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Speaker: Honourable Derek Bennett, MHA

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The House met at 2 p.m.

SPEAKER (Bennett): Admit strangers.

SERGEANT-AT-ARMS: All rise.

SPEAKER: Please be seated.

Order, please!

Before we get started, I would just like to welcome everyone into the public gallery. I think this is the first Budget Speech in three years that we are actually having a full audience, so welcome, everyone.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

S. COADY: Speaker, I move, seconded by the Member of the House of Assembly for Mount Pearl North, 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: Resilience.

Newfoundlanders and Labradorians are born with it. The ability to face challenges, to handle burdens, to overcome hardships; a toughness coming from living by land and by sea.

These past two years we have had to lean into it. To hold fast.

As we are known to do we have weathered this storm. We may have been lashed by it but the day has arisen with brighter skies and calmer seas. The fog is lifting.

And, as we rise to this new day we recognize that there is still work to do. Help to be given.

Care to be taken. We will stay focused on doing what is right within the means that we have.

This budget is about us. About what we all want to achieve – a stronger, smarter, self-sufficient, sustainable Newfoundland and Labrador.

How we do that is just as important as why we do it. Our principles must be grounded in: a healthy, educated, growing population; responsible financial management; a clean, green economy; a modernized, innovative public service; and true reconciliation with our Indigenous peoples.

As we speak about our progress in today's budget, and our plans for this fiscal year, we are mindful of the challenges that families are experiencing. The war in Ukraine, and disruptions in the global supply chain as we emerge from the pandemic have created financial pressures and cost of living concerns.

Collectively, we will help manage these challenges. Here are some concrete actions in this budget to help you and your family this year with the cost of living: elimination of the 15 per cent Retail Sales Tax on home insurance. Effective budget day for one year.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Taking 50 per cent off registration fees for passenger vehicles, light duty trucks and taxis for one year.

SOME HON. MEMBERS: Hear, hear!

S. COADY: No new provincial tax or fee increases.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Lower cost child care. We have lowered child care costs from an average of \$35 per day just 18 months ago to \$10 a day starting in January 2023.

SOME HON. MEMBERS: Hear, hear!

S. COADY: And tax credits to encourage business investments and growth in our economy.

We have also made sure to protect the people of the province from doubling electricity rates. The Muskrat Falls project and the decision to build it remains a burden on this province; however, your government, through hard work and a \$5.2 billion partnership with the Federal Government, has managed to ensure rates are mitigated, and therefore lessen the impact on the people of the province. This is a savings of approximately \$2,400 per year, per household.

SOME HON. MEMBERS: Hear, hear!

S. COADY: As much progress as we have made, one can't help but imagine how those funds could have been used to lower taxes or make further improvements in health care and education.

All of this is done at the same time we recognize that Newfoundland and Labrador has the highest debt and servicing costs in Canada. We know that responsible financial and debt management is essential to our future. Your government has a solid, credible strategic plan to emerge from the burden of having too little funds to pay the annual bills, to ensure the cost of debt is lowered, and to build a stronger, more sustainable future.

Budget 2022 – Change is in the air – lays out the plan for the next year and is built on helping families with the cost of living – expanding on our recent Five-Point Plan with approximately \$20 million in immediate support for seniors and the most vulnerable; ensuring a healthy, educated, growing population; building stronger communities and investing in infrastructure and roads which contributes to our pride of place; addressing climate change and encouraging economic growth and job creation.

It is an ambitious agenda. But we are ambitious people with the motivation, determination and desire to succeed.

My father used to say:

“Newfoundlanders and Labradorians never give up, never give in.”

Indeed, we never have and we never will. Your government is focused on the relentless pursuit

of better. A stronger, smarter, self-sufficient, sustainable Newfoundland and Labrador.

Responsible Financial Management

We have an aggressive strategic plan to address our financial challenges and ensure the cost of servicing our debt is lower and more manageable. All of us know how important that is.

The plan is built on: fixing Muskrat Falls financially, which we have now done through the rate mitigation plan and the \$5.2 billion partnership with the federal government; strong financial management through modernization and transformation of government, determined control of spending, balanced budget legislation and strengthening the Office of the Auditor General; and responsible debt management which includes changes to the *Financial Administration Act*, a new focus on debt repayment and restructuring, more effective debt financing and advancing a future fund.

All this means that the cost of our debt will be lowered and the province will be on a path to sustainability.

2021-22 Financial Results

In Budget 2021-22, delivered just a short 10 months ago, we indicated that we would be \$826 million in deficit for the year ending March 31. I am pleased to report that due to improved revenues and expense control our deficit is substantially lower at \$400 million.

SOME HON. MEMBERS: Hear, hear!

S. COADY: This improvement means that we are ahead of our financial projections and closer to balanced budgets.

Provincial expenses have been held in check. This year, new expenditures are largely attributed to a fully funded federal programs totally \$774 million for such things as workforce development, the offshore oil and gas industry, and child care.

Through continued cost control measures and improved revenues, we are on track to return to balanced budget by 2025-26.

SOME HON. MEMBERS: Hear, hear!

Economic Outlook

S. COADY: The outlook for Newfoundland and Labrador economy in 2022 is positive and the province continues to be one of the highest Gross Domestic Products per capita among Canadian provinces.

Nominal GDP is expected to increase by 3.6 per cent in 2022 as the increase in the value of oil exports due to the higher oil prices boosts the value of economic output. Real GDP is forecast to increase by 0.5 per cent this year.

Most other indicators are also expected to show growth as economic recovery continues. In particular, gains from increased iron ore production and tourism spending are expected to partially offset lower oil production.

Real exports are expected to increase, driven mainly by higher iron ore production, and operations are expected to resume at the newly converted renewables refinery in Come By Chance in the second half of the year.

Employment is forecast to grow by 2.6 per cent and the unemployment rate is forecast to decline to 11.7 per cent in 2022 as tourism-related service industries continue to recover to pre-pandemic levels of activity.

Household income increases by 3.2 per cent mainly due to gains in employment compensation that more than offset the loss of pandemic related federal transfers to individuals.

Retail sales for 2022 are expected to remain strong and increase by 3.5 per cent.

SOME HON. MEMBERS: Hear, hear!

Oil Projections

S. COADY: For 2022-23, oil is expected to be US\$86 per barrel and the Canada to United States exchange rate is forecasted at 79.3 cents. These projections are informed by 11 different independent forecasters.

Royalties are expected at \$866 million, which is the third lowest amount in the last decade and

almost \$2 billion less than 2011-12, a decade ago.

Today, oil revenues are 13 per cent of total provincial revenue sources. For context, in 2011-12 – a time that many describe as peak oil – oil reliance in the budget was 32 per cent. This year, it is anticipated that revenues will be 10 per cent.

Cost of Living

People from this province, and across Canada and around the world, are feeling the impacts of the pandemic and the war in Ukraine on the cost of living.

To help, as I've said, we are: eliminating the Retail Sales Tax on home insurance for a period of one year; and, taking 50 per cent off the cost of motor vehicle registration for light vehicles, including passenger vehicles, light trucks, and taxis. This will also be for one year.

There is no provincial tax or fee increases in this budget.

Your government will manage the expenses with the revenues we currently collect from individuals and businesses while continuing to focus on balancing the budget.

The cost of early learning and child care will be lowered to \$10 a day in January, saving families \$6,300 per child compared to 2020 and helping more women either enter or remain in the workforce.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Metrobus or GoBus passes currently available to income support clients in St. John's, Mount Pearl and Paradise are being expanded to include seniors receiving the Guaranteed Income Supplement, as well as youth-in-care and those receiving Youth Services programming.

SOME HON. MEMBERS: Hear, hear!

S. COADY: The Pre-Natal Infant Nutrition Supplement, formerly the Mother Baby Nutrition Supplement, will be boosted to \$150 per month for low-income pregnant mothers and

their families with children under age one. That's up from \$100 per month last year and \$60 per month the year before.

SOME HON. MEMBERS: Hear, hear!

S. COADY: As well, the one-time payment provided during the month of the baby's birth will also increase from \$100 to \$150.

To provide assistance where it is needed most, your government is increasing the Newfoundland and Labrador Income Supplement by \$6.8 million. This means that more than 160,000 families and individuals will receive an increase of up to 10 per cent in the money they receive from this supplement. The benefits are paid to those eligible in quarterly installments in July and October of 2022 and January and April of 2023.

No application is needed for the benefit. Those eligible need only file their annual income tax return to receive the benefits. Eligibility is based on family net income from the previous year.

Additionally, the Seniors' Benefit, available to those age 65 years and older, will increase by \$6.5 million. Almost 50,000 seniors receive this benefit, which will now increase by 10 per cent to a maximum of \$1,444 annually.

As well, the past few weeks we have also provided \$200 for single people and \$400 for families who receive income support.

An additional \$2 million is being invested to help transition homes whose sole source of heat is oil to electricity. The program will now provide a rebate of up to \$5,000 – double the existing rebate.

To help provide housing supports, our investments totaling close to \$140 million will support such programs as maintaining our public rental housing portfolio, providing rental assistance for those with a lower income, and supportive living arrangements.

Transforming and Modernizing Government

Last year, your government embarked on a journey of improvement and change to ensure the most efficient and effective means of service

delivery for you and your family. Government needed to modernize and improve so that we could be more financially sustainable and provide the right services and requirements to build a stronger Newfoundland and Labrador.

Much progress has been made over the past 10 months including the development of a Change Desk, which oversees and supports much of the transformation.

All the transformations announced in the 2021-22 budget are underway. Including structural changes at Nalcor, which will be saving approximately \$20 million; the move of the Newfoundland and Labrador English School District to government means those investments target the classroom and not administration; and action will be taken on ferry services as a result of the call for joint solutions.

For the first time in the province's history a review of the assets held by your government was undertaken. This review will provide insight and opportunity to ensure the best return on investments made on behalf of the people of the province.

We will continue to advance work, and make any decisions required to ensure those transformations detailed in last year's budget are progressed and completed.

In the next year your government will also begin the work needed to rebalance the health system and implement the priorities of Health Accord NL.

To this end, we will integrate the four regional health authorities into one province-wide authority.

This will ensure consistency and collaboration across the province. It will improve decision making with streamlined processes, effective reporting structures, data management and accountability, and ultimately ensure better structures and outcomes.

Given the local nature of service delivery, it is essential that this new structure be supported and shaped by robust regional and community involvement.

Work will begin to modernize and integrate the air and road ambulance system with centralized medical dispatch for the province.

With the goal of creating more efficient and effective education and training of health care professionals, we will work towards a new integrated health faculty in collaboration with our partners. The faculty could potentially integrate medicine, nursing, pharmacy and others to provide cross functional knowledge and support. Funding will be specific to the outcomes of this faculty to ensure the right skills and people are available in our health care system.

Community groups provide incredible service and supports across the province. From violence prevention, mental health, youth services, literacy, advocacy and housing; organizations provide value to their communities. More than \$100 million is invested every year to support the community sector.

This year, a new application and assessment process will be implemented for core funding. An additional \$5 million is also added to the funds available.

Healthy, Educated, and Growing Communities

We are very aware of the challenges facing our health care system, as well as the need to provide timely care to residents and support the incredibly hard-working women and men who deliver that care.

Some of the challenges we face have been prevalent for many years. Some are linked to social determinants of health while others have arisen from the pandemic.

It is why we have increased investments in health care by approximately half a billion dollars to \$3.6 billion since the start of the pandemic.

SOME HON. MEMBERS: Hear, hear!

S. COADY: We know our dedicated frontline health care workers are strained. We hear it from everyone in the system and we are focused on

continuing to work with our partners to make things better as quickly as possible.

COVID-19

Since the onset of COVID-19, Newfoundlanders and Labradorians have consistently risen to the challenge. We followed the recommendations of Public Health and have Canada's highest vaccinated population.

The spirit and resolve to control the spread of the virus has been tremendous. The dedication of health professionals, and many others, who have demonstrated exceptional resilience is nothing short of incredible.

For this, we thank you.

While considerable progress has been made, COVID-19 continues to be a part of our reality. We will continue to support the ongoing need for testing, vaccine administration, and personal protective equipment for health care workers.

Primary Health Care

Health Accord NL provided a 10-year plan to reimagine our health care system. It focused on improving health outcomes and address the factors that influence people's health.

The thoughtful work of Health Accord NL includes consideration of how health care professionals need to work together to support the population's health care needs. And, how your government can support you.

Last fall, important steps were taken to improve access to primary health care. To advance these activities, approximately \$14 million is allocated for: expanding and adding collaborative team clinics to improve access to primary health care across the province.

SOME HON. MEMBERS: Hear, hear!

S. COADY: For a Provincial Health Professional Recruitment and Retention Office; two pilot projects to attract more new medical graduates to family practice; facilitation of immigration pathways for international health profession graduates; competitive incentives for family physicians to establish a practice in the

province; retention bonuses; new licensed practical nurses and registered nurses; and, a new assistant deputy minister of retention and recruitment.

SOME HON. MEMBERS: Hear, hear!

S. COADY: In Gander and Grand Falls-Windsor, Health Hubs were created for non-COVID patients to access non-urgent care through virtual care assessment, with in-person appointments as required.

Today, they are supporting upwards of 70 patients daily. They are important points of care for people without a family physician and those unable to access a timely appointment with their family physician.

Budget 2022 includes \$1.8 million for the continued operation of these hubs. This support aligns with funding for collaborative care teams and the launch of Patient Connect NL where unattached patients can register for these clinics.

We are committed to supporting Newfoundlanders and Labradorians in pursuing careers in this important field and attracting and retaining newcomers to fill the roles available today.

Post-Secondary Nursing Programs

We continue to invest in health care education to increase the number of qualified graduates available to the health care system.

This year, investments will be made in Memorial University to increase the number of nursing school seats by 25 per cent.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Investments in the College of the North Atlantic will see increased offerings across a number of campuses for Practical Nurses, Personal Care Attendants, Paramedicine and other primary care programs.

Ambulances/Air Ambulance

We recognize that emergency services are under increasing pressure.

In Budget 2022, \$2 million is being allocated to add another 24/7 ambulance and more than 20 new, permanent positions in the Eastern Health region. These extra resources, which your government committed to last fall, will address the current peak in activity levels. This investment is in addition to the \$5.4 million that supports air ambulance services.

Outside of the new ambulance resources, an additional room is made available to receive incoming patients in the emergency department at the Health Sciences Centre has also been added.

An additional paramedicine team has been added at hospitals in Gander and Grand Falls-Windsor, with a second crew on standby.

Virtual Emergency Room Program

Virtual Emergency services provide continuity for the delivery of essential health care, particularly as we work to recruit new physicians and health care professionals.

Budget 2022 allocates \$3 million for two virtual ER services in the Central region to assist with the provision of urgent care.

This virtual option at two of Central Health's referral centre sites will be staffed 24 hours a day. The expansion of the role of virtual care is another part of our ongoing work to provide support and options for care.

Surgeries

Recently, the Federal Government announced \$2 billion in additional health care funding – of which approximately \$27 million will come to this province – to help deliver quicker access to health care, reduce the backlog accumulated during the pandemic and support additional surgeries.

Health Sciences Centre Emergency Room

Thousands of people walk through the doors of the Health Sciences Centre on a daily basis, many of whom require urgent care. It is a high-pressure environment where people in stress can wait extended periods of time for care.

It is a pressure point, as it is a provincial and regional resource, that has to be addressed.

This year, \$10 million will be invested to redesign and expand the emergency room.

SOME HON. MEMBERS: Hear, hear!

Drug Therapies

S. COADY: Drug therapy development is constant, with new therapies continually being added for approval. The addition of these new therapies to the provincial drug program is extremely important to our residents, and contributes to better health outcomes.

Budget 2022 allocates an additional \$5.9 million for new drug therapies. An additional \$15.7 million is allocated for the provincial oncology drug program.

SOME HON. MEMBERS: Hear, hear!

Cancer Care - Western Region

S. COADY: Our government is proud of the new regional hospital under construction in Corner Brook.

The new hospital will have 164 beds and provide the same acute clinical services currently provided at Western Memorial Regional Hospital. It will also host an expanded Cancer Care Program, including increased systemic therapy services and new radiation therapy services.

Over time, an additional 39 positions will be added, with an almost \$10 million investment.

SOME HON. MEMBERS: Hear, hear!

Mental Health

S. COADY: We have set improved access to mental health and addictions counselling services as a priority.

Through annual investments totaling more than \$230 million, we are delivering on that commitment. Since 2017, we have seen a 44 per cent reduction in wait times.

This year, investments will be made in the continued expansion of such community-based services as: flexible assertive community treatment teams; mobile crisis response teams; further deployment of virtual care options; and access to early interventions and supports for children, youth and families.

\$16.3 million is going towards the ongoing construction of the adult mental health and addictions facility in St. John's and a six-bed unit in Happy Valley-Goose Bay.

SOME HON. MEMBERS: Hear, hear!

Wellness and Recreation

S. COADY: Physical activity is important to our wellness.

Communities are stronger when people of all ages, abilities, backgrounds and cultures are supported to come together through movement and shared experiences. Working with our partners, we are encouraging active healthy lifestyles for everyone.

Building on the Physical Activity Tax Credit that was introduced last year, \$7 million will support recreation, physical activity, athlete and sport development, as well as encourage active healthy lifestyles.

The 2025 Canada Summer Games, which will be hosted by the City of St. John's, will be a pinnacle event.

Supplemented by federal investments, the Provincial Government will contribute \$4 million towards the games.

This collective investment will give a boost to young athletes, inspire people of all ages to take on new activities and improve accessibility to recreational infrastructure for years to come. It will have the added benefit of creating new jobs and showcasing our province to thousands of visitors.

Alcohol Action Plan

The prevalence of higher use of alcohol in Newfoundland and Labrador compared to other Canadian provinces contributes to our poor

health outcomes given the associated health conditions.

Budget 2022 includes \$2.5 million for a new Alcohol Action Plan to address this serious situation with prevention and promotion activities, as well as include a range of treatment initiatives.

Life Promotion Suicide Prevention Action Plan

Suicide is a complex public health issue that affects people of all ages, regardless of socioeconomic status, ethnicity or race.

Reducing the incidence of suicide requires a concerted effort by the health, education, justice and social systems. Suicide prevention is everyone's responsibility, and an additional \$2.5 million is being allocated to implement a Life Promotion Suicide Prevention Action Plan, with a commitment of approximately \$4.5 million annually for the next four years.

SOME HON. MEMBERS: Hear, hear!

Education

Early Learning & Child Care

S. COADY: In the last two years, we have lowered the daily cost of regulated child care, first, to \$25 and again then to \$15 and next year, come January, the rate will just be \$10 a day.

SOME HON. MEMBERS: Hear, hear!

S. COADY: This progress is made possible by almost \$46 million through the Provincial and Federal Action Plan.

We have also set the bold objective of creating nearly 6,000 new regulated child care spaces by 2026.

Through our partnership with the Federal Government, \$87.3 million will be invested this year to create new regulated spaces and launch a pre-kindergarten pilot. Well done!

SOME HON. MEMBERS: Hear, hear!

S. COADY: This investment will also support: municipalities and not-for-profit groups to establish services; more seats in post-secondary Early Childhood Education programs; provide eligible families with free child care; and, enhancing services for children with special needs in regulated child care.

K-12 Education

For the first time in 50 years, enrollment is projected to increase by approximately 1,000 students this year.

SOME HON. MEMBERS: Hear, hear!

S. COADY: This is an exciting milestone, considering that over the last decade we've seen a decrease of about 500 students annually.

This year, we will begin to plan for new schools in Cartwright, in Portugal Cove-St. Philip's, and Kenmount Terrace in St. John's.

SOME HON. MEMBERS: Hear, hear!

S. COADY: As well, as the redevelopment of Dorset Collegiate on Pilley's Island.

SOME HON. MEMBERS: Hear, hear!

S. COADY: \$10.2 million is allocated over two years for a new K-12 school for the Francophone population on the Avalon Peninsula.

SOME HON. MEMBERS: Hear, hear!

S. COADY: The teaching services budget will increase by \$11.6 million, which includes more than \$3 million to meet the demands associated with the increase in projected enrollment, as well as funding for substitute teachers and guidance counsellors.

SOME HON. MEMBERS: Hear, hear!

S. COADY: We will be evaluating whether any areas need new schools based on anticipated enrollment. This complements the ongoing review of class sizes and teacher allocations.

Our province's French language schools face challenges with teacher recruitment and

retention. Budget 2022 features \$750,000 to support their recruitment efforts.

The Education Action Plan has guided our approach to transforming the K-12 education system, and provides a strong foundation as we move forward with the integration of the Newfoundland and Labrador English School District into the Department of Education.

With a focus on inclusive education, student mental health and wellness, math and reading, Indigenous and multicultural education, this plan has increased school resources and put students in a better place to succeed academically.

Between 2017 and 2022, we added over 100 school based reading specialists, approximately 200 teaching and learning assistants to support K-6 students, nearly 40 additional teacher librarians and 12 English-as-a-Second-Language teachers to support newcomers. Budget 2022 includes \$25 million to maintain these important resources that benefit the entire school system.

SOME HON. MEMBERS: Hear, hear!

S. COADY: COVID-19 is still a reality in schools but we all recognize the importance of in-person learning. To date, almost \$60 million has been invested to protect students, teachers and staff, including staffing supports, personal protective equipment, and Chromebooks.

Post-Secondary

Budget 2022 maintains Memorial University's core operating grant of \$305.1 million, as well as \$54.3 million for the Faculty of Medicine. This is among the highest operating grants by percentage provided to any Canadian university.

In 2021, Memorial University requested a new funding arrangement that is scheduled to start this year. This year, \$60.7 million will be provided to Memorial for the annual tuition offset funding, which is being phased out over five years. There is a one-time additional investment of \$6 million to assist the university with this transition.

At the same time, we are supporting students impacted by the tuition increase introduced by Memorial University by advancing Canada's

most generous student aid program. This includes the Tuition Relief Grant Program, which will provide eligible students with non-repayable grants of up to \$3,450 per academic year. Budget 2022 features \$18.6 million for the provincial student aid program.

College of the North Atlantic is responsive to the province's labour market needs, supporting programs in key industries such as technology, health care, early childhood education and skilled trades. We are maintaining the college's \$66.5 million operating grant.

Workforce Development

To provide people with the access to the skills they need to capitalize on new and emerging opportunities, as well as contribute to a stronger workforce, more than \$208 million is available for training.

Population Growth

2021 was an important year for increasing Newfoundland and Labrador's population.

We worked and invested to welcome newcomers more than ever before. In one week alone, more newcomers were endorsed for permanent residency than in all of 2007.

SOME HON. MEMBERS: Hear, hear!

S. COADY: At the same time we supported workforce development for the jobs of today and tomorrow.

There is more to do.

We are fostering a more welcoming society. We are forging a path to remove systemic racism from everywhere we work, live, learn and play.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Our newest residents include those who choose our province as the place to secure a world-class education and career advancement, and others seeking refuge from war-torn countries such as Afghanistan and Ukraine.

I am proud to announce \$1 million in immediate supports for Ukrainians to take refuge in Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

S. COADY: We have also extended MCP coverage to Ukrainians arriving in this province and, as you know, established the Ukraine Family Support Desk.

We do this not only because it is our duty of citizenship. We also know that diversity and inclusion make us stronger.

Those who were born in Newfoundland and Labrador know how great it is to live here. For those that now call this province home, they see it as a desired location given the affordability of housing, opportunities for career advancement, a safe place to raise a family, and we recently made it even easier for newcomers to start a business here.

Building on our success, investments this year total \$5.8 million to foster inclusion and diversity, attract and support newcomers, match employers with qualified workers, and support continuing actions of the Ministerial Committee on Anti-Racism.

Pride of Place

Strong Communities

Our sense of community and pride we have for Newfoundland and Labrador is part of our DNA. It is why we are so committed to making our communities diverse and inclusive through a variety of programs for persons with disabilities, for seniors, for youth, for newcomers.

Communities are where we live, work and play; where we raise our families. It is often said that local governance is the closest level of decision-making to our homes and businesses. These are not merely words. Good municipal governance is foundational to the province's economic, health and social well-being.

To maintain key programs needed to deliver municipal services, more than \$141 million is available through such programs as Municipal Operating Grants, Special Assistance Grants, the

Community Enhancement Employment Program and the Canada Community Building Fund.

Stability and predictability is important to municipalities and that is why government has allocated not less than \$22 million a year for Municipal Operating Grants for at least the next three years.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Further steps are required to ensure a sustainable future for communities with an optimal level of service.

The time has come for a foundational change in local governance. The most meaningful action our government can take for communities is to reimagine local governance by establishing a regional government model at the local level.

To that end, we are developing a plan for regional government; one that is fair and equitable in which services are shared and residents will only pay for the services they receive; a plan that will help build stronger, more vibrant communities.

As we move forward, there will be opportunities for public input into what exactly regionalization will look like.

Safer Communities

Newfoundlanders and Labradorians have immense pride in their communities. It is a sense of pride that is rooted in their hometowns being safe places to live.

Appreciating this importance, Budget 2022 includes sizable investments in resources that help keep our families and communities safe.

This year, almost \$21 million will be invested in a new province-wide radio system that will enable emergency responders to communicate effectively.

SOME HON. MEMBERS: Hear, hear!

S. COADY: More than \$1.8 million is allocated for fire protection vehicle and firefighting equipment; and we are also boosting search and rescue capacity through an additional \$1 million

in funding for NL Search and Rescue Association, which stems from recommendations from the Search and Rescue Inquiry.

SOME HON. MEMBERS: Hear, hear!

S. COADY: We've heard from communities across the province that funding for the RCMP is a priority and we are responding with an additional \$17 million for RCMP services.

SOME HON. MEMBERS: Hear, hear!

S. COADY: In response to a request from the Provincial Court, this year's budget will include funding to establish one judicial position that will travel and be deployed as necessary to other court centres and circuits as needed. This position will help address areas of concern where there is an increase in demand for extra judicial resources.

We also continue to support the Drug Treatment Court and are taking steps to expand the Family Violence Intervention Court.

Come Home Year and Tourism

The global tourism industry has been deeply impacted by COVID-19.

The pandemic impeded our ability to travel; it kept loved ones from reuniting; and kept Newfoundlanders and Labradorians living away from getting their taste of home that is so meaningful to them.

We have worked tirelessly with the business community – in particular the tourism industry – to navigate their challenges, investing tens of millions in businesses, musicians, artists, and airports.

As the global industry rebounds and businesses look to overcome lingering challenges from COVID-19, we stand shoulder-to-shoulder with our hospitality, tourism, arts and cultural industries with an additional investment of \$20 million for this year.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Come Home 2022 is an investment in our communities. It is an investment in our people.

To ready for the festivities and roll out the welcome mat, many municipal and cultural projects are already ongoing. Our province will be bursting at the seams with festivals, theatre, music, arts and sporting events with some exciting announcements to come in the weeks ahead.

Relationship with Indigenous Peoples

Murray Sinclair, Chair of the Truth and Reconciliation Commission of Canada said "Reconciliation is about atonement. It's about making amends... But ultimately, it's about commitment to maintaining that mutually respectful relationship throughout, recognizing that, even when you establish it, there will be challenges to it."

Our government is guided by that vision and forging respectful relationships with Indigenous Governments and Organizations. It is an important part of our policy planning.

This is our path towards Reconciliation.

We're getting there through listening, understanding and mutual respect. We acknowledge the wrongs of the past and focus our attention on matters that are important to Indigenous people.

This is an inclusive and collaborative effort.

We can do better by reflecting the cultures, diversity and history of Indigenous peoples.

Through an investment of \$250,000, we will begin planning for a new heritage centre near Beothuk Lake in Central Newfoundland.

SOME HON. MEMBERS: Hear, hear!

S. COADY: The new centre will commemorate the Beothuk people and complement the final resting place of the remains of Nonosabasut and Demasduit.

Our actions represent progress.

Through Budget 2022, \$4 million is also allocated for the Inquiry into the Treatment, Experiences, and Outcomes of Innu in the Child Protection System, as well as \$500,000 for grants aimed at preventing violence against Indigenous women and girls, friendship centres, and the Provincial Indigenous Women's Gathering.

The Provincial Government is committed to ensuring that there is appropriate development of Indigenous curricula, teacher training and that Indigenous education will be implemented throughout all levels of the education system.

Labrador

The Big Land: Labrador contributes to the economic prosperity of the province. Our government works with its partners to generate investments and maximize economic opportunities, while supporting the needs in the social sector.

Supported by an investment of more than \$230 million since 2016, paving will be completed this summer of the Trans-Labrador Highway between Happy Valley-Goose Bay and the Cartwright Junction.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Discussions are ongoing with the Federal Government on the possibility of developing a road to the North.

We are also pleased to partner with the Federal Government to improve broadband connectivity for isolated and remote communities in Labrador.

With increasing global demand for critical minerals, driven by the transition to a low carbon and digitized economy, Labrador is well-positioned to produce minerals that support secure and resilient supply chains to meet global demand. Our government will continue to work with the mining industry in support of the production of nickel, copper and cobalt, as well as rare earth minerals.

The province's Housing Corporation is working with its partners in Labrador, and in particular Happy Valley-Goose Bay to address housing

and homelessness. We have undertaken initiatives to improve housing infrastructure and support our community partners to build capacity. Building on these actions, more than \$8.3 million will be invested in Labrador to continue staffed supportive housing responses, transition houses for women and children fleeing intimate partner violence, and repair and renovate social housing units.

In the coming months, the six-bed mental health unit at the Labrador Health Centre in Happy Valley-Goose Bay will open. Planning will also begin for a new school in Cartwright.

Supported by a \$6 million investment, this year construction will start on an extension of the Labrador Correctional Centre. Upon its completion in 2024, the upgrades will provide the option to house female and male offenders in Labrador, reducing the need for transports to other facilities on the island and allow Labrador offenders to be closer to their families.

Appreciating the importance of search and rescue across a large geography, increased investments in search and rescue will benefit Labradorians.

SOME HON. MEMBERS: Hear, hear!

Women and Gender Equity

S. COADY: Last year, an additional \$425,000 was earmarked for projects such as the expansion of the Sexual Assault Nurse Examiner Program and the Premier's Roundtable on Gender Equity. This investment continues to support individuals who have experienced sexual violence, particularly women who are too often affected, and to expand our efforts to create a more equitable province for everyone.

Close to \$3.2 million will be provided in core operational funding to equity-seeking organizations including violence prevention organizations, women's centres, Multicultural Women's Organization of Newfoundland and Labrador, Newfoundland Aboriginal Women's Network, and Newfoundland and Labrador Sexual Assault Crisis and Prevention Centre. The Provincial Advisory Council on the Status of Women, the Coalition Against the Sexual Exploitation of Youth, a program of Thrive, as

well as the Safe Harbour Outreach Project, a program of the St. John's Women's Council, will also continue to receive core operational funding.

Infrastructure

New infrastructure helps modernize and strengthen communities. It is a catalyst for economic activity and helps attract new residents to communities.

This year, we will invest \$567 million in infrastructure projects – it is an investment that will help create 3,200 jobs and \$390 million in economic activity.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Appreciating the importance of road transportation, we are increasing the roads budget by \$10 million –

SOME HON. MEMBERS: Hear, hear!

S. COADY: – which will bring our collective investment to more than \$151 million. This will help improve highway infrastructure and secure transportation networks in the face of climate change.

This year, we are investing an additional \$5 million for the health care system to purchase equipment in health facilities and long term care homes. Equipment replacements will include such things as diagnostic imaging, cardiology, IV pumps, and stretchers.

In the Bay St. George area, we are investing \$1 million to convert the former College of the North Atlantic campus into a public building and courthouse, which will lead to residents receiving services in a modern and accessible building.

SOME HON. MEMBERS: Hear, hear!

Green Economy and Climate Change

S. COADY: Your government is committed to taking actions to address climate change and achieve our targets.

In December 2021, we established a Net-Zero Advisory Council; announced a Renewable Energy Plan, developed in consultation with the public, Indigenous governments and organizations, industry and stakeholders. This plan will transition the province to a low-carbon economy.

Along with expanding the scope of the renamed Canada-Newfoundland and Labrador Energy Board to include offshore wind and clean hydrogen, our government is lifting the moratorium to create an opportunity for onshore wind development.

SOME HON. MEMBERS: Hear, hear!

S. COADY: This year, we are introducing a new green technology tax credit of 20 per cent to help businesses with specific capital costs in this area.

This new tax credit, along with the \$17.1 million for the Low Carbon Economy Leadership Fund, will complement other investments such as: \$1.9 million for electric vehicle charging infrastructure, as well as a \$2,500 rebate for consumers who purchase or lease all-electric vehicles and \$1,500 rebate for the purchase or lease of plug-in hybrid vehicles to help encourage and move towards electric vehicles; and, \$2 million to help transition homes whose sole source of heat is oil to electricity. The program will now provide a rebate of up to \$5,000 – double what we introduced last year.

\$1.2 million in federal-provincial funding will assist residents, planners, municipalities, and engineers in adapting to climate change flood forecasting to minimize the impacts from future extreme weather events.

Economic Growth and Job Creation

Great announcement yesterday.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Encouraging growth, development and diversification of our economy is important to our province's future.

That is why this year, we are introducing a new Manufacturing and Processing Investment Tax

Credit that will provide businesses with a 10 per cent tax credit for investments in new capital equipment.

It is designed to support the manufacturing, fishery, farming and forestry sectors. This tax credit complements the many other programs that help increase capital investments and create jobs.

Oil and Gas

Newfoundland and Labrador is perfectly-positioned at this time of transition.

We are fighting hard to position our oil and gas industry as being integral in the transition to renewable energy. Our oil and gas industry – with among the lowest emissions per barrel in the world and our strong environmental, social and governance structure – can meet the global demand for lower carbon oil as the world transitions.

We are fighting to ensure the country and the world know the merits of the Bay du Nord project – well done, Premier, and minister of yesterday's announcement.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Bay du Nord is set to be the most carbon efficient development of its scale in Canada and will apply industry-leading emission reduction technologies.

In 2020 alone, the oil and gas industry contributed \$4.3 billion to the provincial Gross Domestic Product. Last year, direct employment in the industry was approximately 5,200 person years and represented 2.4 per cent of total employment in the province.

Our support for the industry and the hard-working women and men that make a living in it was highlighted by our ability to secure \$320 million in federal funding for the Offshore Oil and Gas Industry Recovery Fund. That funding has proven invaluable at a very difficult time in the industry. Investments have supported the Terra Nova Project –

SOME HON. MEMBERS: Hear, hear!

S. COADY: – as well as West White Rose, Hibernia, and the supply and service communities – including developments in innovation and technology.

The \$6 million Innovation and Business Development Fund continues to support the supply and service industry.

Mining

In 2021, the mining industry reached new heights with the busiest claim staking in the last 25 years. Over 800 applications were processed for mineral exploration work – a record high in this province.

Many of the minerals being mined are essential for renewable energy and clean technology applications, such as batteries, permanent magnets, solar panels and wind turbines. They will invite new jobs, as well as new economic activity.

The recent release of the Valentine Gold Project in Central Newfoundland from the Provincial Government's Environmental Assessment highlights some of the exciting potential that exists in this industry. According to Marathon, the company expects to create approximately 11,000 person years of employment in Newfoundland and Labrador –

SOME HON. MEMBERS: Hear, hear!

S. COADY: – and an average of more than 400 employees annually.

To support industry exploration and continued growth in the industry, Budget 2022 includes a \$1.7 million investment in mining.

Fishery

Last year, the landed value for seafood products set a new record of more than \$1 billion and with another promising year ahead.

SOME HON. MEMBERS: Hear, hear!

S. COADY: This is great news for the fishing sector, its 17,000 workers and 400 rural communities which rely on it for their economic well-being.

To support its continued growth, \$4.8 million is allocated for innovation, product development, and research through the Atlantic Fisheries Fund. We are also maintaining investments in the Seafood Development and Fisheries Research Grant Programs.

Agriculture

Our government also views our ongoing investments totaling more than \$10 million for agriculture development as an important tool in reducing greenhouse gas emissions.

Greater food security reduces reliance on the need to import food to the province and the associated carbon emissions from transportation. Additionally, investments in science-based knowledge to minimize the environmental impacts of agricultural and improved carbon storage in soils contribute to the goal of lower greenhouse gas emissions.

Our agriculture sector is 100 per cent self-sufficient in the production of fluid milk, chicken, and eggs and continues to increase across the board. We heard it yesterday: double in a year.

SOME HON. MEMBERS: Hear, hear!

Film and Television Industry

S. COADY: The lights are shining bright on the television and film industry with production values in 2021 reaching upwards of \$100 million – another record high – and more-and-more studios are opting to select this province as a location to film their productions.

SOME HON. MEMBERS: Hear, hear!

S. COADY: In fact, at one point this winter, two locally-produced shows – Hudson & Rex and Son of a Critch – were the only Canadian-produced shows in the top 10 of shows watched in the country.

SOME HON. MEMBERS: Hear, hear!

S. COADY: Studio representatives have also stated that we are an increasingly desired location for film given our skilled labour pool, stunning landscapes, and competitive incentives.

The film and television industry has moved beyond being a homegrown sector to proving it has the right tools to support everything from small-scale productions to full-blown motion pictures.

The industry has an added benefit of shaping a sense of pride in place that comes from seeing our beautiful province on screen, as well as showcasing our culture, our landmarks, our hometowns to potential tourists and newcomers.

In addition to the \$10 million Film and Television Equity Investment Program, Budget 2022 includes new initiatives aimed at attracting new investment to the province. These include: an all new All Spend Film and Video Production Tax Credit. The 30 per cent tax credit will apply to total qualified production costs with a maximum tax credit of \$10 million annually per project. The College of the North Atlantic is developing a new film and production program. This will support aspiring filmmakers and the whole spectrum of film production careers that the local industry needs.

Technology

Innovation is critically important to our economy.

That is why we are focused on supporting an innovation economy with Budget 2022 investments in business and economic development programs totalling close to \$35 million.

We are also providing timely access to venture capital, advisory services, and other resources required to capitalize on new opportunities.

This is in addition to the \$25 million over the next four years for connectivity initiatives, including broadband and cellular.

To ensure we harness the opportunities, we are also investing in people, starting with projects providing youth with hands-on participation in science, technology, engineering and mathematic focused activities.

Conclusion

Newfoundlanders and Labradorians have always been resilient, hardworking, caring and dedicated to home and to each other. We have managed through difficult times, built our economy, attracted new people, supported one another and we are stronger, better by the actions we have taken, the improvements we have made and it will ensure a better future for you and your family. Our focus is always on the relentless pursuit of better.

Oil revenues may be lower but our diversified economy is stronger. We have a lower than projected deficit and we have provided relief and support to help with the cost of living.

A budget is about choice. Your government has chosen to support you, to invest in health, education, the economy. Chosen to help you with the cost of electricity. Chosen to support families with low cost child care and junior kindergarten. Chosen to lower taxes and fees to help you make ends meet. Chosen to support the most vulnerable and our seniors. Chosen strategic financial responsibility. This is also about balance: supporting families and at the same time ensuring strong financial management.

This is about the future we chose for Newfoundland and Labrador. We should be proud of what we have accomplished together and what we plan to achieve. Every child in this province will rejoice in our determination. For they will welcome a new Newfoundland and Labrador. One that is stronger, smarter, self-sufficient and sustainable.

Change is in the air.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Order, please!

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

S. COADY: I move, seconded by the Member for Placentia - St. Mary's, 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.'

Motion carried.

On motion, budget debate adjourned.

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

S. COADY: 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 hon. 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 2023, in the aggregate of \$7,974,380,800, 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: Speaker, I move, seconded by the MHA for St. George's - Humber, 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.'

The motion is 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 will now take a few minutes to distribute the budgetary documents to all hon. Members.

(Budgetary documents are distributed.)

CHAIR: Order, please!

The hon. the Deputy Government House Leader.

L. DEMPSTER: Thank you, 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.'

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 the Committee of Supply.

B. WARR: 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?

L. DEMPSTER: Now.

SPEAKER: Now.

When shall the Committee have leave to sit again?

L. DEMPSTER: 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 much, Speaker.

Speaker, I give notice that I will on tomorrow introduce a bill entitled, An Act To Amend The Income Tax Act, 2000, Bill 54.

SPEAKER: Further notices of motion?

The hon. the Minister of Justice and Public Safety.

J. HOGAN: Thank you, Speaker.

Speaker, I give notice that I will ask leave to move the following resolution:

Be it resolved by the House of Assembly, as follows:

WHEREAS the Lieutenant-Governor in Council appointed a tribunal under section 28 of the *Provincial Court Act, 1991* to make recommendations on the salaries and benefits of judges and the chief judge; and

WHEREAS the tribunal submitted its recommendations to the Minister of Justice and Public Safety on June 6, 2019; and

WHEREAS the *Newfoundland and Labrador Provincial Court Judges Salary and Benefits Tribunal Report* was tabled in this hon. House on June 25, 2019, as required by section 28.2 of the act; and

WHEREAS the House of Assembly is required to approve, vary or reject the report; and

WHEREAS government has decided to ask this hon. House to accept all of the recommendations of the tribunal as contained in its report of June 4, 2019;

THEREFORE BE IT RESOLVED that this hon. House accept the recommendations of the 2018 Newfoundland and Labrador Provincial Court Judges Salary and Benefits Tribunal; and

THEREFORE BE IT FURTHER RESOLVED that the recommendations of the tribunal be implemented effective April 1, 2017.

Thank you, Speaker.

SPEAKER: Are there any further notices of motion?

The hon. the Deputy Government House Leader.

L. DEMPSTER: Thank you Speaker.

I give further notice and, by leave, move that the following heads of expenditure be referred to the Government Services Committee: Consolidated Funds Services; 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 Environment and Climate Change; the Department of Fisheries, Forestry and Agriculture; the Department of Immigration, Population Growth and Skills; the Department of Industry, Energy and Technology; and the Department of Tourism, Culture, Arts and Recreation.

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 Health and Community Services; the Department of Justice and Public Safety; the Department of Municipal and Provincial Affairs; and the Newfoundland and Labrador Housing Corporation.

Mr. Speaker, I also wish to advise Members that on Thursday, April 7, 2022, at 5:30 p.m. the Resource Committee will meet in the Chamber to review the Estimates for the Department of Industry, Energy and Technology.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

The hon. Deputy Government House Leader.

L. DEMPSTER: Speaker, I move, seconded by the Minister of Finance, that the remaining Orders of the Day do stand deferred and at this House at its rising do adjourn.

SPEAKER: The motion is that this House do now adjourn.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

This House stands adjourned until tomorrow, Monday, April 11, 2022, at 1:30 p.m.

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