



Province of Newfoundland and Labrador

FIFTIETH GENERAL ASSEMBLY
OF
NEWFOUNDLAND AND LABRADOR

Volume L

FIRST SESSION

Number 7

HANSARD

Speaker: Honourable Derek Bennett, MHA

Monday

May 31, 2021

The House met at 2 p.m.

SPEAKER (Bennett): Admit strangers.

Order, please!

Before we begin today's proceedings, I would like to observe an old parliamentary tradition. I had the pleasant task of formally welcoming the Member who was duly elected in the election on February 13, 2021. The Member is John G. Abbott, representing the District of St. John's East - Quidi Vidi.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: I've been advised by the Clerk of the House that the Member has taken the Oath of Allegiance to the Crown as required by the *Constitution Act, 1867* and the Oath of Office as required by the *House of Assembly Accountability, Integrity and Administration Act* and has signed the Members' Roll.

Mr. Premier.

PREMIER A. FUREY: Mr. Speaker, I take honour to present to you, Mr. John G. Abbott, the Member for St. John's East - Quidi Vidi, who claims the right to take his seat.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The Member may take his seat.

The hon. the Premier.

PREMIER A. FUREY: Mr. Speaker, in light of the disturbing and traumatic discovery of the buried remains of 215 Indigenous children at the site of a former residential school in British Columbia, I respectfully request all Members of this House rise and observe a moment of silence in their honour.

(Moment of silence.)

SPEAKER: Thank you.

Please be seated.

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

S. COADY: Mr. Speaker, I move, seconded by the Premier, that this House approves in general the budgetary policy of the government.

SPEAKER: The motion is that this House approves in general the budgetary policy of this government.

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

S. COADY: Thank you, Mr. Speaker.

This is an important moment in our history. In this moment we can learn from the past and change the future.

This must be **our moment to come together:** no matter our differences, no matter our interests, no matter our politics. We are all Newfoundlanders and Labradorians. We are all connected. We share common ground. We all want the same thing: a strong, smart, self-sufficient, sustainable Newfoundland and Labrador. We are all proud of our heritage. Let us be even more proud of our future.

Our forebearers, resilient, strong, mighty people, passed the future to us. It is now our responsibility to ensure generations to come have better opportunities and healthier, more prosperous lives.

This budget sets a path for emerging from COVID-19; for investments in health and education, stronger communities and a stronger economy.

Status quo is no longer acceptable. Instead, we will chart a new course to recovery, growth and opportunity. We have the tools and resources the world needs and we must capitalize at this time of disruption. To be leaders in economic opportunity. To encourage people to come home and attract newcomers to this incredible province, which is a safe place to raise families, and a hotbed for technological innovation and clean energy.

Today, we are announcing a plan with a measure of investments and savings to grow the economy and create jobs for a sustainable future. This budget sets direction to modernize and transform

government, to improve service delivery, and to address our financial concerns.

It sets the course to achieve fiscal stability by ensuring our government spends within our means. We will introduce balanced budget legislation to ensure this and future governments are held to that requirement. It reins in and tightens control of the public purse; it ensures a return to fiscal balance within five years; it makes strategic economic investments; it supports those that need a hand up.

Consultations are underway on the Premier's Economic Recovery Team Report. We will listen to what you have to say for future direction. This budget reflects the same financial information and input from stakeholders, and is built on a clear and demonstrated need to act. Urgent actions that have been discussed previously, determined and are now being implemented. Transformations to reimagine government; investments in connectivity and economic opportunity; support to emerge from the COVID-19 pandemic; a commitment to a Future Fund that will pay down debt and invest in a green, technology-driven economy.

We cannot, must not, and will not allow the deficit and debt to continue to rise and burden this and future generations. It is important to us all to stand together now for Newfoundland and Labrador.

We are a small, aging population and we must take definitive action now before someone else does it for us.

How do we achieve all that we hope for a strong, smart, self-sufficient, sustainable Newfoundland and Labrador?

One step, then another and another.

The challenges we face are not insurmountable. Nor did they happen overnight. Looking away will not make the challenge go away. We have what it takes.

Remember, you can move a mountain one stone at a time.

There is an old expression, "The fog will lift." Or as my dad would say, "This too shall pass."

COVID-19 and our financial challenges will one day be behind us.

IF we do what is needed, we can achieve what is **Great**.

Change starts here.

Financial Landscape

Our story is well told; we understand our fiscal realities.

Since Confederation, annual deficits have become the norm being reported in all but 10 years. Our province has the highest per capita expenditures and net debt in the country.

The cumulative effect of years of spending more than we bring in has led to interest costs on our debt being one of the largest expenditures.

By taking a more proactive approach to treasury management, our government will reduce debt expenses by up to \$10 million annually; therefore, being more active in the capital markets will consequently result in more efficient borrowing.

In the last year, strong fiscal management and greater revenue have helped alleviate the continued effects of a volatile oil industry and a pandemic that has caused a global economic crisis.

Despite our improved performance, solutions are needed to address long-standing structural issues such as the high cost of providing services to nearly 600 communities across a large geography, chronic deficits, dependence on volatile oil revenues, as well as a declining and aging population.

The deficit for 2021-22 is projected to be \$826 million.

We must commit to one another that we will achieve balanced budgets by not living beyond our means and passing debt on to future generations. We can pass on opportunities instead.

We have the potential to be a global energy leader. We are also committed to bringing

forward a future fund that will create a mechanism to tackle the debt and invest to capitalize on the future economy.

Today, I am presenting a multi-year forecast that will place the province in a surplus position in 2026-27.

It is balanced. It is achievable. It invests in families, the economy, and the future.

For Budget 2021, oil is projected to be US\$64 per barrel and the Canada to United States exchange rate is forecasted at 79.6 cents. These projections are informed by 11 independent oil forecasters.

Personal Income Tax

Personal income taxes in Newfoundland and Labrador are average or lower than other Atlantic Canadian provinces.

The provincial income tax structure has not changed since the days when oil was more than \$100 a barrel. We all know that wasn't yesterday.

In this year's budget, we are adjusting tax brackets for higher income earners and creating new brackets for those making more than \$250,000 per year. The changes will bring in an estimated \$15.3 million in additional revenue. For anyone with taxable income of less than \$135,973 there are no personal income tax changes.

SOME HON. MEMBERS: Hear, hear!

S. COADY: The changes I've announced will bring us more in line with other Atlantic Provinces.

We will also evaluate increases to the HST while we work to lessen the impact on the most vulnerable. We are committed to protecting lower income and more vulnerable citizens from shouldering the burden of our financial challenges.

Transforming Government

If there is anything that we've all learned during the pandemic is that we can change the way we

do things. It showed us that while it was challenging, it certainly can be done. The same is true for addressing our financial affairs.

Transformation is powerful and so is the outcome. We can and must take those steps towards a sustainable fiscal future. Change can be challenging but it gives us the opportunity to discover new ways of delivering services, become more efficient and be the best version of ourselves.

To ensure effective, efficient service delivery, Treasury Board is tasked with continuous improvement and program evaluation. There will be an accountability framework developed for departments, agencies, boards and commissions, as well as community agencies and all those that receive public monies. An accountability framework defines purpose, intended results as well as monitors and evaluates performance.

Nalcor is a provincial Crown corporation, created in 2007, which was tasked with developing the Lower Churchill Projects. As the Muskrat Falls project is nearing completion, we will immediately begin a comprehensive analysis and reorganization of Nalcor to streamline, remove duplication and save money. We'll also be conducting a review of the province's oil corporation.

Government works on behalf of its citizens and is charged with the responsibility of providing the best service delivery. Management of its provision, including ensuring the best possible quality and value, is essential. The following entities will be merged into their respective departments: Newfoundland and Labrador Centre for Health Information provides quality health information and data analytics. It focuses on eHealth and Telehealth. It will become part of the Department of Health and Community Services. NL911 operates the province-wide emergency 911 service. The function of this corporation will now become part of core government.

With a goal of making better use of our considerable investment in education and ensure that investments target the classroom, not administration, we will be taking the appropriate steps to integrate the Newfoundland and

Labrador English School District into the Department of Education. During this work, we will closely communicate with the school communities throughout the province.

The Department of Education will work with the Conseil Scolaire Francophone to develop a more defined accountability framework.

Currently there are four regional health authorities managing the health care system for our small population. This creates duplication of back office functions, as well as a loss of efficient procurement. Today, we are announcing an integrated corporate services model that will streamline the delivery of functions such as payroll, finance, accounting, human resources, information management and technology and procurement. Health Accord NL will consider the full review of the best delivery of the health system including the Board structure.

All Crown corporations and organizations will be reviewed to determine where they are best positioned.

A House of Assembly committee will be created to review financial statements, budgets, and the annual reports of Crown corporations and organizations. This will ensure financial oversight, transparency and due diligence through the democratic process.

We are also embarking on a process to maintain and improve service delivery through joint solutions, in partnership with business, social enterprises or other organizations to more effectively deliver facilities management and provincial registries. This is a well-established delivery approach and will ensure the people of the province receive the optimum value.

The delivery of marine services to coastal and remote communities is an important element of the province's vast transportation network. However, ferries in the province are heavily subsidized, some as much as 95 per cent, and costing the people of the province more than \$80 million annually.

Clearly improvements are required. Therefore, we will invite joint solutions for a more effective way to maintain and improve the delivery of

ferry service, taking into consideration the perspectives of the people who use it.

In an increasingly digital world, now more than ever, citizens expect that governments be innovative and deliver faster, easier access to services in a secure manner. This year, we will build on the success of MyGovNL and take further steps to improve service delivery to ensure better interactions with government.

The ultimate goal is to increase efficiencies for those who interact with government.

The people of the province have made tremendous investments in real estate, offshore oil and gas projects, Marble Mountain, and the Newfoundland and Labrador Liquor Corporation. These assets are for the benefit of us all. Considering our financial challenges, we will now start a process to review these assets. The analysis will guide our decisions on how best to proceed.

COVID-19 and Health

COVID-19 is testing our spirit and our economic well-being.

It is our personal responsibility to keep our families and our communities safe. We adhered to sound public health advice; and are now well into a vaccination plan that is protecting citizens and communities, and ultimately leading to benefits attached to the reopening of our economy.

We all owe a heartfelt thank you to the many people who emerged as heroes over the course of the pandemic – nurses, doctors, health care professionals, truck drivers, grocery store clerks, and others – who are keeping us safe and our communities strong.

SOME HON. MEMBERS: Hear, hear!

S. COADY: In Budget 2021, we are taking the responsible step of continuing to allocate \$100 million to respond to demands for such things as personal protective equipment, testing and supporting vaccinations.

Health Outcomes

For too long, Newfoundland and Labrador has experienced poor health outcomes and ranked at the low end of health indicators in Canada. In fact, we spend approximately \$1,500 more per capita on health care than the national average, which is the highest in the country.

We have to be better. We have to live healthier.

Our government has set the ambitious goal of making Newfoundland and Labrador one of the healthiest provinces by 2031.

Guided by Dr. Pat Parfrey, Sister Elizabeth Davis and a world-class team of experts, Health Accord NL was created to reimagine the health care system and to make certain that our health and social systems are working together in ways that will lead to better outcomes for people and their families.

Health Accord NL will deliver a 10-year Health Accord with short, medium, and long-term goals for a health care system that better meets the needs of Newfoundlanders and Labradorians. It will focus on re-orienting and re-balancing our health system.

Improving access to more active lifestyles and creating a culture that places greater emphasis on living healthier is central to achieving better health outcomes.

To help create that needed change, in Budget 2021 we are introducing a Physical Activity Tax Credit, which is estimated at \$7 million and will provide a refundable tax credit up to \$2,000 per family. This will be a helpful incentive for families as they look to access sport and recreational activities. It also holds the added benefit of supporting the local health and wellness industry.

SOME HON. MEMBERS: Hear, hear!

S. COADY: We are also investing: \$6.3 million to support recreation, physical activity, athletic and sport development, as well as encourage active healthy lifestyles for people of all ages and abilities; and, \$3 million to support the City of John's to host the 2025 Canada Games. The Games will stimulate interest in fitness, create

hundreds of new jobs and generate upwards of \$110 million in economic spending.

Chronic diseases impact the health of the population, as well as the sustainability of the health care system. Over half of Newfoundland and Labrador residents aged 12 years and older have at least one chronic disease; many people live with more than one. To help address the social determinants of health, Budget 2021 includes: a 20 cent per litre sugar sweetened beverage tax, which will be implemented on April 1, 2022. This will position Newfoundland and Labrador as a leader in Canada and will help avoid future demands on the health care system.

SOME HON. MEMBERS: Hear, hear!

S. COADY: It also includes more than \$1 million for continued support of the Kids Eat Smart Foundation, which supports the education, health, and well-being of school-aged children through nutrition; a three cent per cigarette increase and a six cent increase per gram on fine tobacco is also included. The rebate rate for Labrador Border Zones will increase by three cents per cigarette and six cents per gram for fine cut tobacco; and, \$1.8 million to prevent and reduce tobacco and vaping use.

According to Plan International Canada, one in seven young people have either left school early or missed school entirely because they do not have access to the sanitary products they need to manage their periods.

Access should be available to hygiene products without worrying about cost or embarrassment. In Budget 2021, we are allocating \$30,000 to provide these products free of charge to students who need them.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Technology is critical to health care delivery and sustainability, and ultimately enhances patient care in a fiscally responsible way. This importance has been highlighted during the COVID-19 pandemic and by adopting greater innovation in the area of eHealth we will improve access to health care, in particular mental health and pharmacy services. Continued investments in Budget 2021-2022 include: \$3.3 million for the nurse practitioner virtual care program through 811; and, more

than \$715,000 for mental health services through the 811 line.

Growing our Population

Our government recognizes that in order to reverse the trend of an aging population with fewer young people to work and raise families, we must attract more newcomers to settle here. We also have to ensure that the young people who are already here, and those who have left and want to return, choose Newfoundland and Labrador as their permanent home.

We believe that our province is well-positioned to welcome 5,100 newcomers by 2026. While working to draw people to move here in record numbers, we will also ensure Newfoundlanders and Labradorians have the skills and supports they need to secure and maintain meaningful employment, right here at home.

We will achieve these goals through an expanded Office of Immigration and Multiculturalism; and by working hand-in-hand with other levels of government, community and industry partners. This year, we are investing: Primarily federal funding, approximately \$230 million is allocated to provide people with the skills to capitalize on new opportunities to meet changing labour demands. This will help increase the participation of the underrepresented groups such as women and youth in the provincial workforce; more than \$2 million over the next two years for a new online application system to make it easier for potential newcomers to Canada to settle in Newfoundland and Labrador; \$1 million this year and \$2 million annualized to attract prospective residents from other parts of Canada and from around the world; and, \$200,000 to help newcomers adapt to their new home and help build a sense of belonging to the community.

The newly-minted Department of Immigration, Population Growth and Skills will also be focusing on celebrating the increased diversity and the multiculturalism of our province in the K-12 system, workplaces, and the public service.

Seniors

Our government is unwavering in its commitment to supporting seniors and ensuring

all citizens remain healthy, active and engaged. Budget 2021 includes continued support for the following: \$57 million for the Seniors' Benefit, which supports approximately 49,000 seniors and their families annually; \$300,000 to support community initiatives that increase healthy, inclusive communities through the Community Transportation Program; \$95,000 for the Age-Friendly Communities Program, which helps community partners plan for changing demographics and implement activities that make communities more inclusive; \$300,000 for SeniorsNL to support information and referral services for seniors and those who support seniors; and, \$200,000 for the Seniors' Social Inclusion Initiative which supports activities that promote social inclusion, including a focus this year on an intergenerational program guide to increase interaction between youth and adults.

Stronger Economy

Local businesses are the heart of our communities.

As we emerge from the pandemic, let's support businesses throughout Newfoundland and Labrador. Eat, shop and buy local.

To further support small businesses and community organizations, we have allocated \$20 million to assist with the increased costs and the losses as a result of the pandemic.

Economic Development

In mining, oil and gas, ocean technology, information and communications technology or genetics research, Newfoundlanders and Labradorians are leaving their footprints in markets all over the world.

Our skilled-labour is world-class and in-demand globally. Our ocean technology sector is unlocking the vast potential of marine environments in a safe and sustainable manner. And, as the importance of digitalization grows so too does the province's technology sector as it is positioned to add another 2,000 jobs over the next three years.

There is reason for great confidence in the future.

It is our responsibility to help fuel that growth. Our focus is on providing entrepreneurs, innovators and businesses the tools they need to succeed.

Mining

Last year, mineral exploration reached its highest point over the last five years with close to 400 mineral exploration applications processed. This year, we're projecting over \$4 billion in mineral shipments, more than \$80 million in exploration expenditures, and approximately 7,700 person years of employment.

SOME HON. MEMBERS: Hear, hear!

S. COADY: This collective activity is capturing attention with the Fraser Institute ranking the province number one in Canada and eighth globally for policy attractiveness. We are ranked third in Canada and eighth globally in terms of investment attractiveness.

Critical minerals are essential for renewable energy and clean technology applications such as batteries, permanent magnets, solar panels and wind turbines. Rising global demand for critical minerals is driven in large part by their role in the transition to a low-carbon and digitalized economy.

We are confident that with our wealth of rare earth minerals, copper, tungsten, and zinc we are well-positioned to capitalize on this potential.

The Prospectors and Developers Association of Canada states that for every dollar in government spending in public geoscience results in \$5 in private sector exploration.

Recognizing this importance and its role in helping attract new exploration investment to the province, this year we are investing an additional \$2.5 million for a focused geoscience data collection interpretation. We are also investing \$1.7 million for the mineral exploration industry through the Prospector Assistance Program and the Junior Exploration Assistance Program.

Oil and Gas

Global events have impacted our offshore oil industry.

We believe in the wake of this, the collective effort of our local private, public and community partnerships was exemplary. We united to rally for this critical industry and the hard-working people who make their living and support their families from it.

The Oil and Gas Industry Recovery Task Force provided its final report to government in April. We are very thankful to its members for their hard work and dedication in completing this important piece of work. Their recommendations will help guide key priorities and actions to support the recovery of the oil and gas industry.

There is a combined resource potential of 63.6 billion barrels of oil and 224.1 trillion cubic feet of gas in just 10 per cent of the province's offshore. This we know from an independent resource assessment.

Those resources are needed globally. We will continue to make strategic investments in the oil and gas industry as we transition toward a green economy and achieve net zero carbon emissions by 2050.

Coupled with the work of the task force and the Federal Government, we have allocated more than \$280 million to support offshore oil projects. Additionally, \$32 million has been allocated to support the local oil and gas service and supply community through a public call for proposals and \$20 million has been allocated to advance offshore seismic research, which is beneficial as we market the sector globally.

Technology Development

Investments in technology and innovation cross all sectors of the economy and the rapid expansion of existing technology companies highlights the growth potential of our innovative industries.

It is paramount that we continue to work collaboratively with industry to attract people in all areas of technology development –

everything from developers to sales and leadership. This includes sparking the imagination of school-aged children to the exciting career prospects in these industries and attracting newcomers to our province.

To encourage new opportunities for businesses and communities, Budget 2021 includes: \$27 million to support economic development initiatives including research and development, commercialization, regional development and business growth activities such as investment in the technology sector. For every dollar we invest, we leverage at least \$3 from other sources; and, \$8.5 million to support investment attraction.

Our government has committed to support TechNL's new Innovation Centre, and we will continue to engage with investors around the world to market the potential of the sector here in Newfoundland and Labrador.

Connectivity

Economically and socially, connectivity is an ongoing concern for many residents – in particular, those living in underserved areas.

These issues have been heightened as a result of COVID-19. Businesses have turned to online applications to conduct business and connect co-workers; physicians and health care professionals are caring for patients virtually; students are connecting with teachers and classmates; and we have all gone online to maintain vital social connections with our families and friends.

As a government, we view advanced connectivity through investments in cellular and broadband as being integral to a modern society and fundamental in contributing to economic prosperity.

Building on past investments, \$25 million is being allocated over the next three years to improve cellular and broadband service.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Since 2018, our \$4 million in investments leveraged more than \$47 million

from other sources demonstrating that our approach delivers results.

Tourism and Air Access

The global tourism industry has been deeply impacted by COVID-19. Newfoundland and Labrador's tourism industry is no exception, but we need to be competitively positioned to capitalize as travel demand returns.

Supported by the work of the Premier's Advisory Council on Tourism, we will work with the industry on the road to recovery and reinstating its position as a key employer and revenue generator, especially in rural areas.

Based on this work and the importance of direct investments in the industry, we are investing \$30 million to address recommendations from the council's report, including a Tourism and Hospitality Support Program to alleviate pressures experienced by COVID-19.

Our role as a partner with this industry is reflected in the continued investment of almost \$13 million to promote the province, and the launch earlier this year of the Stay Curious campaign. The campaign is designed to inspire potential visitors to dream about travelling to Newfoundland and Labrador now, but make their plans when the travel restrictions are lifted. Most recently, we also launched the new in-province marketing campaign Your Backyard Beckons, encouraging residents to explore what's right in their backyard – areas throughout the province they may not have ventured to before.

In Newfoundland and Labrador, air access plays a pivotal role in the provincial economy. It connects communities, stimulates business development, transports rotational workers to and from their place of work, connects families, and is critical to growing the tourism industry. Our government is committed to continuing to work collaboratively with industry, community and federal partners.

Arts, Culture and Entertainment

Newfoundland and Labrador is world-renowned for its cultural identity and the tremendously talented artists that tell our story through

writing, dancing, music, art, craft, film and television.

They are also entrepreneurs and business operators and they attract incredible investment to our province. In 2018 alone, cultural industries generated more than \$450 million in economic activity and exported over \$56 million worth of culture products.

We appreciate these artists are also an important part of what attracts visitors to Newfoundland and Labrador, and that they too have been impacted by COVID-19. Therefore, we will launch a new Artists Support program as a component of the new Tourism and Hospitality Program. Additionally we are investing \$5 million for ArtsNL.

An emerging opportunity of our cultural industries is the television and film industry.

Direct investments provide community benefits, and the opportunity for local artists and skilled professionals, actors, writers, directors, technicians, set designers, and others to further develop their talents. Equally as important, it enables this growing core of skilled and talented people to continue working in Newfoundland and Labrador.

This year will be a banner year in entertainment. There are several significant projects in the pipeline and we are expecting 2021-22 production levels to exceed \$90 million.

SOME HON. MEMBERS: Hear, hear!

S. COADY: With an additional \$8 million in equity investments for the film and television productions, we are well positioned to support employment opportunities for the hundreds of people who work in this burgeoning industry.

Renewable Industries

As a major contributor to the provincial economy – the agriculture, fishery, forestry, and aquaculture industries, are the economic heart and soul of many communities. Collectively, they employ over 20,000 people across the Island and in Labrador.

Through collaborative efforts with stakeholders to build on and sustain these industries for the future, we are exploring opportunities with our growing technology sector and ensuring that the workforce is inclusive for Indigenous peoples, women and young people. Budget 2021 includes \$4 million for the Atlantic Fisheries Fund to help the seafood sector meet market demand for sustainably sourced, high-quality fish and seafood products.

As we work towards achieving our goal of increasing food self-sufficiency in fruits and vegetables to 20 per cent by 2022, this year we are investing \$9.8 million in agriculture programs.

These investments will support new farmers and crop diversification.

The Community Garden Support Program has yielded great success and enjoyment while improving access to fresh fruits and vegetables. With roots firmly planted across the province, this year we're increasing the grants from \$500 to \$750 to help eligible communities, municipalities and organizations grow more gardens.

Environment and Climate Change

Awareness of the importance of environmental protection and addressing climate change has increased dramatically in recent years. We all share a goal of a cleaner, healthier environment.

Through innovation, Newfoundland and Labrador's public and private sectors are working to slow the pace of climate change by reducing carbon emissions, developing clean technologies and creating new green jobs. To support this ongoing work and reducing our carbon footprint, Budget 2021 includes funding to advance programs under the federal-provincial cost-shared Low Carbon Economy Leadership Fund, such as the Climate Challenge Fund, and residential energy efficiency programs, as well as the industry-focused climate change adaptation initiatives.

Based on the success of past green initiatives, today I am pleased to announce a \$1 million program to help transition homes whose sole source of heat is oil to electricity. The program

will provide a rebate of up to \$2,500 toward refitting your home.

Switching from a gas-powered to an electric vehicle is becoming an increasingly real option for consumers. We are supporting efforts to make electric vehicles more accessible and as a result, a fast-charging network is being installed across the province. To build on this, \$500,000 is being provided for an Electric Vehicle Adoption Accelerator Program. This will provide a \$2,500 rebate to residents who purchase an electric vehicle.

Stronger Communities

Municipalities

Healthy, sustainable communities are essential building blocks for Newfoundland and Labrador.

By supporting municipalities to improve service delivery and their ability to advance such things as walking trails, recreational infrastructure and capital works projects, we are contributing to an improved quality of life, which is a selling feature as we market the province to newcomers.

Through this year's budget, in partnership with the Federal Government, we are investing over \$147 million for communities to improve infrastructure and enhance services. This includes funding for such programs as the Canada Community-Building Fund (Federal Gas Tax Program), Special Assistance Grants Program, and the Community Enhancement Employment Program. Municipal operating grants are being maintained.

Approximately \$70 million over three years for communities that receive multi-year infrastructure funding; over \$70 million for community infrastructure projects over three years under the Investing in Canada Infrastructure Program; and \$7 million under the Municipal Capital Works Program over three years to support projects that prioritize water, wastewater, disaster mitigation, and regional collaboration.

We continue to work with Municipalities NL and the Professional Municipal Administrators to support and implement regionalization and

the sharing of services. Together, we see it as holding the potential to result in more efficient and effective services, better planning, economic growth, and cost-savings through economies of scale.

A robust regionalization plan must be fair, encompassing those who do not pay for the services they receive now, and benefiting those in rural communities who currently may not receive services.

Hundreds of thousands of dollars are spent annually to maintain roads in unincorporated areas and Local Service Districts. We will move towards a structure in which everyone pays a fair share toward the cost of providing and maintaining such services.

SOME HON. MEMBERS: Hear, hear!

S. COADY: The benefits are many – access to regional economic development opportunities; fire services; land-use planning; and, infrastructure planning, including water systems and roads to name a few.

We all have a role to play in advancing a robust plan for regionalization. Our government will ensure programs incentivize and support this path forward. Regionalization projects currently require 10 per cent less contribution from municipalities. Every community should be exploring such opportunities.

We are stronger when we work together, each contributing fairly and equitably to the important services we require. Such an approach will ensure equal access to services with the costs shared by all.

Infrastructure

Investments in infrastructure play a vital role in driving our province's economy.

Our investments in new schools, long-term care homes, and new hospitals have led to hundreds of jobs for Newfoundland and Labrador tradespeople.

In addition, our investments in transportation infrastructure and repair and renovations to public buildings, such as schools, health care

facilities, and other community buildings have also contributed to local economies all over the province.

This year, close to \$600 million is allocated for infrastructure improvements, which will help generate close to half a billion dollars in economic activity and close to 4,500 full-time equivalent jobs.

Our investments include approximately: \$170 million in highway paving and maintenance, which is consistent with last year's Budget; and, close to \$30 million for improvements to health care facilities.

As noted earlier, we are also continuing to support cost-shared programs for infrastructure projects in collaboration with municipalities.

All this leads to better schools, improved health care facilities, safer roads, and local employment.

Housing

Our government recognizes that safe, stable, affordable housing – a place to call home – is essential to the social, financial and physical well-being of individuals, families and our communities. Through Newfoundland and Labrador Housing, we are working closely with other levels of government and our community partners to reduce homelessness and improve housing affordability.

As announced by the Premier last week, funding has been allocated to preserve and repair social housing, ensuring the sustainability of these homes for all those that need them today and in the future.

We are also continuing to support community organizations for such initiatives as the Supportive Living Program to help prevent homelessness and transition houses to support women and children fleeing intimate partner violence. More than \$11 million is being contributed to the Rent Supplement Program, which will be expanded this year.

And, \$10.8 million is allocated for low-income homeowner repair programs, supporting seniors to remain in their homes. This includes funding

for accessibility modifications and energy efficiency upgrades.

Removing and Preventing Barriers and Increasing Accessibility

Creating inclusive, accessible communities where all people have equitable opportunities to work, socialize, and participate in activities is at the forefront of our government's agenda.

Budget 2021 continues funding to support inclusion initiatives such as the Accessible Vehicle Program, Accessible Tax Grant Program, and Inclusion Grant Programs.

Women and Gender Equality

Through the newly created Office of Women and Gender Equality, our government is working collaboratively with leaders, advocates, community organizations and individuals to advance solutions to identified issues and barriers.

Central to this work is the rigorous Gender-Based Analysis Plus that government puts on programs, services, policies, legislation and budgets. We also appreciate that the high rates of violence against women and girls is rooted in gender inequity and that an intersectional, research-based, and culturally sensitive approach to violence prevention in collaboration with stakeholders is vital.

In Budget 2021, we will continue to invest more than \$3.2 million in operational funding for women's and anti-violence organizations. There is also \$425,000 allocated for the Sexual Assault Nurse Program and further initiatives to support women in leadership.

Public Safety

It is important residents continue to feel safe at home and in their communities.

The sense of security we have come to enjoy and expect here is due in large part to emergency responders. Our volunteer firefighters are getting our help with \$2.7 million for fire protection equipment and vehicles, as well as support for the Newfoundland and Labrador Association of Fire Services.

To address the social and personal issues that contribute to crime we continue to support therapeutic courts by allocating more than \$200,000 for Drug Treatment Court and \$350,000 to explore an expansion to the Family Violence Intervention Court. To increase supervision of offenders, \$508,000 will support the electronic monitoring program.

Improving Education and Childcare

Investments in childcare and in a publicly funded education system are important for families, communities and the economy. The investments we make today plant the seeds for greater rewards in the future.

A learning environment that focuses on higher-order thinking beginning at a young age and continuing through the teenage years is also linked to positive societal outcomes. It opens doors to exciting careers and contributes to healthier, more dynamic communities.

Childcare

As a government, we are proud of the transformational changes that are being made to improve access to childcare. With this being Early Childhood Educators Week we would like to acknowledge the people who provide this very valuable service.

We have helped build capacity and last year took the bold step of introducing \$25 per day childcare. It is a direct investment in young families – one that eases the pressure on deciding whether to return to work and sets the stage for lifelong learning.

We are optimistic that the Federal Government's commitment to \$10 per day childcare will advance our goals of reducing costs and increasing the quality of early childhood education in this province.

SOME HON. MEMBERS: Hear, hear!

K-12

S. COADY: The Education Action Plan has provided a roadmap to improve educational outcomes. With 80 per cent of actions either completed or substantially underway and \$42

million invested over the last three years, we are steadily making improvements to the K-12 system.

From a human resource perspective, hundreds of new positions have been added to the education system in such roles as responsive teaching and learning, reading and program specialists.

In the classroom, student experiences in coding and project-based learning are being enhanced; there has been greater emphasis on multiculturalism; and we have put a greater focus on developing mental health, behavioural and social-emotional programming.

In collaboration with our educational partners, we will continue to take steps to transform the education system with the goal of emphasizing higher-order thinking and a deeper, more responsive teaching and learning approach.

This will include modernizing the junior high and high school curriculum and creating alignment with emerging workforce demands.

In Budget 2021, we will maintain our commitment in the K-12 system through investments that maintain key COVID-19 staffing supports, as well valuable teaching resources hired through the Education Action Plan and hire additional English-as-a-Second Language teachers to address the educational needs of newcomers to this province.

Newfoundland and Labrador's post-secondary institutions make valuable social and economic contributions to our province. They support economic activity, contribute to our communities and attract students from around the world who want to study here.

In addition to academic pursuit, Memorial University is a cornerstone of social, economic and professional development.

The institution has produced and fostered some of the brightest minds who have gone on to great success here at home or abroad, leading in their fields. Its faculties attract high-calibre students from across the country and beyond.

As positive as those contributions are, we cannot overlook that provincial investments in post-

secondary institutions equate to more than \$21,000 per full-time equivalent student.

Comparatively, the Atlantic Canadian average is \$11,900 and the Canadian average is over \$10,000. The Provincial Government's operating grant to Memorial University is 30 per cent higher than the national average.

This year, in collaboration with Memorial University, we are introducing a more balanced funding arrangement. One that supports Newfoundland and Labrador students, provides the university with greater autonomy over tuition which it has requested and makes better use of taxpayers' dollars.

In Budget 2021 we will provide a core operating grant of \$237 million, \$53.9 million for the Faculty of Medicine, \$68.4 million to maintain the tuition freeze, as well as \$13.9 million for infrastructure. Collectively, this is a \$373.2 million investment.

SOME HON. MEMBERS: Hear, hear!

S. COADY: However, next year the funding model will be different.

We will introduce amendments to the Memorial University Act to provide the university with greater autonomy. We will enter a new arrangement that will see the annual tuition offset to Memorial eliminated over five years. We will provide expanded access to needs based grants for new Newfoundland and Labrador undergraduate students impacted by tuition changes at Memorial University.

As we work with Memorial University on a transition to greater autonomy there will be a temporary freeze on any expansion of its physical footprint.

The College of the North Atlantic is set to receive \$88.2 million this year, which includes \$14.9 million to maintain tuition levels for local students.

We will carefully review the recommendations from the Post-Secondary Education Review Committee and the Premier's Economic Recovery Team to guide next steps.

Building Strong Partnerships

The prominence of partnerships and engagement in our path forward has been highlighted through respectful dialogue with Indigenous leaders, as well as the collaborative approach we have taken with the Premier's Economic Recovery Team, Health Accord NL and other advisory committees.

As part of Budget 2021, we will maintain core funding totalling more than \$120 million for community-based organizations. This will help support the more than 16,000 employees and volunteers that provide valuable support for families and communities.

Indigenous Peoples

At the heart of our relationship with Indigenous peoples is reconciliation. As we make amends for the past, our relationship with Indigenous governments and organizations is built on mutual respect and understanding. Together, we can ensure the dreams of Indigenous peoples are honoured.

Today, we mourn the discovery of the remains of 215 children at the site of a former residential school for Indigenous children in British Columbia. To show our respect, we have lowered the flags in front of Confederation Building. On behalf of all Newfoundlanders and Labradorians, I extend heart-felt sympathies.

As the review of cultural symbols, observances and monuments continues in collaboration with Indigenous governments and organizations continues, our actions are focused on building inclusive communities.

Through Budget 2021, our investments to advance this important relationship include: \$4.2 million for the Inquiry into the Treatment of Innu Children in Care; \$241,500 for the Indigenous Violence Prevention Grants Program, which provides funding for culturally-appropriate projects aimed at preventing violence against Indigenous women and girls; \$30,000 in core funding to each of the province's three Friendship Centres; and, \$25,000 for the Provincial Indigenous Women's Gathering, which allows Indigenous women to come together to share and identify ways to

improve the lives and well-being of women in their communities.

Poverty Reduction

We recognize these are challenging times for individuals and families, particularly for those working hard to simply make ends meet. Poverty is complex and there is no one size fits all solution.

COVID-19 has exacerbated these issues and exposed gaps in programs, services and supports for people in poverty. Reducing, alleviating and preventing poverty is central to improving overall well-being and creating healthier people and communities.

In collaboration with our partners on the front-line of delivering services to people in need, this year, we will launch initial steps towards developing a renewed poverty reduction strategy.

As the new strategy is developed, we will continue to invest in programs that support citizens that struggle with poverty. Budget 2021 includes: over \$66 million for the Newfoundland and Labrador Income Supplement, which supports approximately 158,000 individuals and their families annually; \$1.6 million to provide Metrobus or GoBus passes to income support clients in St. John's, Mount Pearl and Paradise; and approximately \$500,000 in new funding for the Mother Baby Nutrition Supplement, which will increase the monthly support for nutritional food during pregnancy and infancy to \$100 – up from \$60 per month.

Labrador

Great things are happening in Labrador and our government is working with groups and organizations, the private sector and our federal partners to make strategic investments to grow the economy and create jobs.

Exciting development and exploration in Labrador's mining sector is creating new jobs and contributing to the new wealth in the region. We're also experiencing the growth of an innovative agricultural industry that is supplying area residents with access to nutritional foods.

Labrador's tourism industry is also poised for growth as we emerge from COVID-19.

We share the heightened anticipation of the opening of the new Labrador Wellness Centre in Happy Valley-Goose Bay, which is aligned with our vision for a healthier, more active province.

Construction of the Trans-Labrador Highway is nearing completion. Paving of the highway continues with a \$22.1 million investment this year and we anticipate this vital road network will be completed over the next two construction seasons.

Our government is working hard to leverage these economic opportunities and providing the necessary social supports to residents.

Some of the specific investments we are making in Labrador include \$6.17 million for the extension of the Labrador Correctional Centre, \$4.8 million for the completion of the new mental health unit in Happy Valley-Goose Bay, funding for a pre-feasibility study on the new airstrip in Nain in partnership with the Nunatsiavut Government, as well as ongoing support for the winter trail network, the Combined Councils of Labrador and the Labrador Aboriginal Nutritional and Artistic Assistance program.

Conclusion

I will end as I started – asking for us all to come together. For all of us to do our part, to strengthen and build a better Newfoundland and Labrador.

A child born in this province today owes debt for their birthright. In a place as rich with resources and strengthened by talent, a place carved with grit and granite. Without fear of contradiction this isn't what any of us want. We want to bestow with certainty the opportunity and potential of this place. We want to give every ounce of its character, every stone of its worth for this child to mould and yield a better life.

Let us all have the courage to make the bold decisions and the faith to work together.

As I said in last year's budget –

We will not falter

We will not hesitate

We will not fold when things are difficult

We will preserve

We will accomplish

We will succeed

We will succeed for us and for the future generations to come.

CHANGE starts here.

SOME HON. MEMBERS: Hear, hear!

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

S. COADY: Mr. Speaker, I move, seconded by the Premier, that the debate be adjourned.

SPEAKER: The motion is that the debate be adjourned.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Carried.

On motion, budget debate adjourned.

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

S. COADY: Mr. Speaker, I wish to inform the House that I have received a message from Her Honour the Lieutenant-Governor.

SPEAKER: All rise.

The following message is addressed to the Minister of Finance:

As the Lieutenant-Governor of the Province of Newfoundland and Labrador, I transmit Estimates of the sum required for the Public Service of the Province for the year ending 31 March 2022, in the aggregate of \$8,024,380,400, and in accordance with the provisions of sections 54 and 90 of the *Constitution Act, 1867*, I recommend these Estimates to the House of Assembly.

Sgd.: _____

Her Honour, Judy Foote, Lieutenant-Governor

Please be seated.

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

S. COADY: Mr. Speaker, I move, seconded by the Premier, that the message, together with the Estimates, be referred to the Committee of Supply.

SPEAKER: It is moved and seconded that the message from Her Honour the Lieutenant-Governor, together with the Estimates, be referred to a Committee of Supply and that I do now leave the Chair.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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 (Warr): Order, please!

We shall now take a few minutes to distribute the budgetary documents to all hon. Members.

(Budgetary documents are distributed.)

CHAIR: The hon. the Government House Leader.

S. CROCKER: Thank you, Mr. Chair.

I move that the Committee rise, report progress and ask leave to sit again.

CHAIR: The motion is that the Committee rise, report progress and ask leave to sit again.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

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

SPEAKER (Bennett): Order, please!

The hon. the Member for Baie Verte - Green Bay and Chair of Committees.

B. WARR: Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report that they have made some progress and ask leave to sit again.

SPEAKER: The Chair of the Committee of Supply reports that the Committee have considered the matters to them referred and have directed him to report that they have made some progress and ask leave to sit again.

When shall the report be received?

S. CROCKER: Now.

SPEAKER: Now.

When shall the Committee have leave to sit again?

S. CROCKER: Tomorrow.

SPEAKER: Tomorrow.

On motion, report received and adopted. Committee ordered to sit again on tomorrow.

SPEAKER: Notices of Motion.

Notices of Motion

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

S. COADY: Thank you very much, Mr. Speaker.

I give notice that I will move that the House resolve itself into a Committee of the Whole to consider a resolution respecting the imposition of taxes on tobacco, Bill 13.

Mr. Speaker, I give notice that I will move that the House resolve itself into a Committee of the Whole to consider a resolution respecting the imposition of taxes on personal income tax, Bill 14.

Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act to Amend the Income Tax Act, 2000, No. 2, Bill 15.

Mr. Speaker, I give notice that I will move that the House resolve itself into a Committee of the Whole to consider a resolution relating to the raising of loans by the province, Bill 17.

Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Lotteries Act, Bill 18.

SPEAKER: Any further notices of motions?

The hon. the Government House Leader.

S. CROCKER: Thank you, Mr. Speaker.

I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Vital Statistics Act, 2009, No. 2, Bill 19.

Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Securities Act, Bill 16.

Mr. Speaker, I give notice that I will on tomorrow move the following motion:

That notwithstanding Standing Order 63, this House shall not proceed with Private Members' Day on Wednesday, June 2, 2021, but shall instead meet at 2 p.m. on that day for Routine Proceedings and conduct government business, and that at 5 p.m., the Speaker shall adjourn the House.

Mr. Speaker, I give notice that I will on tomorrow move the following motion:

That the Public Accounts Committee comprises the following Members: the Member for Placentia - St. Mary's, the Member for Baie Verte - Green Bay, the Member for St. George's - Humber, the Member for Mount Pearl North, the Member for Stephenville - Port au Port, the Member for Terra Nova and the Member for Labrador West.

That the Privileges and Elections Committee will comprises the following Members: the Member for Virginia Waters - Pleasantville, the Member for Burin - Grand Bank, the Member for St. Barbe - L'Anse aux Meadows, the Member for Grand Falls-Windsor - Buchans and the Member for St. John's Centre.

That the Standing Orders Committee comprises the following Members: the Member for Carbonear - Trinity - Bay de Verde, the Member for Mount Scio, the Member for Windsor Lake, the Member for Harbour Main and the Member for Labrador West.

That the Miscellaneous and Private Bills Committee comprises the following Members: the Member for Cartwright - L'Anse au Clair, the Member for Placentia - St. Mary's, the Member for St. George's - Humber, the Member for Topsail - Paradise and the Member for St. John's Centre.

SPEAKER: Further notices of motions?

The hon. the Government House Leader.

S. CROCKER: Thank you, Mr. Speaker.

I give notice and by leave move the following motion:

That the Government Services Committee comprises the following Members: the Member for St. George's - Humber, the Member for Mount Pearl North, the Member for Burin - Grand Bank, the Member for Baie Verte - Green Bay, the Member for Ferryland, the Member for Torngat Mountains and the Member for Labrador West.

That the Resource Committee comprises the following Members: the Member for Placentia - St. Mary's, the Member for Mount Pearl North, the Member for Baie Verte - Green Bay, the Member for Burin - Grand Bank, the Member for Bonavista; the Member for Exploits and the Member for Labrador West.

That the Social Services Committee comprises the following Members: the Member for Mount Pearl North; the Member for Burin - Grand Bank, the Member for St. George's - Humber, the Member for Placentia - St. Mary's; the Member for Cape St. Francis, the Member for Placentia West - Bellevue and the Member for St. John's Centre.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Carried.

The hon. the Government House Leader.

S. CROCKER: Mr. Speaker, I further give notice and by leave move that the following heads of expenditure be referred to the Government Services Committee: the Consolidated Fund Services, the Department of Digital Government and Service Newfoundland and Labrador, the Department of Finance, the Public Procurement Agency, the Public Service Commission and the Department of Transportation and Infrastructure.

That the following heads of expenditure be referred to the Resource Committee: the Department of Fisheries, Forestry and Agriculture; the Department of Immigration,

Population Growth and Skills; the Department of Industry, Energy and Technology; the Department of Tourism, Culture, Arts and Recreation; and the Department of Environment and Climate Change.

And that the following heads of expenditure be referred to the Social Services Committee: the Department of Children, Seniors and Social Development; the Department of Education; the Department of Municipal and Provincial Affairs; the Department of Health and Community Services; the Department of Justice and Public Safety; and the Newfoundland and Labrador Housing Corporation.

Mr. Speaker, I also wish to advise Members that on Monday, May 31, 2021, at 5 p.m., the Resource Committee will meet in the Chamber to review the Estimates for Tourism, Culture, Arts and Recreation.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Carried.

The hon. the Government House Leader.

S. CROCKER: Thank you. Mr. Speaker, I move, seconded by the Premier, that the remaining Orders of the Day do stand deferred and that this House do now rise to adjourn.

SPEAKER: It is the motion of the House that we now adjourn.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Carried.

This House now stands adjourned until tomorrow, Tuesday, June 1, at 1:30 p.m.

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