



Province of Newfoundland and Labrador

FORTY-SEVENTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND AND LABRADOR

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Volume XLVII

THIRD SESSION

Number 9

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HANSARD

*Speaker: Honourable Ross Wiseman, MHA*

Thursday

27 March 2014  
(Budget)

The House met at 2:00 p.m.

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

The hon. the Government House Leader.

**MR. KING:** A point of order, Mr. Speaker.

I rise on a point of order, Mr. Speaker. Yesterday, in Question Period, the Premier committed to table a document. We have circulated it with the Opposition and we would like to table it today.

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

**MS JOHNSON:** Mr. Speaker, I move, seconded by the Premier, that the House approves in general the budgetary policy of the government.

**MR. SPEAKER:** The motion is that the House approves the general budgetary policy of government.

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

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

**MS JOHNSON:** Thank you.

### **Shared Prosperity, Fair Society, Balanced Outlook**

Mr. Speaker, it is my privilege to deliver the 2014 Budget on behalf of the Government of Newfoundland and Labrador. Our focus this year is captured best in three phases: shared prosperity, fair society, balanced outlook. Shared prosperity is about ensuring that we work together to grow our economy responsibly; it is also about ensuring that residents share fully and equally in the wealth generated from our province's recent economic growth. Our commitment to a fair society is a commitment to social justice – to care for those who are vulnerable and to support those who face obstacles to growth. A balanced outlook is about charting a sound course to sustainability over a reasonable period of time. This reflects our commitment to our 10-year Sustainability

Plan. Budget 2014 reflects a balanced approach to supporting continued economic and social prosperity, while ensuring our long-term plan for strong fiscal management. It is with the last of these three phrases that I will begin – but first, let us review our economic and fiscal circumstances to see where we stand.

### **1. Economic Performance 2013**

Mr. Speaker, economic conditions remained strong in Newfoundland and Labrador in 2013. Real GDP is estimated to have grown by 5.9 per cent, driven by record levels of capital investment and strong gains in exports and consumption. Our province led all other provinces in Canada in economic growth last year.

Capital investment increased by over 31 per cent last year to a record high of \$12.3 billion. Major project development, such as Hebron, Muskrat Falls and the Vale nickel processing operation in Long Harbour, continued to fuel growth. Strength in commercial and residential spending also contributed to record high levels of investment.

Total real exports increased by about 3 per cent due primarily to a rebound in oil production and higher iron ore output. Offshore oil production increased by almost 16 per cent following a period of extended maintenance downtime in 2012. The volume of iron ore shipped rose by about 5 per cent, reflecting production increases at the Iron Ore Company of Canada and the start of operations at Tata Steel Minerals Canada.

Higher capital investment has been the main driving force behind economic growth. Employment grew by 1 per cent to reach a new record high of 232,800. More people are working in Newfoundland and Labrador than ever before.

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

**MS JOHNSON:** The unemployment rate declined by 1.1 percentage points, to 11.4 per cent, the lowest annual unemployment rate since 1973.

Household disposable income increased by 4.8 per cent, boosted by employment growth and strong wage gains. Average weekly earnings increased by 2.6 per cent to \$951 and were the second highest among provinces after those of Alberta, and 4 per cent above the Canadian average.

Higher employment and wages have meant more disposable income, and that has been driving consumer spending. Consumer spending was particularly strong in 2013. Retail sales increased by about 4 per cent. Growth was recorded in most sales categories; however, gains were driven primarily by strong car sale. More than 35,000 new car sales were recorded in 2013, the highest number ever sold in the province. Expenditures on services also posted solid growth last year. Strong consumer spending continues to be supported by employment and income growth, low personal income tax rates, low interest rates and high levels of consumer confidence.

## **2. Economic Outlook 2014**

Mr. Speaker, Newfoundland and Labrador is poised to benefit from global economic growth in 2014. The province is expected to sustain a high level of economic activity, but growth will be modest as major project investment plateaus and Vale's nickel processing facility transitions from construction to production.

Real GDP in the province is expected to increase 0.5 per cent due to higher consumption and continued high levels of investment. Consumer spending is expected to rise 3.8 per cent, capital investment is forecast to rise 2.4 per cent and housing starts are also anticipated to remain at elevated levels, with 2,843 expected in 2014.

Employment is anticipated to rise 0.3 per cent while the unemployment rate is forecast to remain unchanged at 11.4 per cent. Newfoundland and Labrador's population is expected to be stable at 526,700.

Employment growth will combine with wage gains to drive income growth and consumption. Household income and disposable income are

projected to increase 3.4 per cent and 3.5 per cent, respectively. Retail sales are anticipated to rise 3.6 per cent. Consumer prices are expected to increase by 1.7 per cent.

## **3. Fiscal Review 2013-14**

Mr. Speaker, our government forecast a deficit of \$563.8 million for the fiscal year ending March 31, 2014. Since that time, lower projected net expenses of \$248.3 million, partially offset by lower expected revenues of \$33.2 million, have resulted in a downward revision of the deficit, which is now projected to be \$348.7 million.

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

## **4. Balance Outlook: Fiscal Forecast 2014-15 and Beyond**

**MS JOHNSON:** Mr. Speaker, at pre-budget consultations this year, people told us about the important work they are doing in their communities and regions, and how they are making a difference in people's lives every day. We heard from them about the importance of continued investment in the areas that matter most to them.

Budget 2014 echoes the priorities that the residents of Newfoundland and Labrador have told us are important to them. It demonstrates our commitment to ensuring fairness, so that residents share fully and equally in our prosperity. It also reflects a balanced outlook as we support continued economic and social prosperity, and return to a balanced budget.

Mr. Speaker, in Budget 2013, and as outlined in our 10-Year Sustainability Plan, our government committed to return to surplus in 2015-16. I am pleased today to advise that we are still on target to achieve that goal.

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

**MS JOHNSON:** We will return to surplus in 2015-16, and we expect to continue in surplus in 2016-17 also.

To reach this goal, while providing for public services, responsible investment and maintaining a competitive tax system, we are forecasting a deficit for the coming fiscal year of \$537.9 million, which is \$112.6 million lower than forecast last year.

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

**MS JOHNSON:** This year we are forecasting oil prices to average \$105US per barrel, as well as a lower average exchange rate. Oil production is expected to be 1.93 million barrels higher than last year at 86.2 million barrels. Higher offshore royalties and sales tax this year compared to 2013-14 will more than offset some lower revenues on other sources.

Program expenses for 2014-15 are 2.1 per cent higher than budgeted for 2013-14. Also, \$852.7 million will be spent on infrastructure. Strong fiscal management by our government since 2003 is reflected by the fact that growth in net program expenses [83.6 per cent] continues to be less than growth in revenue [89.1 per cent].

Another key measure of fiscal performance is the percentage of revenue which is required to service the debt. In 2004, debt expenses consumed over 23 per cent of our gross revenues. This year we expect it to be approximately 12 per cent.

While there has been substantial improvement since 2005, the projected increase in net debt has caused the province to lose some of the gains achieved. As a result, net debt is projected to increase by \$807.6 million this year.

A key component of the province's net debt relates to unfunded pension and other post-retirement benefits. Despite an investment of more than \$3.6 billion by our government, the liabilities have continued to grow. As of March 31, 2013, they accounted for 67 per cent of net debt. By 2016-2017, they will account for 85 per cent of net debt – almost \$9 billion.

As outlined in the 10-Year Sustainability Plan, our government is continuing its review of pensions and other post-retirement benefits.

Meaningful and collaborative consultations are ongoing with our public employees with the objective of ensuring the sustainability of these plans. Our next meeting is scheduled for mid-April. We are continuing to seek solutions by working together with our employees.

Our government is concerned about the adequacy of retirement income for our residents. For this reason, we continue to support a responsible, phased-in, fully-funded enhancement to the Canada Pension Plan that will improve the retirement incomes of workers in our province.

The growth in our economy has helped the province build a strong financial foundation which has contributed to six surpluses in the past 10 years and resulted in our government not having to borrow money for operational or capital purposes since 2004. Since 2005-06 we have generated surpluses of approximately \$5.7 billion. We have used that cash balance to pay off debt from years ago that has come due and to pay for new infrastructure and finance equity investments. While we are projecting that we will borrow this year, we do so knowing that it is a short-term measure and not a long-term trend. We will not borrow to fund our day-to-day operations; we will take advantage of low interest rates to fund further investments in infrastructure and additional equity in oil and gas and Muskrat Falls.

One of our key commitments is to maintain competitive tax rates that support economic growth. Since 2006, our government has decreased taxes, putting hundreds of millions of dollars back into the hands of Newfoundlanders and Labradorians annually. This year, savings to residents will total approximately \$600 million.

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

**MS JOHNSON:** Budget 2014 includes further enhancements, which I will outline for you shortly.

## 5. Shared Prosperity

But first, Mr. Speaker, let us consider the choices we make in our annual budgets to promote growth provincially and locally. A new road can open up a community to increased investment. Broadband access can enable an entrepreneur to launch an online business. Investment financing can help a business expand into a lucrative market and grow. Tourism ads can bring new customers to a local bed and breakfast. The choices we make right here can pave the way to success where people live.

As a government, we fully appreciate that having well-developed transportation infrastructure such as highways, bridges and ferries is critical to successful communities and regions. We have heard, and we share, the views of residents who say these improvements in infrastructure are investments in our province's future.

This year, we are investing more than \$81 million for the enhancement and rehabilitation of provincial roads, highways, and bridges to provide a safe, efficient and effective transportation network.

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

**MS JOHNSON:** This funding includes the \$30 million that we announced for road tenders in January to jumpstart the construction season. This year's funding is one of the largest investments ever in the Provincial Roads Program.

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

**MS JOHNSON:** This summer, we will complete the Labrador-West to Happy Valley-Goose Bay portion of the Trans Labrador Highway and we will continue the widening and upgrading of phases two and three of the Trans Labrador Highway.

Budget 2014 includes funding for ferry vessel replacement and improvements to marine terminals and wharfs.

Few strategies are as effective as brush cutting to reduce moose/vehicle collisions. This year,

we will invest \$2 million to expand our brush cutting program to make our highways safer.

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

**MS JOHNSON:** Our government recognizes the importance of funding for municipal infrastructure. As announced on March 11, we are allocating \$200 million over the next three years in municipal capital works to benefit all of our communities large and small. Approximately \$100 million of this funding is for our larger municipalities.

We are proud to support the work of the 5,900 volunteer firefighters across our province with a total investment this year of more than \$5 million, an increase of \$3.5 million and the largest investment ever.

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

**MS JOHNSON:** We will also invest \$120,000 for Hazardous Material Response Training to enhance response capability.

Members of the Newfoundland and Labrador Search and Rescue Association are also valuable volunteers. Through Budget 2014, we are increasing the association's grant by \$580,000 over the next five years so that the organization can upgrade vehicles and equipment.

Our investments in infrastructure do not end there. Through our Rural Broadband Initiative, we have made tremendous progress to expand broadband access across the Province. Since 2003, Provincial Government investments totaling \$29 million have leveraged more than \$115 million to extend rural broadband access to more than 500 communities. As a result, approximately 95 per cent of households have coverage. Work is continuing with industry, community and government partners to further improve broadband infrastructure. This year, we will invest \$4.9 million to improve access to high-speed Internet in Newfoundland and Labrador.

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

**MS JOHNSON:** Recently, we streamlined the programs which provide for direct investment in business enterprises and regional development initiatives. To encourage employment and respond to the growing needs of businesses and communities throughout Newfoundland and Labrador, we are allocating \$45.5 million to support business development and to stimulate growth. We are giving these businesses the productivity and competitive edge they need to secure solid footholds in the global marketplace. These businesses are rising to the challenge and proving that we can build successes here that can compete anywhere.

Some enterprises are ready to pursue new opportunities, and securing access to venture capital is important to take advantage of opportunities. We are teaming up with the Atlantic provinces to invest in a Build Ventures Fund, and our government is contributing \$10 million to provide support to innovative start-up businesses that will expand opportunities for early-stage businesses in the province with high potential for growth.

**SOME HON. MEMBERS:** Order, please!

**MS JOHNSON:** The privately-managed venture capital initiative will provide financing, as well as access to necessary mentoring and business expertise, to ensure companies have the resources to succeed in national and international markets. Access to venture capital in emerging growth sectors, such as ocean and Arctic technology and other knowledge-based industries, will improve the global competitiveness of companies operating in those sectors, strengthen employment opportunities and drive economic diversification in Newfoundland and Labrador.

We are also preparing to establish the new Venture Newfoundland and Labrador Fund to support innovative start-up businesses and complement the Build Ventures Fund. We are developing this fund in partnership with venture capital and angel investor stakeholders, and we will announce details in the very near future.

To further support small businesses in our province, in Budget 2014 we are reducing our small business corporate income tax rate to 3 per cent. Along with Nova Scotia, our rate will be the lowest small business tax rate in Atlantic Canada.

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

**MS JOHNSON:** About 6,000 small businesses throughout the province are expected to benefit from this reduction.

Let me focus on some of the industries in our province that stand to benefit from specific investments we are making to stimulate growth.

Let me begin with an industry that has been very important for my district and for tens of thousands of people in this province over the past several hundred years. Our seafood industry is now worth approximately \$1 billion each year, and the prospects for growth are tremendous. The fishing industry has had more than its fair share of ups and downs across the generations, but something happened in October that sparked tremendous excitement throughout our province. The Comprehensive Economic and Trade Agreement-in-principle (CETA) between Canada and the European Union will, at long last, virtually eliminate barriers to the export of Newfoundland and Labrador seafood into the largest seafood market in the world.

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

**MS JOHNSON:** We are investing more than \$9.7 million for key initiatives that support research and development projects, advance marketing initiatives and build capacity in the industry. Another trade agreement was just announced with South Korea, so these are exciting times for the province's fishing industry.

But times are exciting for other reasons as well. A decade ago, we set out to become a leader in the aquaculture sector, investing millions to establish and support operations that are today supporting entire communities. This year, we are building on those successes by adding \$5

million to the Aquaculture Capital Equity Investment Program, making a total of \$6 million available.

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

**MS JOHNSON:** Between 2006 and 2013, our government invested approximately \$25 million to support new aquaculture development – funding that has leveraged approximately \$400 million from the private sector.

Ours continues to be the only province in Canada that solely funds its own offshore fisheries research. Since 2010, we have invested \$13 million to support fisheries science in the province and, this year, we are sustaining our commitment to fisheries science with an allocation of \$4.9 million to support the Centre for Fisheries Ecosystems Research for the next two years.

In October 2007, our government introduced the Fisheries Technology and New Opportunities Program. The program supports research and development that enhances harvesting, processing and marketing techniques, which in turn make our fishing and aquaculture industries more globally competitive. Since 2007, the program has supported more than 240 projects, including biodegradable twine that has made crab pots more eco-friendly; new shrimp trawls that are more efficient and less impactful on sea beds; and promotional campaigns that build demand in international markets for provincial seafood such as shrimp, seal, sea cucumber and mussels. To encourage such innovations, Budget 2014 includes more than \$4 million in funding to continue this program over the next two years.

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

**MS JOHNSON:** The province's agriculture and agrifoods industry is continually developing, diversifying and generating annual revenues totaling upwards of \$130 million. The value of agriculture and agrifoods production, including secondary processing, is now approximately \$500 million per year. The industry generates direct and indirect employment for

approximately 6,500 people across Newfoundland and Labrador. Through Budget 2014, our government will provide close to \$12 million through various programs to further grow and diversify the industry. Our government will provide funding through Growing Forward 2, the Agriculture and Agrifoods Development Fund, the Provincial Agrifoods Assistance Program, the Agriculture Research Initiative, Land Consolidation Program, and Agriculture Limestone Program.

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

**MS JOHNSON:** The forest industry is another that continues to support thousands of jobs – in fact, some 5,500 people, directly and indirectly. We were proud to work with the company and workers at Corner Brook Pulp and Paper to secure a strong future for this important enterprise. Budget 2014 continues to invest in ongoing programs that ensure the forest resource is managed in a sustainable manner for future generations. Investments include \$8.3 million for silviculture projects, \$5.9 million for resource roads that support timber harvesting, \$1.7 million for forest insect and disease control, and \$4.1 million for fire suppression. We will also contribute \$250,000 to the Centre for Forest Science and Innovation to increase the forest research capacity to foster innovation and diversification.

Since 2006, our government has invested approximately \$100 million on tourism marketing, and the positive impact can be seen in the growth in visitation and tourist spending. Between 2009 and 2013, non-resident visitation increased 19 per cent, surpassing a milestone of half a million visitors during that period. Non-resident tourism spending increased 30 per cent between 2009 and 2013, reaching \$467 million in 2013, the highest level of non-resident spending ever in the province. Our province has become a destination that others watch and imitate. Budget 2014-15 will provide an additional \$2 million to support tourism marketing in the province, with an additional \$2 million in 2015-16, bringing the total annual investment to \$13 million by 2015-16.

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

**MS JOHNSON:** The Find Yourself campaign is not the only initiative that is showcasing our province in a new light. Consider the impact of CBC's Republic of Doyle, which today is showing in markets around the world. Seasons 1 to 5 of Republic of Doyle created more than 1,300 full-time equivalent positions. The total expenditure on the five seasons amounted to \$111 million overall. Of the \$82 million spent in the province on all five seasons of Republic of Doyle, \$52.9 million was leveraged from sources outside the province and would not have been spent here if not for this production. That is why our government will continue its investment in Budget 2014 for Republic of Doyle.

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

**MS JOHNSON:** The local music industry is a major employer and generator of economic activity. In 2015, St. John's will be the host of East Coast Music Week. We will be supporting this event in order to foster and promote the careers of local music industry professionals.

This year's Speech from the Throne highlighted the approaching centenary of the First World War, in which Newfoundlanders and Labradorians made tremendous sacrifices. As part of the many initiatives from 2014 to 2018, we are enabling 150 young people to join veterans at the Newfoundland and Labrador memorials in Europe. They will stand beside the five caribou monuments where the Royal Newfoundland Regiment fought significant battles and remember those who gave their lives nearly a hundred years ago – both our finest hour and our greatest sacrifice. Kylie Beals, an 18-year-old student from L'Anse au Loup, travelled to Beaumont Hamel last year and describes her experience with these words: "Standing on the field at Beaumont Hamel in the same spot where so many of our province's soldiers had fought and died on that exact day all those years ago was a moving experience. It made the reality of what actually happened overseas become clearer than ever. The sacrifice of those soldiers struck me deeply and

the experience gave me an entirely new perspective on the war and a newfound respect for days of remembrance." The Honour 100 initiative will ensure our young people make these life-changing connections with the heroes who secured their freedom.

Provincial Historic Sites in Newfoundland and Labrador are snapshots of our past, providing insight into who we are today. Many are located in rural areas and considered anchor attractions in the community. We are allocating more than \$1 million under a new multi-year development plan, with \$175,000 for maintenance and upgrades in the year ahead. This funding will enable us to protect the Heart's Content Cable Station and prepare for the 150<sup>th</sup> anniversary in 2015 of the landing of the first permanent telegraph cable connecting Europe and North America. This funding will also help maintain the Point Amour Provincial Historic Site in southern Labrador, home of the tallest lighthouse in Atlantic Canada.

The Mistaken Point Ecological Reserve is a natural wonder, preserving some of the oldest fossils ever found on the planet, and is one of my favourite places to visit. The reserve is among seven sites listed by Canada for possible UNESCO World Heritage status. Achieving this status would draw worldwide attention to the reserve. Budget 2014 includes \$209,000 to assist in the completion of the UNESCO bid to help make that happen.

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

**MS JOHNSON:** The geology of Newfoundland and Labrador is a source of tremendous wealth. Minerals on land and petroleum in the depths are spurring exploration and fueling growth unprecedented in our history. As a government, we have a major role to play. Choices matter, and ours have transformed Newfoundland and Labrador.

The province's petroleum industry is the largest contributor to the provincial GDP at 28 per cent in 2012. Oil production was valued at over \$9 billion and royalty revenues were \$2 billion in 2013. Through continued investment in modern



geoscience, the province is maintaining its competitive advantage as a major resource-producing province. Government geoscience leads to early and more strategic data acquisition. Combined with recent improvements to the Land Tenure Regime, it will drive exploration, discovery, development and revenues. So this year, we are investing \$1 million in the offshore and onshore petroleum geoscience programs to enhance exploration and promotion of future commercial developments in the province.

In step with our province's first comprehensive energy plan, developed in 2007, we established Nalcor, a company owned by the people of the province, to take the lead in energy developments for the greater benefit of the people Newfoundland and Labrador. Nalcor is a strong partner in energy resource exploration and development, driving the geoscience program and holding ownership stakes in offshore projects on behalf of the people of Newfoundland and Labrador, who are Nalcor's owners and beneficiaries. To support responsible resource management and development in the province's energy sector, Budget 2014 includes a \$552.7 million equity investment in Nalcor to continue their work in advancing petroleum initiatives and the Muskrat Falls project – work through which we will reap even greater returns in the years ahead.

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

**MS JOHNSON:** The Muskrat Falls projects will generate significant employment and economic opportunities for the people of the province. During construction, the Muskrat Falls project will create 9,100 person-years of direct employment in the province, of which 5,800 will take place in Labrador. The project will also generate approximately \$500 million in income to business and labour for Labradorians and Labrador-based businesses, and deliver an 8.4 per cent return to the people of the province, the stakeholders. Our government has announced additional oversight mechanisms to ensure that, during the construction phase, Muskrat Falls project costs, scheduling and overall performance remain on target and that

project information continues to be shared with the public.

Power from the Churchill River system means tremendous opportunities for growth. Our recent decision to construct a third transmission line westward from Churchill Falls means we will be able to meet power demands for new mining developments, attract investment into the region, and generate spin-off employment and business opportunities for the people of Labrador. Growth offers promise for many who were impacted by the recent decision at Wabush.

We have promised to work with those affected and trust that many will be able to seize the new opportunities that are opening up all around them.

This year, as we advance work on the Trans Labrador Highway, we are also seeking a new partner to deliver marine services for Labrador for a 15-year period. We are also investing \$351,000 to continue the Labrador Transportation Grooming Subsidy which maintains a quality winter snowmobile trail system connecting otherwise isolated coastal Labrador communities during the winter months. We will allocate \$50,000 to continue the Air Foodlift Subsidy which helps offset air freight costs on fresh milk and perishable food items shipped to isolated Labrador communities. We will invest \$100,000 in operational funding for the Combined Councils of Labrador, and \$43,000 to enable youth delegates from Labrador to attend the annual Youth Council Convention. Our government recognizes that Labrador continues to play an incredibly important role in shaping the future for our Province. By the end of this fiscal year, the total investment our government has made in Labrador since 2004 will reach \$4.9 billion.

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

**MS JOHNSON:** We are providing funding to enable Labrador and Aboriginal Affairs to advance its important partnerships with Aboriginal people, exploring ways to enhance consultation and advance land claims and self-government. Aboriginal people in this province

are already benefitting tremendously from economic development activities in Labrador, particularly at Muskrat Falls and mining projects like Voisey's Bay, and greater benefits are still to come.

## 6. Fair Society

Mr. Speaker, this brings me to the third theme of this year's Budget. I have already spoken of our balanced outlook, with a return to surplus in both 2015-16 and 2016-17. I have spoken of shared prosperity, whereby all regions, communities and families reap the returns of the tremendous growth we are achieving. The third theme is about social justice. We must constantly aspire to build a more fair and just society. Fairness means making adjustments to compensate for the factors that would otherwise leave some people excluded from the opportunities and benefits that we are working to achieve.

An important example of rebalancing the scales is the action we have taken to make post-secondary education accessible and affordable for all. At pre-budget consultations in Corner Brook, two students told us that they were testaments that our strategy is working. They told us how important it is to continue our support. We heard the same message from students in St. John's and in other parts of the province. We are listening.

We will invest an additional \$5.1 million this year to continue the tuition freeze for students attending Memorial University and College of the North Atlantic.

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

**MS JOHNSON:** Our government since 2005 has now invested more than \$282 million cumulatively to freeze tuition fees, making Newfoundland and Labrador's students the envy of the country with some of the lowest tuition fees and the best student aid program in Canada.

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

**MS JOHNSON:** Mr. Speaker, we are prepared to do more.

Our government will eliminate provincial student loans and replace them with upfront grants that do not have to be repaid.

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

**MS JOHNSON:** Budget 2014 commits \$14.7 million over two years to complete the conversion of student loans to grants, with a projected investment of approximately \$50.6 million over five years.

We will invest \$19 million in infrastructure funding for Memorial University in 2014 to support continued modernization of the university's older student residences and ongoing modernization of science labs. We are investing \$4 million for infrastructure at College of the North Atlantic to support a medical sciences lab at the Grand Falls-Windsor campus

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

**MS JOHNSON:** — and industrial shop modernization at college campuses. In total, that brings our 2014 investment in Memorial to over \$358 million and in CNA to \$67 million. Indeed, the cumulative investment in these institutions since 2004 is \$742 million for College of the North and \$2.7 billion for Memorial University.

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

**MS JOHNSON:** With some 70,000 jobs opening up in Newfoundland and Labrador, we have been working proactively to prepare so the jobs are filled and our residents have the qualifications to fill them.

We continue to invest in apprentices to support them to become journeypersons to meet our growing demand for skilled labour. Since 2011, we have assisted over 950 apprentices and more than 450 employers through our Apprenticeship Wage Subsidy. That program and our Journeyship Mentorship Program are assisting

apprentices to get the work experience and training they require to advance their careers. As well, our Office to Advance Women Apprentices, founded in 2009, continues its important work to increase employment opportunities for women in the skilled trades. Since 2009 there have been over 800 women apprentices registered, with the office securing more than 320 employment opportunities.

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

**MS JOHNSON:** In view of the fact that our investment to drive apprenticeship have been working so effectively to open doors of opportunities for skilled trade graduates, we are investing another \$39.8 million this year to continue developing the province's skilled workforce. This funding will support training and advance apprentices while securing still more skilled workers for employers. Our investments will continue our efforts to encourage immigrants to work, settle and raise families in our province, and help to ensure that under-represented groups, such as women, persons with disabilities and Aboriginal persons, have the necessary skills and the opportunity to secure employment.

Reducing poverty has been among our government's highest priorities. Our Poverty Reduction Strategy in just eight years has helped Newfoundland and Labrador reduce reliance on income support to the lowest level in our province's history.

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

**MS JOHNSON:** I am proud to note that our investment of approximately \$170 million this year will bring our total investment in poverty reduction since 2006 to above \$1 billion.

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

**MS JOHNSON:** We address poverty on many fronts and we recognize that the most vulnerable are too often forgotten.

Members of Citizens' Voice and others provided suggestions to me at pre-budget consultations

about ways to tackle poverty. We listened carefully, and this is our response.

To improve the circumstances of the most vulnerable in our society who continue to rely on income support, we are investing \$4.8 million this year, and an estimated \$32.3 million over the following five years, to raise the basic income support rate by five per cent, beginning on July 1.

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

**MS JOHNSON:** Those earning very low incomes in our province do not pay income taxes, and others pay relatively little. Our government continues to maintain the lowest personal income tax rates in Atlantic Canada. Total personal income tax reductions since 2006 are estimated to have returned approximately \$2 billion to taxpayers – funding that has continued to encourage economic growth in the province.

But there is more we can do for individuals and families whose incomes are low but who do pay personal income tax. In 2005, we introduced the Low-Income Tax Reduction to ease the burden for many. Now, we are prepared to ease the burden for even more. Effective for the 2014 taxation year, the Low-Income Tax Reduction income thresholds will be increased, eliminating provincial income tax for individuals with net income up to \$18,547 and for families with net income up to \$31,362.

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

**MS JOHNSON:** Partial tax reductions will be received by individuals with net income up to \$22,815 and for families with net income up to \$38,006. What does this mean for a family with an income of \$32,000? It means a lot. It means an extra \$463 in their pocket. These changes will reduce personal income tax paid by low-income individuals and families by about \$4.5 million annually, bringing the total estimated reduction under this measure to approximately \$11.1 million.

Seniors are the backbone of our communities. They have played an important part in helping

our province get to where it is today and they have made lifetime contributions to our vibrant economy. Many live on relatively low and often fixed incomes. With this year's Budget, we are giving the fourth increase since 2003 to the Seniors' Benefit. As a result, the maximum payment seniors will receive in October 2014 will be the highest ever at \$1,036, up from \$971 in 2013.

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

**MS JOHNSON:** In 2014, the \$40.4 million budget for the program is more than five times higher than the budget in 2003. About 42,000 seniors in our province receive benefits under this program each year.

To support inclusion by addressing the transportation barriers faced by many people with mobility-related disabilities, we are continuing to invest in the Vehicle Accessibility Program, which provides up to \$25,000 per family for a vehicle retrofit. We have heard from people whose lives have been changed as a result of this program. One family told us of how the Vehicle Accessibility Program allowed them to retrofit a van to accommodate travel for their son. Having an accessible vehicle changes lives, something that most of us take for granted.

We are also investing in Inclusion Grants, which assist non-profit community organizations to make their facilities and events accessible. For instance, in St. Anthony, the group Community Readiness for People with Disabilities received a \$25,000 Inclusion Grant to build playground equipment to accommodate children with disabilities. The goal of this project is to ensure children have access to a playground that meets their needs, allowing all children to socialize together and to provide an opportunity for equal play.

We are extending the Home Modification Program for a further three years, at a cost of \$9 million. This is a program that provides financial assistance to homeowners with disabilities and seniors with low-to-moderate incomes that require accessibility changes to their residences – changes that can help promote

independence and self-reliance, assist with a better quality of life, and enable individuals to remain in their own homes for a longer period.

Investments such as these reflect the objectives of our Strategy for the Inclusion of Persons with Disabilities.

Through an annual investment of \$100,000, we will create an additional 24 summer employment positions in Newfoundland and Labrador Housing Community Centres across the province to hire at-risk youth and help them continue their education and career paths. I have met some young people whose lives have been transformed by this experience, and their stories are testaments to the power of these programs.

We will also be investing \$12 million over the next three years to extend the Residential Energy Efficiency Program, or REEP, and assist up to 1,000 clients per year with energy retrofits that will significantly improve affordability by reducing heating costs.

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

**MS JOHNSON:** To date, we have been able to assist more than 4,500 homeowners with energy retrofits through the program with an estimated average energy savings of 32 per cent or \$735 annually.

We have heard from the Nunatsiavut Government that more needs to be done to address housing in the Inuit Communities of Northern Labrador. We are pleased to announce \$350,000 towards an equal partnership with the Nunatsiavut Government to assist low-income private homeowners in Nunatsiavut to complete major renovations.

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

**MS JOHNSON:** We will increase affordable housing options in the private market by once again expanding NLHC's Rent Supplement Program. This year, the annual allocation will be increased to \$9 million and provide an additional 150 rent supplement units.

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

**MS JOHNSON:** The program assists individuals and families on low incomes, and individuals with complex needs, by paying the portion of their rent that exceeds 25 per cent of their net household income up to \$800 monthly, but not before Newfoundland and Labrador Housing Corporation conducts detailed inspections to ensure the property is suitable and acceptable.

In keeping with the provincial goal to reduce poverty and promote self-reliance, and in advance of the results of the homelessness study, an additional \$500,000 will be allocated through the NLC's Supportive Living Program for a total annual investment of \$5.3 million to further advance the work of community partners and stakeholders and to address homelessness.

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

**MS JOHNSON:** Housing is one of the greatest challenges some families and individuals face. We are proud of the work we have been doing through Newfoundland and Labrador Housing to develop affordable housing programs and options to assist persons with disabilities, families and persons with complex needs, seniors, and households with low income throughout the province. Since 2006, through the Investment in Affordable Housing Agreements and with private and non-profit partnerships, we have created nearly 1,117 new affordable housing units throughout the province.

We will partner once again with the Government of Canada to implement an unprecedented five-year agreement to invest in affordable housing. Under the new agreement, we will provide a total investment of \$68 million over the next five years to create approximately 590 more new affordable housing units.

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

**MS JOHNSON:** The agreement also extends the Provincial Home Repair Program, and will annually assist approximately 2,000 households

with low incomes to repair their homes under the program.

There is no greater challenge in our society than violence. We are designating approximately \$2.1 million annually to launch the Action Plan for Phase II of our new Violence Prevention Initiative.

We recognize that intimate partner violence is a complex societal issue, and within the Violence Prevention Initiative we are committed to finding ways to tackle the root causes. A joint, province-wide law enforcement effort between the RCMP and the RNC will build on existing work and will raise awareness and enhance our responsiveness to intimate partner violence. An additional police officer and crime analyst will be dedicated to each police service to provide guidance and oversight of investigations related to intimate partner violence.

These police resources will be tasked with developing a model based on analysis of data that will enable police to be more proactive and responsive to emerging trends. Through these efforts, we intend to encourage individuals who do not currently report these crimes to do so. It is through efforts such as this that the province will reduce the amount of intimate partner violence in the long term.

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

**MS JOHNSON:** We will make our communities safer by investing \$4.8 million this year to strengthen our police services. We will hire 5 new RCMP officers to work in Labrador. We will also increase the class size in Memorial University's Police Studies Program by 10 new recruits a year beginning in 2015-16 to enable 20 new Royal Newfoundland Constabulary positions to be added to the force by 2016-17.

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

**MS JOHNSON:** In 2013, we provided funding to establish the Combined Special Enforcement Unit-Newfoundland and Labrador to combat child exploitation, illegal drug trafficking and organized crime. The unit has achieved

considerable success to date. That is why we are providing an additional \$527,500 this year to support the unit's important work.

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

**MS JOHNSON:** The need to create a safer environment for correctional officers, inmates and community groups is one of the reasons we have moved forward to award a contract for the first planning phase of a new correctional facility. The planning process is well underway. Budget 2014 provides \$1 million for the next stage.

Mr. Speaker, none are more vulnerable in any society than children. That is why attending to the needs of particularly vulnerable children has received such attention from our government. Through the Department of Child, Youth and Family Services, we have refocused our efforts and made considerable inroads in addressing complex needs. We are ready to build on that progress by doing even more.

In the Labrador region, we are allocating an additional \$308,000 to implement a new one-year mentoring team and to hire two new community services workers. This will enable the province to improve and expand the delivery of programs and services in the Innu Zone. The new mentoring team will consist of two senior social workers from other regions of the province who will travel to communities in the Innu Zone to provide direction on key social work practices, case management and clinical decision-making skills for those social workers. The additional community service workers will further assist the department's social work practice.

As part of the longer-term solution for Natuashish, our government will allocate \$200,000 in 2014-15 to provide additional funding for travel in order to continue the newly implemented fly-in/fly-out approach. In addition to the permanent staff already in the community, this new program consists of two fly-in teams. This new program is helping to ensure a more consistent presence of frontline social workers in the community, as well as

more interaction with families. It is a unique approach to a unique set of circumstances.

Through the Department of Child, Youth and Family Services, our government will also purchase staff housing in the coastal community of Hopedale. Providing staff housing will advance our recruitment and retention efforts in this region.

Province-wide, we are investing \$190.6 million this year in Child, Youth and Family Services, an amount that will enable us to enhance the delivery of services to those who need them. Of this, approximately \$1.5 million will be provided to hire staff for an additional 20 new positions, including social worker supervisors and social workers.

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

**MS JOHNSON:** We are committed to reducing the provincial average caseload per social worker from 22 to 20.

Our *Foster a Future* campaign has been extremely successful to date as it continues to create awareness surrounding the need for more foster parents who can provide safe and nurturing environments for our most vulnerable children and youth, as well as increase the number of foster homes throughout our province. To date, the *Foster a Future* recruitment campaign, in only a short time, has resulted in the approval of 137 new foster home placements for children and youth.

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

**MS JOHNSON:** We will invest an additional \$50,000 for the Newfoundland and Labrador Foster Families Association to strengthen capacity and training.

One of the best things we can do for our children is to ensure that child care is available for those who need it. Since 2003, our government has increased the number of regulated child care spaces by 70 per cent. To build on these gains, we will allocate approximately \$9.7 million to implement a new voluntary operating grant

program that will require participants to meet specific criteria, such as setting child care rates at the provincial daily subsidy rates, and meeting accountability criteria relating to staffing, wages, program quality and financial oversight.

Our government is committed to providing all of our children with the best possible start in life, and the best possible opportunities to be successful in school. We are committing a total of \$35.4 million over three years, beginning this year, for Phase II of the province's Early Childhood Learning Strategy, Learning From the Start. Phase II will include \$4.8 million over three years for the continued development and enhancement of initiatives aimed at children from birth to age three – initiatives we have been developing and implementing since 2011.

Research tells us there is no better investment we can make in our children's future than early learning. Therefore, we will begin the process to implement a universal full-day Kindergarten program –

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

**MS JOHNSON:** – to enhance the early emotional, social and academic development of all children. To make this happen, we will embark on an intensive program to renovate and redevelop existing school infrastructure, where necessary. Additional resources, including teaching resources, will be put in place for an implementation date of September 2016.

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

**MS JOHNSON:** Throughout the past decade, our government has made enormous investments in classroom education, benefitting thousands of students and their families. We are ready to do more. Despite a decline in K-12 enrolment, there will be no reduction in teaching services.

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

**MS JOHNSON:** Budget 2014 provides \$2.4 million annually to retain the 28.5 teaching units that would otherwise have been removed. Three of those units will be deployed at the school

district level, in addition to current district and department resources, to assist schools in their efforts to implement Safe and Caring Schools initiatives. The remainder will be assigned to school districts to be deployed according to their priority needs. Class caps for the required curriculum at the K-9 level will remain in effect. This means Newfoundland and Labrador will continue to have the best pupil-teacher ratio of any province in Canada.

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

**MS JOHNSON:** We have heard from parents, teachers and stakeholders about the need for increased student assistant support. We have listened, and we are providing an annual \$1 million increase. This translates into an additional 43,000 hours of assistance for students with identified needs.

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

**MS JOHNSON:** It builds on the 25,000 additional hours we provided in 2010, and brings the total annual budget for student assistant support to over \$16 million.

Newfoundlanders and Labradorians have told us education is an investment in our children's future. Our investments in school infrastructure are unprecedented. We are allocating a total this year of over \$128 million for K-12 infrastructure –

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

**MS JOHNSON:** – including: a new school to replace Coley's Point Primary;

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

**MS JOHNSON:** – extensions to St. Peter's Junior High in Mount Pearl and Elizabeth Park Elementary in Paradise;

the partial reconstruction of Gander Academy to serve as a K-3 facility;

modular classrooms at Beachy Cove Elementary in Portugal Cove-St. Philip's, Paradise

Elementary, St. Bernard's Elementary in Witless Bay and École des Grand Vents in St. John's; and

an assessment of infrastructure requirements for the francophone student population in the greater St. John's area.

As part of a long-term K-6 reorganization plan for Corner Brook, we are also providing funding to further planning and design work for the reconfiguration of G.C. Rowe Junior High, planning and design work for the extension and renovation of J.J. Curling Elementary, and planning for C.C. Loughlin Elementary.

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

**MS JOHNSON:** We are providing funds, as well, for ongoing new school projects in St. John's, including the new high school in the west end, St. Theresa's Elementary, Virginia Park Elementary and schools in Paradise, Conception Bay South, Torbay, Portugal Cove-St. Philip's and Gander, where there will be a new Grades 4-6 school.

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

**MS JOHNSON:** In addition, we will fund new public library space in Conception Bay South.

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

**MS JOHNSON:** Major extension, reconstruction and redevelopment projects will continue at Roncalli Elementary in St. John's, at William Gillett Academy in Charlottetown, Labrador, at Exploit's Valley High in Grand Falls-Windsor and at the former Regina High in Corner Brook, which will serve as that city's junior high school.

Since 2004, we have allocated more than \$681 million in K-12 school infrastructure, including almost \$236 million for repairs and maintenance. We have opened 13 new schools; nine more are in various stages of planning or construction; 26 major extensions and renovation projects have been completed; and 11 more are underway. Furthermore, we have

undertaken more than 1,900 repairs and maintenance projects during that time.

Children are impacted by the choices we make in health care as well.

Through an investment of \$2 million this year, annualizing to \$3.9 million in 2015-16, we are increasing access to assessment and treatment for children with autism and other developmental conditions.

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

**MS JOHNSON:** To increase the capacity to assess and reduce wait times for children and families, we are providing funds for the addition of 22 positions in the regional health authorities, increasing to 30 positions next year. These new positions include a developmental pediatrician at the Janeway, new occupational therapists and new speech language pathologists.

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

**MS JOHNSON:** We are also allocating \$158,800 to expand the Newborn Screening Program to include cystic fibrosis.

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

**MS JOHNSON:** We are continuing to invest \$159,000 annually to promote breast feeding awareness in recognition of the tremendous health benefits of breast milk for newborns.

Dialysis remains an important priority for our government. Through an investment of \$500,000, our government is planning an enhancement of the Provincial Home Dialysis Program. This investment will increase uptake in the program for patients who now have to travel long distances to receive dialysis. Budget 2014 also provides \$1.5 million to establish a hemodialysis site in Bonavista –

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

**MS JOHNSON:** – and \$1.2 million to address increased growth in hemodialysis in Stephenville and St. John's.



To enhance support for those who travel for medical services, Budget 2014 includes a further expansion of the Medical Transportation Assistance Program to increase the monthly accommodations cap from \$1,500 to \$3,000; to change the formula to reimburse 75 per cent of eligible expenses over \$3,000 a year; to decrease the private vehicle kilometer threshold from 2,500 kilometers a year to 1,500 kilometers; and to increase the rate for private vehicle usage from 16 cents a kilometer to 20 cents.

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

**MS JOHNSON:** Mr. Speaker, during pre-budget consultations, an individual eloquently told me that extending coverage under the Newfoundland and Labrador Prescription Drug Program by six months would help with the transition to employment. We have listened, and we are doing just that.

We are also increasing the cap for basic dental services under the Adult Dental Program from \$150 to \$200.

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

**MS JOHNSON:** Cancer continues to touch the lives of all Newfoundlanders and Labradorians. Through Budget 2014, we are investing to enhance the care and treatment of people with cancer. These investments include: \$7.1 million for coverage of new drug therapies under the Prescription Drug Program, including drugs to treat prostate and breast cancers; \$1.3 million to fund new drug therapies for cancer care at Eastern Health; and \$500,000 for a study of safe radiation services delivery in Western Newfoundland.

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

**MS JOHNSON:** This brings our total investment in cancer treatment and prevention since 2004 to over \$170 million.

Smoking continues to put lives at risk while placing enormous demands on our health care system. Research has shown that the best way to motivate people to quit is to raise the price of

cigarettes significantly. Effective 12:01 a.m. March 28, 2014, the tax per cigarette will increase by 3 cents and the tax per gram on fine-cut tobacco will increase by 6 cents. Quitting can be extraordinarily difficult, but there are products that make quitting easier. For this reason, we are allocating \$712,000 to subsidize smoking cessation products for people living on low incomes.

Addiction to narcotics continues to be a problem in our society. Many have said we need to do more to address these challenges, and we are listening. This year, we are allocating \$383,700 to add a second methadone maintenance treatment team in St. John's.

In Budget 2014, our government is providing significant new funding for long-term care and community support services to: Cover growth in the Home Support Program; Increase the Personal Care Home and Community Care Home monthly subsidy to \$1,950; Improve access to Occupational Therapy and Physiotherapy services in the community; and Increase the monthly rate at Alternate Family Care Homes to \$1,355.

To continue the work of improving and replacing our health care infrastructure, we will: Begin construction on a protective care residence on the Burin Peninsula; Plan and construct a 20-bed expansion of the long-term care facility in Happy Valley- Goose Bay; Open a second 18-bed Alternate Level of Care Unit at Western Memorial Regional Hospital in Corner Brook; Continue redevelopment of the Central Newfoundland Regional Health Centre in Grand Falls-Windsor; and Advance the design of the new Green Bay Health Centre.

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

**MS JOHNSON:** As well, we will: Advance planning and design of a new Psychiatric Hospital in St. John's to replace the Waterford Hospital; and Plan for the development of the Bonavista Health Centre.

Government's infrastructure fiscal framework currently includes \$588 million for the

construction of a new western regional hospital to replace Western Memorial Regional Hospital in Corner Brook. This year's budget will provide funding to finalize the functional program, complete some additional site work and move forward with phase 2 of the RFP process to select a designer-builder team to prepare the design development documents for all five buildings that will compose the hospital campus. These documents will in turn serve as the owner's statement of requirements for phase 3, which will be two design build contracts that will see the construction of the acute care hospital, the long-term care facility, an administration/clinical building, a central utility plant and a hostel.

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

**MS JOHNSON:** Meeting the health care needs of our people also means responding to emergencies as they occur. Recognizing this, we are providing \$2.1 million this year to advance province-wide basic 911 implementation.

Protecting our workers and securing our workplaces is a responsibility we all share. Recognizing the importance of safety on provincial infrastructure projects, we are creating a new Manager of Safety position within the Department of Transportation and Works, and hiring a Traffic Engineer.

The Occupational Health and Safety Branch is adding two new Occupational Health and Safety enforcement officers.

The health and safety of individuals who work offshore is a key priority of our government. We are investing \$1.2 million to increase the Canada-Newfoundland and Labrador Offshore Petroleum Board's operating budget. This will enable the organization to move forward with further implementation of the Offshore Helicopter Safety Inquiry recommendations, including the establishment of a Safety Oversight Management System and as well as implementation of regulatory reforms, including the introduction of a Scheduled Lands Tenure system.

Improving safety also means cleaning up contaminated sites to remove the risk of harm. We will embark on a three-year plan to remediate the site in Hopedale. This year, we will invest \$3 million to begin the removal of PCBs at the former United States Military Base in the community. We will provide a further \$3 million in the following two years to continue the remediation plan. The total investment in site remediation at Hopedale by the end of 2016-17 will be more than \$12 million.

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

**MS JOHNSON:** As stewards of our resources, we are deeply concerned about the state of the George River Caribou Herd in Labrador. We are allocating \$390,000 this year and a total of \$975,000 by end of 2016-17 to collect and interpret data on the herd and, with the hard science in hand, to continue working with the Government of Quebec and Aboriginal groups on a responsible management plan.

Climate change is one of the most challenging long-term problems facing the world and Newfoundland and Labrador today. It is already affecting us in profound ways. We have a responsibility to prepare as much as we can for the changes that are occurring and to adjust our behaviours as appropriate to protect our environment from further harm as much as we can.

Budget 2014 includes funding for the development of new flood risk maps and continuing to assess sites that are vulnerable to coastal erosion. With 90 per cent of our people living near the sea, we need this information to plan effectively.

We are investing more than \$300,000 a year for the Coastal and Oceans Management Strategy and Policy Framework. This strategy guides the province's efforts to plan for, administer and promote the sustainable use of the province's coastal and ocean areas and resources. Ours was proudly the first jurisdiction in Canada to release such a strategy, and our government has provided \$900,000 to implement it since its inception in 2011.

Finally, let us talk about energy efficiency and energy conservation. We are investing \$2.7 million in the next three years to improve the resilience of communities and increase awareness on the benefits of energy conservation and efficiency. In particular, we are moving forward with three initiatives. We will launch two pilot programs: one that uses energy and technology to increase awareness of energy conservation in homes, and a second that challenges all schools to engage students and staff in behaviours at school and home that drive energy conservation. Thirdly, to set an example, our government will invest in energy efficiency improvements to government-owned buildings.

Mr. Speaker, this province has always had its dreamers, but true progress demands doers. In the words of William Jennings Bryan, “Destiny is not a matter of chance; it is a matter of choice. It is not a thing to be waited for; it is a thing to be achieved.” Ours is a far more prosperous province than it was a decade ago, and that progress is a testament to the power of cooperation and, thus, the power of action. We have changed our fortunes by working together. And that is how we will continue to deliver the results that people want – by engaging people, by truly listening and by making adjustments whenever they are required. So now – as we share our prosperity, advance fairness in our society and strive for balance – let us recommit ourselves to the task of building on the solid foundation we have established. When some would deny and others would abandon the great gains we have achieved, let us instead renew our pledge and redouble our efforts to work together to make Newfoundland and Labrador everything it is capable of becoming.

Thank you.

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

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

The hon. the Minister of Finance.

**MS JOHNSON:** Mr. Speaker, I wish to inform the House that I have received a message from His Honour the Administrator.

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

Does the minister want to adjourn debate first?

**MS JOHNSON:** Okay, I can do that.

Mr. Speaker, I moved, seconded by the Minister of Justice, that the debate be adjourned.

**MR. SPEAKER:** It has been moved and seconded that the debate be now adjourned. You have heard the motion.

All those in favour, ‘aye’.

**SOME HON. MEMBERS:** Aye.

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

Motion carried.

On motion, Budget Debate adjourned.

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

**MS JOHNSON:** Mr. Speaker, I wish to inform the House that I have received a message from His Honour the Administrator.

**MR. SPEAKER:** All rise.

As Administrator of the Province of Newfoundland and Labrador, I transmit Estimates of sums required for the Public Service of the Province for the year ending 31 March 2015, in the aggregate of \$7,488,728,900, 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.: \_\_\_\_\_  
Administrator

Please be seated.

The hon. the Minister of Finance.

**MS JOHNSON:** Mr. Speaker, I moved, seconded by the Minister of Education, that the

Message, together with the Estimates, be referred to a Committee of Supply.

**MR. SPEAKER:** It has been moved and seconded that the Message from His Honour the Administrator, together with the Estimates, be referred to a Committee of Supply and that I do now leave the Chair.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Motion carried.

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

#### Committee of the Whole

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

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

[Budgetary documents are distributed]

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

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

Now with the documents distributed, 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.

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, Mr. Speaker returned to the Chair.

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

The hon. the Member for the District of Lewisporte.

**MR. VERGE:** Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report some progress and ask leave to sit again.

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

When shall the report be received?

**MR. KING:** Now.

**MR. SPEAKER:** Now.

When shall the Committee have leave to sit again?

**MR. KING:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

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

#### Notices of Motion

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

**MR. KING:** Mr. Speaker, with leave, I would like to give notice regarding the composition of Estimates Committees and the assignment of those Committees.

**AN HON. MEMBER:** Leave.

**MR. SPEAKER:** Leave granted.

**MR. KING:** Thank you.

Mr. Speaker, I give notice, by leave, and move that the following Committees will be made up of the following members in this order.

The Resource Committee will consist of the Members for: Conception Bay East – Bell Island; The Straits – White Bay North; Bonavista North; Lake Melville; Carbonear – Harbour Grace; Fortune Bay – Cape La Hune; and Signal Hill – Quidi Vidi.

The composition of the Government Services Committee will consist of the Members for: Exploits; Mount Pearl South; Kilbride; Bellevue; Cape St. Francis; St. John's East; and St. John's South.

The composition of the Social Services Committee will consist of the Members for: Port de Grave; Port au Port; Cartwright – L'Anse au Clair; St. John's Centre; Bonavista South; St. John's North; and Baie Verte – Springdale.

Mr. Speaker, I further give notice that the Committees will hear the following heads, as assigned.

The Resource Committee will deal with: the Department of Advanced Education and Skills; Status of Persons with Disabilities; Environment and Conservation; Multi-Materials Stewardship Board; the Office of Climate Change; Energy Efficiency and Emissions Trading; Status of Women; Fisheries and Aquaculture; Innovation, Business and Rural Development; the Newfoundland and Labrador Research and Development Corporation; Natural Resources; Forestry and Agrifoods; and the Department of Tourism, Culture and Recreation.

The Government Services Committee will deal with: Finance and Treasury Board; Human Resources Secretariat; Public Service Commission; Newfoundland and Labrador Liquor Commission; Service Newfoundland and Labrador; Workplace Health, Safety and Compensation Commission; Office of the Chief Information Officer; Government Purchasing Agency; Transportation and Works; and Labrador and Aboriginal Affairs.

The Social Services Committee, the final one, will deal with: Child, Youth and Family Services; Newfoundland and Labrador Housing Corporation; Fire and Emergency Services; Municipal and Intergovernmental Affairs; Registrar General; Office of Public Engagement; Department of Justice; Office of the Attorney General; Labour Relations Agency; Department of Education; Health and Community Services; Aging and Seniors; and Francophone Affairs.

Finally, Mr. Speaker, I serve notice to members of the House that on Monday, March 31, the Resource Committee will meet here in the House at 9:00 a.m. to review the Estimates of the Department of Advanced Education and Skills.

Thank you.

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

The hon. the Minister of Finance.

**MS JOHNSON:** 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 12.

I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Income Tax Act, 2000, Bill 13.

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

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

I move that the further Orders in the House would now deferred by the day and, seconded by the hon. the Premier, the House do now adjourn.

**MR. SPEAKER:** It has been moved and seconded that this House do now adjourn.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Motion carried.

This House stands adjourned until 1:30 p.m. on Monday.

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