declare bankruptcy this year. So from that point of view, it will be helpful and certainly something the people of this province are very elated to see.

But we strongly feel the tax should never, ever have been imposed in the first place. It was regressive. We're the only province in the entire country facing a recession, despite the oil collapse. The price of the oil collapse has hindered every province but we are the only province into a recession. Why is that? The Conference Board of Canada has stated it's because of the regressive taxation policies that are in place.

Certainly for our part here in the House of Assembly, as Members of the Opposition, we will stand up as a voice for the people of Newfoundland and Labrador and vehemently oppose the taxation policies that are in place and continue to call for reductions in the taxes that were brought to bear in 2016.

With all of the potential that's out there in Newfoundland and Labrador, we truly believe there are opportunities that we can avail of. Again, with respect to the gas tax, that in combination with the insurance tax, the increased cost of insurance, along with HST, it has really, really, really hurt a lot of families, a lot of individuals and a lot of our businesses and people who were even contemplating entering businesses. We've even quelled our entrepreneurship because many young people who were contemplating taking a chance and starting a business in rural Newfoundland and Labrador, or in urban Newfoundland and Labrador, have taken pause and stood back to say this is probably not the place to do it because we don't know what tax is going to hit us next and how we're going to make ends meet.

People deserve better; they truly deserve better. They were led to believe there'd be no increase whatsoever in taxation. We, as a people, went into complete and total shock with the arrival of *Budget 2016* and we're still trying to recover.

I truly hope that most people are able to withstand the rough times because good times are coming. I truly believe that Newfoundland and Labrador is going through a rough patch – we always go through a rough patch in this province. We've been through it many times over the last five centuries and we've always prevailed. We will prevail again, I have no doubt.

I guess the message I would like to impart to the residents of Newfoundland and Labrador: If you can hang in there at all, please hang in because better times are coming. It's truly great to see the government opposite recognize the error of its ways in imposing this excessive taxation, regressive taxation, and make a move to reverse some of it.

We do, as I said a little while ago, firmly believe that government is not taking this far enough. They need to go further. We believe that the gas tax should be eliminated in its entirety. It is certainly a deterrent to expats or people who may have been looking to jobs they see posted in Newfoundland and Labrador and then they talk to the locals and then they say maybe it's not a province we want to live in. We won't be able to

afford to drive our vehicles. We won't be able to buy food. It's all far too excessive.

This gas tax trickles down far beyond going to the pumps and filling up your car, because the price of gas is hitting every single person and every single business. It's also led to an increase in the price of our groceries. When we go to the grocery store to buy food, because of the gas tax, we are paying more for our groceries. When we go to purchase lobster even, our fisherman now, to get their product out of Newfoundland and Labrador, have to pay more in trucking costs and some of that burden is being shared by the consumers of the Province of Newfoundland and Labrador.

Anyone who is looking at renovations to their homes and going to the hardware store, that price of lumber costs all that much more today because of the additional cost of freight and trucking that the business has to bear. We have to pay more for any renovations that we want to do, whether it's in our kitchens or in our gardens or with respect to patios. Every single item that we are purchasing as consumers in this province has been affected and increased because of the excessive gas taxes that have been imposed by the Liberal government who promised they would have no taxes and, instead, delivered 300 tax increases and 50 new fees – 50 new taxes. Made them up; created new ones. It's absolutely astounding, Madam Speaker.

I certainly will stand with my colleagues to support this reduction in taxation. I'm glad to see that they're moving in the right direction but they're moving far too slowly. The people of Newfoundland and Labrador need reprieve today. We need more reprieve than what we have been given in *Budget 2017* if we're truly going to encourage people to move back home, as well as encourage those who are already here to stay.

I will be supporting this bill. I will, as I continue to stand in this hon. House and speak to various legislation, call upon government to continue reducing, not just the gas tax, which is absolutely terrible, but the 350 other taxes that they have created and, in fact, caused our economy to be far worse than any of us ever anticipated, far worse than it needed to be in terms of battling the drop in oil prices.

We truly hope that within the next year or so they continue to see the error of their ways and continue to drop taxes. We also truly hope that, come 2019, people will remember that what we expect from our politicians is honesty. If you pledge to do something in your campaigning, then you should deliver on what you pledge. If you deliver something that is the polar opposite, like what we have seen, that people hold politicians accountable and, in future, we never see any politician of any political party or any stripe mislead the people in such a way as to believe there'll be no taxation and then burden them with taxation to the point that bankruptcies have reached record highs. It's something that's not acceptable. It's not acceptable to the electorate. It's not acceptable to the businesses in Newfoundland and Labrador.

So we are truly happy to see a reduction, but we definitely want to see more of a reduction. We will be supporting this bill and we will be calling for further reductions in all of the 350 taxes that have resulted in our province having the worse economy that it's had since the 1990s.

Thank you so much, Madam Speaker.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: Thank you, Madam Speaker.

I'm sorry for the delay in standing up. I was just going through the EY report that has just been released on the libraries and trying to see how it would relate to the gas tax. I can see the relevant connection there because with the reduction in the proposed gas tax, obviously now, hopefully, it will help citizens, particularly those who come from low-income families, the ability to be able to get to their local libraries now that we feel fairly confident that they'll continue to stay open for the next period of time.

I think that's another positive. We can tie two things together. The gas tax itself will make it more accessible for people to be able to move to it, and obviously any regressive tax has a

hindrance on people being able to have access to any service. Those services would include libraries, they would include grocery shopping and they would include anything that causes them to have to make decisions when it comes to the availability of their finances. I am glad that there's a movement to get rid of this regressive tax. It's a move in the right direction to address a move in the wrong direction this time last year.

Would we have liked to have seen it all gone right away? Without a doubt. Do we all realize at the end of the day that the revenues that were proposed or were thought would be generated that would go into the general account to offset other expenditures didn't materialize – and I think any economist would have seen you can't dramatically increase a particular tax and still think there is going to be still the same uptake on that commodity or that service. That I think was what was lost on the government last year when they were making decisions like that.

Did we all realize and acknowledge that there are some financial challenges? Of course we do. We may get over here and we may jostle back and forth, but there was a realization this time last year that there were some economic challenges and there were some decisions that had to be made and there were, no doubt, approaches that could be used to generate some taxes. The average citizen in Newfoundland and Labrador understood because of the fiscal situation, they would probably have to dig a little deeper. They would probably have to modify their expenditures. They would have to do their part to ensure that we move to the next level when it comes to financial security and get over this hump in the road.

But the dramatic effect of having nearly, with the accumulated tax on the tax, a 20 per cent increase, did nothing only to generate less revenues and make it a hardship on every citizen here, also to stifle potential economic development from businesses.

I think, at the end of the day, this is a great start that we're talking about moving the tax back. For people who don't know, I just want to acknowledge again how this is going to work. As of June 1, once this passes through the House after some more debate, there will be a reduction of 8.5 cents off the generalized close to 20-cent

tax on a litre of gas right now. That will reduce it then by 8.5 cents. Then December 1, again there will be an additional 4 cents off a litre, so that will take it down another small bit. There still will be remaining the HST cost that's on it and the additional gas tax.

As the government outlined their plan is if the economy goes the route they want and they are generating the revenues that they anticipate, that they'll consider reducing the rest of it. That's good to hear. I would encourage them not to consider it but to set a time frame now and to ensure that. Because I think if you take this regressive tax off now, you'll generate more on the standard tax. What people forget here, this is not just the only tax that's on our gas. This is not just the 20 cents a litre that was put on this time last year. There's already accumulative tax base that's on our gasoline that we generate constantly.

The benefit to that tax – and I say the benefit because it goes into the general revenues to be used for all kinds of programs around health and education and road maintenance and all the things relevant to that – was that people sort of accepted that. They knew what our base tax was and they knew what they could afford when it came to filing up their vehicles, when it came to the size of vehicle they purchased, to businesses in what they did, to what excursions schools took or youth organizations because the cost would have to be built in to the travel cost.

So that was all acknowledged and known and people had budgeted accordingly. But when this tax came in, very few organizations, if any, have disposable income that they can just blow and add an extra 20 per cent to some of their expenditures for travelling, nor does the average person. So there were issues around the type of vehicles and the type of vehicle obviously generates the cost of a vehicle. The norm is the larger the vehicle, the larger the engine, the more gas it consumes, the more costly it is to purchase, the more taxes paid on that product.

There's a whole cycle there where you can generate additional revenues in certain areas, but if you stifle one part of it or you put a hindrance into an area or you put it so encompassing that it's not attractive, then it has a ripple effect. What people haven't thought about here and

what the government didn't think about here was if we put in this regressive, overwhelming, far too encompassing tax immediately and all in one place, you're going to have an effect on everything else. I think that was the issue that wasn't thought out.

We've had the best sales in Atlantic Canada or in all of Canada, I think, for the last eight or nine years, in trucks. Trucks, as you know, are a little bit more expensive, burn more fuel, as part of that – it's very necessary in Newfoundland and Labrador because of the nature of how active we are, the type of people we are. We do our own work, our travel habits and these types of things. I've had hundreds of people tell me in general conversations, car dealers, that their sales have gone down in those vehicles because people had to make a decision; an extra \$30 or \$40 or \$50 or in some cases \$100 a week in gas has effected exactly their budget lines. So that has been part of it. That has been part of what goes on there.

As part of that whole process, we've done an injustice to the economy because all of these vehicles, if they're \$10,000 or \$20,000 or \$30,000 or, in some case, \$50,000 more than an average car that somebody would buy, we're losing our 15 per cent and what that generates into our provincial and federal coffers here. So that's a standard piece of our revenue that we're losing automatically. That has an effect on how exactly we drive our own economy.

That's why I think we need to think out any tax that comes in. Nobody likes taxes. No government would like to introduce taxes. We realize that, but if you're going to introduce something, you have to look what impact does it have on every other revenue-generating stream in society? What impact does it have on people's ability to sustain a quality of life?

Most societies are based on the principle that the next generation should be able to have a better quality of living and a better access to services. Services in this case could be recreational services, it could be travel services, it could be the quality of the products they own.

This tax put people behind at least a year. While we're glad to see that it's moving, we're still another six months away or longer before we get to that point. So we would have had two years of

stalling our economy because we didn't think about the tax when we put it up front. From an administrative point of view, would we have considered implementing some kind of a gas tax? No doubt, because it's one of our revenue generators here.

No doubt, our plan would have been to introduce something that was tangibly accessible for people, affordable for people, would not stall the economy, would be sold to the point where people would understand the monies generated would go back into other types of services and programs that would be beneficial to everybody in society and would still keep our bond-rating agencies happy to the point that we have a generating revenue plan of action. That wasn't done here. Unfortunately, because of that, we had a real impact on people's lives. We had businesses that got rid of vehicles because they felt that extra budget line; there wasn't the ability to do that.

So what that in turn did, it changed around how many employees they need in some cases. It took money out of the coffers of garages that do maintenance on these vehicles. It took away from the car dealers who sell these. It took away from the insurance companies who sell insurance. Because if you have 20 in a fleet and now you can only afford to have 17 or 18, all of the expenses attached to that come off your bottom line, which means you don't pay taxes on any of those.

The 15 per cent tax that was put on insurance was to generate revenue. In some cases we're having less vehicles on the road because people at the end of the day – companies particularly, or families who have two, three and four vehicles are saying we have to make do because we hadn't planned to have an extra \$5,000 in gas expenses this year. That had a major impact on – from our perspective – how we generated additional revenues as part of that.

I talked to a couple of friends of mine who happen to be in the gas station business. I talked to them about the effect and what they've seen. They've seen peak times. Right now, as we know, people are waiting for Thursday mornings to see how devastating it is. Wednesday night there's a big influx, and that fluctuates with the price of gas. I know government has no control

over that. That's done by the international industry.

The issue here becomes, people didn't think that way before because before the 20 cents went on everything, people understood the tax was almost their way of giving back. While we might have been the highest in the country and we might have been taxing the highest, the gap wasn't that dramatic between this province and other provinces, particularly the Atlantic Provinces. When you added the extra 20 cents, the cumulative 20 cents here with the HST, then obviously people said, you know what, we've really got to time when we buy gas. When is it efficient for us to do it, how do we build it in to a trip when we're going past a gas station.

That became an issue of a different mindset. Now you had gas stations that were boom and bust sometimes. Sometimes they got to have two or three or four attendants on because they know Wednesday afternoons, Wednesday evenings, there's a crowd coming in. Normally they'd have one person on from 8 in the evening until 12, but they now know there's going to be a lineup of 20 or 30 cars going through to get their gas before the announcement the next day if it goes up; knowing that the industry, that gas in the last year has gone up more often than it's gone down. We were lucky a couple of weeks ago, we had a couple of small drops, but again today it's gone up a couple of more cents a litre.

So that's made people change their whole approach to buying gas. You would have thought that we wouldn't have changed people's mindset. You change people's mindset about their healthy living, the environment, being volunteers, engaging their role in society, but you wouldn't think people have had to sit down and think of a strategy so that they can save a few cents. We've put it so encompassing by adding so much money so quickly they've had to change their approach to even buying gas. Not only is it hurting the economy, it becomes foolish on what we've done here in making people have to change their patterns.

I've talked to a couple of gas station owners who said you wouldn't believe where they've lost on one end – of course, I wouldn't have thought of it because I'm not in the industry, but things that you didn't realize. Gas stations are telling me

they're down 40 per cent on car washes. Of course, I had no idea what that meant. I said, well, explain that one to me.

Somebody's coming in and their regular fill up is \$60 a week, now it's \$74. Well, once a week they'd get their car washed. They'd spend the \$12. The carwash was taxable. Government got it's 15 per cent; it was great. It was a service that was done. It generates other revenues. The people who maintain those, the products that go into those, that's down. That's a product we were taxing that was providing to people and was actually generating revenue, not only for the gas station, but for the taxpayers here.

When you look at that, it made sense to me. I thought of it after, I said that really makes sense. If you budget out – a lot of people work and live by their weekly budgets. They're fixed incomes. That's what they'd do. They weekly or monthly or biweekly get their car washes or do whatever else it is they're doing, that becomes a difference.

Then they said in the convenience part of it, the products there; regular customers they used to see for years who would come in and when they'd do their fill up they'd buy a candy bar or a soft drink or a ticket or something, they're not doing it, because that \$75 was what they'd spend for that week. Well, before \$56 of it was gas and the rest was to buy a lottery ticket and a few things like that, something to bring home to the kids or whatever it may be. It doesn't exist anymore. He said you wouldn't believe the sales that are down on things like gum, for example. That was always something you'd pick up.

When people go in they're thinking, here's the amount of money I've got allocated. This is what I'm going to spend. Now they go in, they have to fill the car up and it's \$91. People look at that and it becomes a shock to them. Then that obviously has a ripple effect on our economy because part of that, the same supplier who has to go around these gas stations who would normally be driving a truck, buying gas at our regular price or a tax price that was acceptable, and is paying insurance, and is paying maintenance and all that, now all of a sudden has to make a decision. You know what, because we're not selling as much of that product we don't have to go twice a week or once a week.

We can go once a month. Now we can get rid of one of our vehicles. One of the vehicles is gone. Now all of a sudden one of the drivers is not necessary.

That's the impact we're going to have. That's the impact we're having on the economy here. That's where it's concerning and disconcerting at the same point that that administration didn't think about the impacts.

I would have thought – we've got some great civil servants. We got all great civil servants, but we have those who are visionary and think forward. There is no doubt they had said, look, if we impose this amount of tax, while you might think upfront if you add in, if you sell 50 million litres of gas in Newfoundland and Labrador in the course of a month, another 20 cents on that, you're going to make an extra \$2 million, \$3 million. Do the math on that.

That sounds great, \$3 million a month. Add that in, \$36 million additional revenues above and beyond. Then when you equate the fact people have changed their habits, they've dropped 20 per cent driving. Now automatically, not only are we not getting the extra 20 cents, we're not getting our 33½ cents gas tax that are automatically there. So now all of a sudden that's gone.

Now all of a sudden they were going in with the extra \$10 or \$15 they had in their pocket and they were buying a lottery ticket that we get our share of. They were buying a particular confectionary product that we were getting our share of, and because they were buying those things, that was driving another part of the economy. The suppliers who come there, who drive to that location through gas that they would buy, that they pay tax on or through a vehicle.

It was things like that that sort of became to me very alarming. I said I am not an economist and don't profess to be, and no doubt I don't think anybody on either side of the House are economists by trade but it didn't take an economist, in my opinion, to sit down and say let's really determine which taxes we can impose that will generate revenue, particularly more revenue because that's what we need. We have a spending issue. We have a spending issue

and we need to cut out some of our expenditures, but we also have to generate some more revenue. How can we come up with a revenue generator that doesn't sow hindrance to development and people's ability to sustain a quality of life, while at the same time generating additional revenues, but not in some cases actually taking away from the potential income that we have?

In this case, that was one of the things that really caught me off guard when I started to talk about it. This time last year – if you know, underneath my desk I have a folder there; I suspect there are 300-400 emails from people around the gas tax and some of the other taxes but they're all cumulative. The cumulative thing comes to there are certain people in society, maybe all of us, who have to have a vehicle.

Unfortunately, there are certain people who don't have vehicles; can't afford it. But in this case, there was a fine line between a number of people have sent me emails and said I've had to give up my car. Because with the insurance tax and now with the gas tax, I just can't afford it. That extra what averages out to be \$70 or \$80 a week – because that's what it is when you take in the insurance tax also – I don't have it; I don't make that. I make \$11 an hour. I pay my rent. I pay all the other expenditures anybody would have to basically live in our society.

So that became a major issue, and the more and more I started to read these emails, not only did I get sympathetic for those individuals, but I got fearful for us in this province that these people are not going to be able to stay here. It won't be attractive – not even attractive, it's not sustainable to stay here.

Then we started to get the emails. The emails came from people who were saying, we're done; we got to leave. It's unfortunate that the people got to that point where they're saying I can't sustain that. I can go somewhere else, maybe make an extra dollar or two an hour, but at least that's a dollar or two in my pocket, because gas is 99 cents a litre and it's not taxed beyond control as part of that.

AN HON. MEMBER: (Inaudible.)

MR. BRAZIL: The Member heckles over there about certain cars that people could buy – but he’s right. Because you can buy a larger vehicle now at probably a 30 or 40 per cent reduction because people are forced to sell them, unfortunately. People didn’t want to part with their cars. They’re forced to sell them.

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

MR. BRAZIL: That’s what’s happened here. They’ve put in such a regressive tax that not only did you not generate revenue, you forced people to get away from what they have worked for all their lives, that was a certain standard of living that was sustainable for them. They weren’t getting rich on it, but they were having a quality of life that they wanted. Because of that, they forced people to change things because they didn’t think this out. And, as a result, generated less revenue, which means less money for health care and for education and for roads.

So just look at the cycle we’ve got here. We put in a regressive tax that kept businesses away, generated less money than it was supposed to. Caused other industries to pay less taxes because they had to get rid of the different services they provided or the vehicles they had or the insurance they paid as part of that. Then it forced people who had a certain standard of living, and it may not be a high-end standard of living but a basic standard of living, to change their style.

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

MR. BRAZIL: I have had people talk to me about snowmobiles; they put that off. They do a run once a month now because that extra \$20, because of the extra cost, doesn’t fit with their budget line.

So issues became a little bit confusing as to what the intent of a gas tax –

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

The next time I stand, I will name Members and you needn’t stand anymore today if I have to call you out to be recognized.

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

MR. BRAZIL: Madam Speaker, my time is winding down. What would have been good to see here would have been a progressive gas tax, enough that it would have generated revenue, would not have hurt the economy, would have ensured that people understood and they were contributing back so that we get over this crisis, but instead it was a purely regressive one and we have seen the outcome now. I’m glad to see that they’re changing this, to a certain degree.

Thank you, Madam Speaker.

SOME HON. MEMBERS: Hear, hear!

MADAM SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Thank you, Madam Speaker.

I’m just going to stand up and say a few words as we close second reading on this bill, on the *Revenue Administration Act*. I listened with interest to the commentary by the Members opposite. I think – again, I would invite him to stand on a point of order. I’m not being facetious. I believe that I heard him say during his commentary, the Member for Conception Bay East – Bell Island – I want to make sure I got it right – that he said car sales are down and truck sales are down. I think that’s what he might have said. If I’m wrong, I ask that I be corrected.

The reason is, I’m going to stand and I’m to give a shout out to the media. It’s called *allNewfoundland and Labrador*. It’s a great outlet. I like reading their pieces. It’s funny because as the Member spoke I said, hang on a second, I just read an article that I think may contradict what the Member said.

Again, if the Member opposite wants to say that they’re wrong and that they’re fake news, I’ll leave that between him and them, but it says here: Motor vehicle sales continue to outperform

expectations in Newfoundland and Labrador, most recently on the back of record-high truck sales.

This is where they get it from. This is why I think it's verified. New information from Statistics Canada shows booming truck sales boosted total revenue for car dealers in the first quarter of 2017, traditionally the slowest time of year.

I'm going to continue: Motor vehicle sales revenue rose to \$229.4 million in the first quarter. A 2.9 per cent increase from a strong first quarter in 2016 – here's a good one – and a 21.1 per cent increase from quarter one of 2015 when they were there.

SOME HON. MEMBERS: Hear, hear!

MR. A. PARSONS: Now, I have to continue on. The rise in revenue is largely based on turbo charged truck sales. The province set its highest mark for first quarter truck sales and sales revenue since 1981.

SOME HON. MEMBERS: Oh, oh!

MR. A. PARSONS: And for Stats Can purposes, the trucks category includes: minivans, SUVs, vans and buses.

Madam Speaker, I think I'm going to rely on Statistics Canada which is, I think, a source of actual data and statistics that are verified, as opposed to the Member opposite.

Now, if he wants –

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

MR. A. PARSONS: If he wants he can blame the researcher, that's fine. All I'm saying is I wanted to put out actual information here in this House of Assembly that contradicts directly the testimony from the Member opposite.

Now, I would suggest if we were in a court right now and at the end, if the judge was to weigh the evidence and the testimony of both sides, I have a feeling that he's going to weigh higher the

evidence of Stats Canada than the evidence from the Member opposite.

What I would say, Madam Speaker, I'm not going to belabour this point. We've had a number of Members who have spoken to this positive piece of legislation about the fact that due to the strong fiscal management displayed by our Minister of Finance and President of Treasury Board, by our caucus, by our government, the fact is we took a measure that was necessary to fix the drastic fiscal experience that we've, basically, inherited from the previous administration. The fact is while no doubt it has been tough, no doubt, the fact is that some of the information that the Members put out opposite is not correct. In fact, we see here that the increase in gas tax did not lead to a decrease in sales. In fact, it has led to record high sales.

The Member opposite had his chance and stood up. I've offered him the chance to stand up again on a point of order if I'm wrong, but I'm not wrong. I'm not wrong.

What I'm suggesting, Madam Speaker, is when you listen to what people have to say, you should consider the source of that information. In this case, the information we're putting forward comes from Statistics Canada which shows that it's not as bad as the Members opposite would say.

The fact is, right now, I'm going to close second reading on a positive piece of legislation which shows that we have had –

SOME HON. MEMBERS: Hear, hear!

MR. A. PARSONS: That we appreciate the patience of the people of this province who have no doubt gone through a tough time based on the mess that was left to them. We appreciate their patience and the fact is this is just the first step in trying to fix the situation. There will be more positive news coming.

The fact is we are on the way back from the financial brink due to the strong fiscal management of this government, led by our Premier and our Minister of Finance.

Thank you, Madam Speaker.

SOME HON. MEMBERS: Hear, hear!

On motion, the House at its rising adjourned until tomorrow, Monday, at 1:30 p.m.

MADAM SPEAKER: Order, please!

Is the House ready for the question?

The motion is that Bill 9, An Act To Amend The Revenue Administration Act, 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.

MADAM SPEAKER: All those against, 'nay.'

Carried.

CLERK: A bill, An Act To Amend the Revenue Administration Act. (Bill 9)

MADAM SPEAKER: This bill has now been read a second time. When shall the bill be referred to Committee of the Whole?

MR. A. PARSONS: Tomorrow.

MADAM SPEAKER: Tomorrow.

On motion, a bill, "An Act To Amend The Revenue Administration Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill 9)

MADAM SPEAKER: The Speaker recognizes the hon. Government House Leader.

MR. A. PARSONS: Yes, Madam Speaker, at this time I would move, seconded by the Member for Mount Pearl North, that the House do now adjourn.

MADAM SPEAKER: The motion is that the House do now adjourn.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

This House stands adjourned until Monday, May 29.