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*Speaker: Honourable Wade Verge, MHA*

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The House met at 1:30 p.m.

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

Admit strangers.

Before we begin today's proceedings, I would like to observe an old parliamentary tradition. I have the pleasant task of formally welcoming two new members who were duly elected in the by-elections of November 25, 2014.

I will call the new members in alphabetical order by electoral district.

The first new member is Mr. Stelman Flynn representing the District of Humber East. I have been advised by the Clerk of the House that the member has taken the Oath of Office and the Oath of Allegiance to the Crown as required by the Constitution, and has signed the Members' Roll.

The hon. the Leader of the Official Opposition.

**MR. BALL:** The Member for Humber East requests to take his seat.

**MR. SPEAKER:** Let the member take his seat.

Mr. Flynn, welcome.

**MR. FLYNN:** Thank you very much.

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

**MR. SPEAKER:** The second new member is Mr. Steve Crocker representing the District of Trinity – Bay de Verde. I have been advised by the Clerk of the House that the member has taken the Oath of Office and the Oath of Allegiance to the Crown as required by the Constitution and has signed the Members' Roll.

The hon. the Leader of the Official Opposition.

**MR. BALL:** Mr. Speaker, the Member for Trinity – Bay de Verde requests to take his seat.

**MR. SPEAKER:** Mr. Crocker, welcome.

Let the member take his seat.

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

**MR. SPEAKER:** Also, before we begin routine proceedings, there are a number of welcomes from people in the public gallery that I would like to acknowledge. Firstly, Mrs. Mary Lee and her family are here with us today. She will be the subject of a member's statement in a little while.

We have Jennifer Caines, the Manager of Northern Harvest Sea Farms; Mark Lane, the Executive Director of the Newfoundland Aquaculture Industry Association; and Roberta Collier who is also a development officer with the Newfoundland Aquaculture Industry Association.

With us also, we have Carol Furlong, President of NAPE, and Bert Blundon, the secretary-treasurer of NAPE; as well as Debbie Forward, the President of the Registered Nurses' Union of Newfoundland and Labrador.

Welcome to the House of Assembly.

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

#### Statements by Members

**MR. SPEAKER:** Today we have member's statements from the Member for the District of Fortune Bay – Cape La Hune; the Member for the District of St. Barbe; the Member for the District of St. John's Centre; the Member for the District of Carbonear – Harbour Grace; the Member for the District of Humber Valley; and the Member for the District of Virginia Waters.

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

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

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

I rise in this hon. House today to extend congratulations to Northern Harvest Sea Farms Group for their great accomplishment of being the world's very first salmon company to achieve four-star Best Aquaculture Practices status. This was achieved by the company in early December when Northern Harvest Smolt Limited in Stephenville earned the Best Aquaculture Practices certification.

I highly commend President Larry Ingalls and the management and employees for their continued commitment to excellence and improved performance standards. This company has proven to be a global aquaculture leader and we are very proud that they have attained hatchery, feed mill, farm and processing plant certification to Best Aquaculture Practices standards.

On behalf of all residents in my district, I would like to thank Northern Harvest Sea Farms Group for your leadership in growing the aquaculture industry in this Province and providing rural Newfoundland and Labrador with new, sustainable opportunities for economic growth and employment.

I ask all members of this hon. House to join me in congratulating Northern Harvest Sea Farms Group for their four-star Best Aquaculture Practices status. I would also like to commend them for ensuring the viability of the aquaculture industry in this Province and for making quality assurance their top priority.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for St. Barbe.

**MR. J. BENNETT:** Mr. Speaker, I rise in this hon. House today to commend the producers and participants of the reality series *Cold Water Cowboys*. The producer, Paperny Entertainment, details the lives of Newfoundland and Labrador seafood harvesters as they struggle to survive and thrive in the ever-turbulent fishing industry.

Two skippers, Todd Young and Conway Caines, and their crews are from the District of St. Barbe and are stars in the show, some of which is filmed in Cow Head. They are described as heroic characters, big individuals, tenacious, intelligent, and great personalities who are struggling to maintain a way of life that has been part of our Province for centuries.

*Cold Water Cowboys* brings home to viewers the hazards, financial uncertainty, and risks our

people face in their workplace; small boats on a dangerous ocean.

This local production of *Cold Water Cowboys* also has economic and social benefits as tourists want to meet the participants. Discovery Channel airs the show, now being filmed for a second season.

Mr. Speaker, I ask all members of this hon. House to join me in commending the producers and participants of this homegrown reality series.

Thank you, Mr. Speaker.

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

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

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

People from all over our fair city came together on Monday at the Knights of Columbus in St. John's Centre to share a Christmas meal. Almost every community group in the city helped identify those families most in need.

Deep thanks to teams at Froude Avenue and Buckmasters Circle Community Centre, the Seniors Resource Centre, the Hub, Marguerite's Place, Bridges to Hope, RIAC, Turnings, the Tommy Sexton Centre – to name a few. It was a Christmas dream team.

Kelly Anne Evans' Skylarks caroled us with passion and panache, the ever-elegant Singing Legionnaires charmed everyone's socks off, and Terry Rielly, our city's favourite teddy bear, was there with hugs and laughs.

Santa, who bore an amazing resemblance to Bruce Templeton, was a big hit, along with his dedicated elves: our city's Labatt's workers who volunteered again this year.

Thanks to the wonderful chefs from the Sheraton Hotel and their helpers who cooked the delicious turkey meal and the amazing knights in shining aprons, our Knights of Columbus, who donated the hall and who always volunteer so generously.

All this was organized, hosted, and provided by the generosity of Rogers and Associates. It was a magical afternoon. Bravo to all.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Carbonear – Harbour Grace.

**MR. SLADE:** Mr. Speaker, I rise in this hon. House to recognize Erin Follett of Harbour Grace for her bravery and determination.

On Tuesday, November 25, Lieutenant Governor Frank Fagan and his wife Patricia honoured the thirty-five-year-old mother of three with the Fortitude Medal, an award bestowed upon those who have demonstrated hard work and dedication through pain and adversity. She is only the second person in the Province to have ever received this award.

Erin received the prestigious award after continuing to volunteer with the CLB and other organizations while battling breast cancer. As her treatments continued, so did her dedication to her family: husband Wally, and children Matthew, Abigail, and Alexandra.

Erin is an officer in the CLB and all three of her children are active members of the organization, supporting their mom at every opportunity. She and her family participated in the Relay for Life in Upper Island Cove in June.

The community of Harbour Grace has shown tremendous support to Erin and her family, with seventy-five people showing up for the presentation.

Mr. Speaker, I ask all hon. members to join me in congratulating Erin Follett on receiving the prestigious Fortitude Award and wish her well in the future.

Thank you, Mr. Speaker.

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

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

**MR. BALL:** Mr. Speaker, I rise in this hon. House today to congratulate bodybuilders from Deer Lake who competed at the 2014 Provincial Bodybuilding Championships recently held in St. John's.

This competition saw Dawn Park of Deer Lake win her first provincial championship in the Figure Short category, this completing a three-year rise that saw her finish third in 2012, second in 2013. With the provincial title, Dawn will now compete at the 2015 nationals in Halifax, Nova Scotia.

Along with Dawn, Shania Caravan won first place in the Bikini Short category in her first provincial title. Breanna Byrne finished seventh in the Figure Short competition, and Charles Crocker capped a successful weekend, finishing second in the men's Heavyweight category.

Mr. Speaker, a special note of acknowledgement again goes to Dawn Park, who along with competing in the competition, also coaches both Breanna Byrne and Shania Caravan, and is the owner of Park Fitness in Deer Lake where the group trains.

I ask all members of this House to join me in congratulating these young men and women on their achievements and wish them every success in future events.

Thank you, Mr. Speaker.

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

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

**MS C. BENNETT:** Mr. Speaker, I rise in this hon. House today to recognize a constituent in the District of Virginia Waters, Mrs. Mary Lee.

With a passion for working the land formed at a very young age, in 1996 Mary began to volunteer in the Brother Jim McSheffrey Community Garden, taking on the responsibilities of the garden co-ordinator in 2002.

The garden was started to provide the residents of Brophy and McGrath Place, and surrounding area, a location to grow their own healthy food.

As the garden grew, so did the waitlist of volunteer gardeners who wanted to join Mary in getting their hands dirty and their souls close to the earth. “The garden attracts all walks of life,” Mary has said.

Growing vegetables that her three daughters and six grandchildren love and having them involved are the greatest rewards for Mary. She loves being in the garden, getting her hands in the soil, but could do without the moose that sometimes eat her crop.

Mr. Speaker, I ask all hon. members to join me in recognizing Mary’s tireless, heartfelt, selfless contribution to her community in helping bring the harvest to many tables in her neighbourhood and also providing true community building with her labour.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Statements by Ministers.

#### Statements by Ministers

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

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

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

Today I am pleased to rise in this hon. House to provide an update on the Open Government Initiative.

In March of this year, the Government of Newfoundland and Labrador launched the Open Government Initiative, joining several other governments across Canada and sixty-five countries around the world in committing to the principles of transparency, accountability, participation and collaboration.

Mr. Speaker, between May and October, the Office of Public Engagement conducted forty-two public engagement sessions with over 700 participants across the Province and offered new ways for people to provide their input on how government can improve the way it does business.

By visiting [www.open.gov.nl.ca](http://www.open.gov.nl.ca), residents can access numerous proactive disclosures, including Orders in Council, updated access to information response timelines, and all responses to general ATIPP requests. It is also worth highlighting, Mr. Speaker, that Newfoundland and Labrador is the only province in Canada to post all completed provincial government responses to general ATIPP requests online.

Mr. Speaker, in the coming weeks, we will continue to invite public feedback on the *What We Heard* document, create innovative and useful engagement tools, and move forward to develop this Province’s first open government action plan.

I encourage people to keep providing their suggestions by emailing us at [ope@gov.nl.ca](mailto:ope@gov.nl.ca) or by calling 1-877-895-8891, which of course is toll-free.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for The Straits – White Bay North.

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

I thank the minister for an advance copy of his statement. After forty-two sessions across the Province, I really do hope that this government and the minister will listen to the people of the Province. Data is a strategic asset. Access to reliable authoritative data gives citizens and businesses the raw material to make informed decisions and create opportunities.

This government has not committed to releasing thousands of usable datasets that could benefit residents, businesses, and the economy of Newfoundland and Labrador. Much of the data that is available is not in usable form. If you look at DataBC, they have thousands of data that is free, searchable, available for anyone to repurpose. Things like Crown land tenures, land-use plans, broadband availability, and digital mapping forms are all there. This reduces red tape, it increases transparency, and it improves service delivery.

This government is so secretive on data that when you ask for information of things like the Library Board minutes of Newfoundland and Labrador, I am sent back an e-mail with the ATIPP form. Rather than giving the minutes that the board has produced, it has to go through ATIPP.

I guess everybody publicly will now see that through ATIPP. That is embarrassing. That is how bad it is for government here. This caucus would repeal Bill 29.

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

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

**MR. SPEAKER:** The hon. the Leader of the Third Party.

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

I, too, thank the minister for the advance copy of his statement. Clearly, this update is another attempt by this government to mask the damage done by this government's infamous Bill 29, and it is not working. Proactive disclosure is a good thing, but the truth is government still can and still does keep secret whatever they want, something everyone on this side of the House knows.

The minister asks for people to keep providing suggestions. So here, just off the top of my head, are a few. Revoke the offensive sections of Bill 29, section 18 and section 20(1)(c), and as we asked in our June ATIPP submission and government's unwritten policy dictating all requests for assistance of information (inaudible).

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

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

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

The hon. the Minister of Environment and Conservation.

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

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

Mr. Speaker, I rise today to inform this hon. House about the accomplishments being achieved through the Newfoundland and Labrador Green Fund. This fund has played a large part in supporting energy efficiency, environmental sustainability, and climate change projects in our Province.

In 2007, the Government of Newfoundland and Labrador received \$23 million from the EcoAction Trust Fund for Clean Air and Climate Change to initiate programs or projects with potential to reduce greenhouse gas emissions.

Our government also invested \$2 million bringing the Newfoundland and Labrador Green Fund to \$25 million and the Department of Environment and Conservation began implementing several innovative projects.

Mr. Speaker, today I can report that through the Newfoundland and Labrador Green Fund almost all of the \$25 million has been invested into initiatives that use a variety of different approaches and that have resulted in improvements to such organizations as the Gathering Place, the Corner Brook Civic Centre, the Town of St. Anthony, Ronald MacDonald House, the Stella Burry Community Services Centre, and others. Through the fund we are seeing measureable and significant reductions in greenhouse gas emissions.

In fact, Mr. Speaker, the projects, upgrades, and changes we have supported have the potential to reduce greenhouse gas emissions by 200,000 tons annually – the equivalent of taking 50,000 cars off the road.

Mr. Speaker, undertaking measures to counteract the changing climate and the effects it causes are increasingly important and our government will continue to enhance our environmental protection efforts and play our part to help ensure a sustainable and healthy environment for the future.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for St. George's – Stephenville East.

**MR. REID:** I thank the minister for the advance copy of his statement. Mr. Speaker, we all have to go above and beyond to reduce greenhouse gas emissions. The Newfoundland and Labrador Green Fund has enabled some organizations across this Province to make needed improvements in the fight against greenhouse gases.

Now that this fund has been used up, we have to look to see what other funds this government will commit to and can secure from the federal government to address this issue. I would suggest that the government encourage municipalities to try to access the half billion dollars in the Green Fund administered by the Federation of Canadian Municipalities.

Our Province has not taken advantage of this fund like we should, because the needed partnerships have not been brought together. I encourage the government to continue to work to reduce greenhouse gas emissions in the environment.

Thank you, Mr. Speaker.

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

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

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

I would also like to thank the minister for the advance copy of his statement here today. Yes, indeed, we have to agree with government on this end that there is some great work being done by the Newfoundland and Labrador Green Fund, and we also have to put out a thank you to the federal government for their contribution to it.

We would like to see some changes to the program that I hope the minister will consider. We would certainly like to see more investment, for example, in the Green Fund so that smaller communities can take advantage of this. That could be part of future municipal funding as well, and for government to add more coverage for non-profit organizations to cover their energy costs, Mr. Speaker.

Thank you very much.

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

Oral Questions.

### Oral Questions

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

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

Well, it has been reported that there are delays with the Hebron platform construction. This stems from delays on components being built in South Korea.

I ask the Premier: What is causing these delays?

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

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

**MR. DALLEY:** Mr. Speaker, the Hebron Project is another tremendous project that is going to help develop the offshore oil resources for the people of Newfoundland and Labrador and bring tremendous benefits, not only in the immediate, in terms of job opportunities, but long term, in terms of royalty and equity benefits that would be shared around our Province for decades to come.

Mr. Speaker, recent media reports about scheduled delays – we have checked that with Exxon. We have also checked with the partner to this project, Nalcor, and both have confirmed that the project is on schedule for first oil in 2017.

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

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

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

Some of the benefits that have left this Province, or were supposed to be intended for this Province, are certainly not that of the third

module construction here, because that is, as I said, being built outside the Province.

It has been reported that the delays are at Hyundai Heavy Industries in Korea – the same facility that was awarded the third module work that the government allowed to leave the Province.

So I ask the Premier: Can you confirm that indeed the delay is on the third module that was allowed to leave this Province?

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

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

**MR. DALLEY:** Mr. Speaker, as I am sure the hon. member knows, when you get into projects of this magnitude in the multi-billions of dollars, whether it is in Long Harbour or Muskrat Falls or at Hebron, there are always schedule pressures, without question. With schedule pressures, there is also a flow of skill set, employment in and out, peaks and valleys of employment, Mr. Speaker. That is the nature of these large projects.

With the reports that came out in the media, obviously we checked into that. It has been confirmed by Exxon and by Nalcor, our partners, that the first oil is still on schedule for 2017. Within that, will there be some schedule pressures in various aspects of the project? Without question, Mr. Speaker, but what is important here is that first oil is still on schedule for 2017.

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

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

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

Well, the underlying assumption in the Hebron development agreement was that all the work that could be completed in the Province would be completed in the Province, as long as it did not affect the overall project completion and the cost schedule. We know that government let the work leave for \$150 million, Mr. Speaker.

So I ask the Premier: What is the current value of the contract that is now being done by Hyundai Heavy Industries in South Korea for this third module?

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

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

**MR. DALLEY:** Mr. Speaker, I do not have the exact number of the contract, but I do know back a couple of years ago, maybe in October when the negotiations were on around three particular modules that had to be developed for the Hebron Project, one was the drilling support module and the accommodations module, which will be built here in the Province. Thanks to a benefit's agreement and dispute mechanisms that were built in, we entered into a negotiation with Exxon around a third module, which is the drilling equipment set.

As a result of the evaluation that is being done internationally, or being done here in the Province, it was determined that it was a \$150 million benefit that belonged to the people of the Province, and we were able to negotiate that from Exxon. In doing so, we will invest that \$100 million to create more jobs and different skill sets will be able to avail of the benefits again of the offshore development.

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

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

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

I remind the minister that when that work was allowed to leave the Province, the project then was at \$8.3 billion. So, in return on \$8.3 billion for that one module, allowed to leave the Province, there was \$150 million; but three months later, as we know, there was an announcement that the budget had increased and ballooned to \$14 billion.

I ask the Premier: With these budget changes, what analysis have you done to fully determine did we get the full benefit at the \$150 million, as opposed to the new \$14 billion project?



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

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

**MR. DALLEY:** Mr. Speaker, at the time when you are negotiating these agreements – and we will do more in the future because of the tremendous prospectively that exists in the offshore – we enter into looking at the benefits and our commitment, as we have seen over the past ten years, is to ensure that we develop these resources for the benefit of Newfoundlanders and Labradorians.

We enter into agreements around equity shares, around the royalty regime that impacts the fiscal arrangements for the projects, Mr. Speaker. The evaluation, particularly in the third module, was done where we saw the benefit to the Province should be around \$150 million and we were able to secure that.

Beyond that, Mr. Speaker, we all recognize the cost pressures and the increase. If further evaluations have been done, I have not seen it. I will certainly look into it.

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

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

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

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

Last week the Premier was not aware of a policy that forces MHAs, at least Opposition MHAs, to direct constituency requests through the minister's political staff. Yet, this exact policy in this House was defended by the current Premier when he was a minister two years ago.

I ask the Premier: Why did you say you did not know about this policy, when this policy was in effect indeed when you were a minister?

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

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

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

I can tell the member opposite, it was a practice that had existed in government. When I became minister, in my first department, in Service NL, when I first became Minister of Service NL, we were not heavily enforcing this practice that had occurred before. Then I began to receive complaints at my office, through officials, about a couple of members opposite whereby staff did not want to have to deal with those particular members, Mr. Speaker. We told them to redirect them to my office and we would deal with their complaints. That is what happened, Mr. Speaker.

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

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

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

The policy has received a lot of attention. Maybe the Premier thinks this new Access to Information and Protection of Privacy review panel – maybe he believes his decision and his ability to make decisions supersedes that panel. As well, many media and people in this House of Assembly have had issues with this.

Having ministers involved, having ministers political appointed staff involved in basic constituency matters jeopardizes the privacy of Newfoundlanders and Labradorians. Just a few minutes ago we heard a minister stand up and talk about an Open Government Initiative.

I ask the Premier: Will you now eliminate this practice and allow MHAs to again deal directly with government officials on constituency matters?

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

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

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

The other problem we ran into, and that I became aware of, is that we had numerous officials, numerous government employees who have many tasks and duties and responsibilities in their day-to-day work. What was determined is that there were members opposite contacting

numerous people in the department looking for assistance on the same matter.

What came down to it was we had a number of officials from time to time who were working on the same issue, Mr. Speaker. It was not a good use of resources. It was not an effective use of government resources.

We felt the appropriate thing to do was to have a single point of contact for members opposite. It creates better efficiency, better opportunity, and better co-ordination of information. We were trying to assist members opposite as well as our own members here in the House, Mr. Speaker.

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

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

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

What I am asking the Premier, this is appointed political staff that we are talking about. Right now we are getting the same officials being copied on e-mails coming back from the department.

I ask the Premier, do the right thing. If you are concerned about openness and transparency for Newfoundlanders and Labradorians, eliminate this outdated policy.

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

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

**PREMIER DAVIS:** Mr. Speaker, I can tell you the member opposite is speaking out of both sides of his mouth here today. There are times they have written us – members opposite have written ministers in my government and asked for assistance with matters. He is asking now that not happen, that they be able to go directly to employees within government departments.

Mr. Speaker, we have heard from government employees, not all cases, but where they did not want to have to deal with members opposite. We found cases where more than one official within a department was dealing with the same matter for members opposite.

Then we have members opposite who write ministers in government. They do it frequently. They write ministers in government. They ask for assistance and support.

Mr. Speaker, when members opposite, like the Member for St. Barbe treats employees like he is on record of doing in the past, we have to protect the employees of this Province.

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

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

The hon. the Member for Virginia Waters.

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

Mr. Speaker, both Alberta and Saskatchewan have released their mid-year financial position. They did it in November, and they did it despite the volatility of oil prices. Our oil producing Province has failed to do so. Even if the Minister of Finance were to table the document this afternoon, we would still be the last to do so.

I ask the minister: Given the increasing level of concern being voiced by people, how is it that we are the only Province in the country still waiting on a financial update?

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

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

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

As I said to the member yesterday, we will, Mr. Speaker, provide an update of where we are going to be to the end of March, 2015. In fact, I had a discussion about this this morning, about how settling things had become or whether or not we were going to be able to give some reasonable forecast. As I said yesterday, we would do it before Christmas, and I am happy to report to the House that we will be able to do it before the end of next week.

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

**MR. SPEAKER:** The hon. the Member for Virginia Waters.

**MS C. BENNETT:** Mr. Speaker, provincial Finance Ministers from across Canada are meeting this weekend in Ottawa. They will be discussing the impact of declining oil prices on their fiscal position. These ministers will go to the meetings prepared to discuss the issues from a knowledgeable standpoint, all except one.

I ask the minister: If you do not know where you stand and a fiscal outlook has not been prepared

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

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

**MS C. BENNETT:** – what are you going to tell your counterparts in Ottawa?

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

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

**MR. WISEMAN:** Mr. Speaker, it must be awful nice to be able to stand in the House and say that I know all things and I can be all things to all people.

To suggest, Mr. Speaker, that as a Minister of the Crown representing the people of Newfoundland and Labrador, together with my officials, that we will travel anywhere and participate in any activity unless we are well informed, well understood, and able to make a valuable contribution to the discussion at hand. I think anybody who leaves this House of Assembly to represent the people of Newfoundland and Labrador will always represent their interests –

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

**MR. WISEMAN:** – and represent it in a fashion that Newfoundlanders and Labradorians will be proud of our presence and our contribution on a national stage. That will be no different this weekend, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Virginia Waters.

**MS C. BENNETT:** Mr. Speaker, I would suggest to the minister that a simple mathematical equation of an estimate of \$65 oil, \$75 oil, \$85 oil might be a good way to forecast out where we are going to be till the end of March.

If the minister has the information and he is going to have that information in Ottawa, why won't he release it here in the Province?

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

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

**MR. WISEMAN:** Mr. Speaker, this weekend in Ottawa, as Finance Ministers from across the country, we will be talking about what is happening globally. We will be talking about what is happening with the economy of the country. We will be meeting with the Governor of the Bank of Canada, who will be talking about his fiscal outlook for the coming year. We will be talking about those things that are happening globally and nationally that impact each and every one of us.

I doubt very much it will be drilling down into the Estimates book of each province across this country, Mr. Speaker. We will be talking globally about those things that impact all of us, and we all have an interest in, and we will all contribute to that conversation. With that sharing and those insights, we will gain new things from each other that will help inform what we do as a nation as we advance our economy, and we will be the benefactor of that strong national economy, Mr. Speaker.

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

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

**MR. KIRBY:** Mr. Speaker, that reminds me of the excuse for not sending in your homework, about the dog eating it.

Mr. Speaker, government recently introduced a voluntary Operating Grant Program for child care centres. Instead of creating more affordable child care for families, the sector is saying that

the proposed rates do not reflect their true operational costs.

I ask the minister: Why did you bring in this program without consulting with child care operators about the financial realities of the sector?

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

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

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

The hon. member gets up opposite day after day after day criticizing this government in the child care sector and education, and the work that we have done as a government, Mr. Speaker. What he fails to do, Mr. Speaker, he fails to identify and acknowledge the good work that we have done as a government when it comes to early childhood education.

You only look at the recent report, Mr. Speaker – and I will not look at it – but you look at the recent report, there is no province in Canada that has made stronger improvements in early childhood education than Newfoundland and Labrador. Between 2011 and 2014, it is this government, in this Province here that made greater gains and better improvements to early childhood education than any other Province in Canada, Mr. Speaker.

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

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

**MR. KIRBY:** Mr. Speaker, the Premier should not be proud of being last in funding and last in access in Canada. Child care operators are saying the proposed rates for the operating grant will compromise the quality of programming and the viability of centres. The proposed rates do nothing to improve the wages of early childhood educators, or their retention, or their recruitment in the centre.

I ask the minister: Why would you bring in a program that compromises the quality of care and the sustainability of the child care sector?

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

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

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

Mr. Speaker, I have regular contact with AECENL – the Association of Early Childhood Educators of Newfoundland and Labrador, who very much support what we announced last week, and who very much support our 10-Year Child Care Strategy and the work that we have done and the progress that we have made.

Mr. Speaker, just this week I saw a Tweet from the Pratt Foundation that said yet again, another great move by the Government of Newfoundland and Labrador in terms of supporting early childhood education.

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

**MS SULLIVAN:** Mr. Speaker, when I launched this last Friday afternoon, I had child care providers come to me and say what a great initiative this is. What a difference this will make for the parents and the children here in Newfoundland and Labrador. We will continue to work through those areas.

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

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

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

Hopefully the minister will meet with the Pratt Foundation instead of just reading the Tweets.

Government has promised that the Inclusion Supports Program will be revised this year as part of the 10-Year Child Care Strategy. There is no indication that these changes, along with the promise of a centralized child care registry, will be delivered on as promised this year.

I ask the minister: Do you still plan to deliver on those commitments? If so, when will you announce the changes to the Inclusion Supports Program?

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

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

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

I will see if I can take them one by one. He seems particularly angry this afternoon. I do not know what is wrong with him.

Mr. Speaker, he talked about the Pratt Foundation. I am pleased to inform him – though, I do not know why I have to inform him of everything that I am doing every single day. I have already had conversation with the Pratt Foundation. A meeting has been arranged for them to come in and sit down and further discuss the initiatives that we are planning and that we are working with them to put in place, as well as with AECENL and many other groups that we deal with on a regular basis. I was not aware that I had to give him the dates of the meetings and the times and places.

Mr. Speaker, we will continue to meet. That is our plan. A date has been set. I will get it for him so that he will know the date of the meeting. It is early January.

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

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

**MR. SPEAKER:** The hon. the Member for Torngat Mountains.

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

Maybe the minister could release the polls.

Mr. Speaker, due to shortage of staff with Hydro, meters on the Coast of Labrador continue to be unread. Hydro bills to those customers are most often based on estimates, with no adjustments when they are eventually read.

I ask the minister: What criteria are used to estimate hydro bills for the people on the Coast of Labrador?

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

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

**MR. DALLEY:** Mr. Speaker, I am sure there is an expectation that the people in coastal Labrador are not treated any differently than the people in Ramea or St. Brendan's, or Fogo Island or anywhere else. The process that is followed to read meters, I would suspect, is in place and followed.

The member opposite raises an issue here. I will gladly go back to Hydro and ask the question about staffing, ask the question about the assessment that is done on meters, how that is fixed up in the monthly bills. I will gladly get all that information for the member opposite because, like him, we believe the people in coastal Labrador deserve to be treated fairly, just like everybody else.

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

**MR. SPEAKER:** The hon. the Member for Torngat Mountains.

**MR. EDMUNDS:** Mr. Speaker, if there was not an issue, I would not be asking the questions.

Mr. Speaker, I realize that it is not unusual for hydro bills to be based on estimates, periodically; but certainly, not as frequently as those that are going on, on the North Coast. What I do know is that customers are consistently receiving unusually high hydro bills because of this.

I ask the minister: Will you direct NL Hydro to immediately investigate the operations on the Coast of Labrador to ensure that customers are being treated fairly on hydro costs, which I repeat are consistently higher than normal?

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

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

**MR. DALLEY:** Mr. Speaker, the member opposite raises a very important issue, no question, for the people of coastal Labrador. If there is something wrong with their bills, number one, they have an option of going to Newfoundland and Labrador Hydro directly; but since the member has raised the issue, I will

gladly go back to Newfoundland and Labrador Hydro and ask them to investigate if there is any issue there whatsoever and ask if it can be rectified.

Mr. Speaker, once again, as we have often referenced in this House, as the Minister for Labrador and Aboriginal Affairs have often referenced to me about the challenges and the needs of coastal Labrador, if this is one, that the member brings forward, I will gladly direct Newfoundland and Labrador Hydro to go and have a look into this issue and do all we can to ensure that those people are treated fairly.

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

**MR. SPEAKER:** The hon. the Member for St. George's – Stephenville East.

**MR. REID:** Mr. Speaker, government committed to net metering way back in the 2007 Energy Plan but has done very little to implement this policy, while other jurisdictions in Canada have moved ahead. Today, they released a report that outlines a framework for developing a policy that might be implemented sometime in the future.

Mr. Speaker, I ask the minister: Why has it taken so long to implement net metering in this Province?

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

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

**MR. DALLEY:** Mr. Speaker, our government outlined in the Energy Plan in 2007 a vision and a direction that we want to move with respect to the development of our energy resources in this Province; net metering was one of them.

While the member opposite suggests that we have not done anything, in fact, what we have done in recognizing that we are going to move from an isolated system to an interconnected system, what we have done is we have hired a consultant to do a piece of work. The work is done. We have made it public – once again, a clear indication of an open and transparent government. We have made it public.

What we will do now is that we will consult the key stakeholders, NEIA and the Public Utilities Board, so that we make sure we put in the right policy that makes sense for the people of Newfoundland and Labrador.

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

**MR. SPEAKER:** The hon. the Member for St. George's – Stephenville East.

**MR. REID:** Mr. Speaker, I remind the House that the commitment to this policy was made back in 2007.

I would like to ask the minister: When can businesses and individuals expect to see net metering implemented in this Province? When can they expect it?

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

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

**MR. DALLEY:** Mr. Speaker, I want to remind the people of this House and the people of the Province that in 2007 when we released the Energy Plan, which was solely designed to develop the resources to benefit the people of Newfoundland and Labrador, there were 107 recommendations in that. Over ninety of those have been implemented or are being enacted and worked on as we speak, Mr. Speaker.

We have done a good job with the Energy Plan. There is more work to do, but the Energy Plan was far reaching, from 2007 and onward. We knew, as we developed our energy resources, we would have to get to a point to address these kinds of issues.

We are committed to delivering on a policy of net metering, we are committed to working with key stakeholders, and we are committed to getting it right so we ensure these kinds of decisions do not negatively impact the ratepayers of Newfoundland and Labrador.

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

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

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

The *Norcon Galatea* which government sold for \$214,000 and then leased back after a \$1 million investment by the buyer, continues to operate on the Bell Island run.

I ask the minister: How much has government spent, to date, in lease payments on this vessel?

**MR. SPEAKER:** The hon. the Minister of Transportation and Works.

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

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

This Administration is committed to providing service for people who live on islands. We have done that through our ferry replacement strategy; two vessels in the water, providing service for people in St. Brendan's and Long Island. There are two more in the process of being built that will service the people of Fogo Island, Change Islands, and Bell Island, Mr. Speaker.

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

**MR. BRAZIL:** We have a strategy in place, Mr. Speaker, to address the needs in Labrador, so we are moving forward on that.

Unfortunately, as we went to the world market, we could not find vessels that could provide a necessary gap between the new vessels coming and the service that we needed to provide. This was the only vessel available, Mr. Speaker. So we have invested, to make sure that service is provided for the people of this Province, and we are going to continue to do that. Our new vessels will be here in the next coming months.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Leader of the Third Party.

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

Christmas hampers to the poor give families some relief, but come January people earning minimum wage continue to face the same problem of not having enough money to feed themselves and their family.

I ask the Premier: Why won't this government significantly raise the minimum wage, allowing more working people to buy their own food?

**MR. SPEAKER:** The hon. the Minister of Service Newfoundland and Labrador.

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

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

Mr. Speaker, it gives me great privilege to get up and speak about minimum wage. This government has done tremendous work in minimum wage. In fact, just about in, I think it is 2006, we started increasing minimum wage. The minimum wage of the Province was at \$6. Next year it will be at \$10.50.

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

**MR. CORNECT:** Mr. Speaker, had we taken the approach of the NDP and tied it to the CPI, next year it would be \$7.50.

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

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

The hon. the Leader of the Third Party.

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

I ask the Premier: Will he agree to his own review committee's recommendation for a minimum wage increase to reflect the loss in wages since 2010 and an annual cost of living index? That is what they wanted. Why isn't he doing it?

**MR. SPEAKER:** The hon. the Minister of Service Newfoundland and Labrador.

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

**MR. CORNECT:** Like I said, Mr. Speaker, this government is doing tremendous work when it comes to minimum wage. We are looking after

the worker and the employer as well, to make sure that the jobs are there for the workers of the Province.

Also, Mr. Speaker, we are committed to consult with the people again. We are committed to doing another review in 2015, I tell the hon. member.

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

**MR. SPEAKER:** The hon. the Leader of the Third Party.

**MS MICHAEL:** Mr. Speaker, I am glad to know that the minister is going to do what legislation says they are supposed to do. That is what they have to do is a review.

I ask the Premier: What is the logic of promoting food drives while joining the Liberals and voting against our resolution to raise the minimum wage to a decent level?

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

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

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

This government will take backseat to no one in this House of Assembly, particularly the NDP.

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

**MR. KING:** When we stand here and talk about what this government has done to support the low-income earners of this Province, we have a Poverty Reduction Strategy that is the best in the country.

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

**MR. KING:** Yet, you stand here every single day and argue against the stuff we are doing to support the very people you are standing today and arguing for. It is shameful.

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

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

The hon. the Leader of the Third Party.

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

I ask the minister: If the Poverty Reduction Strategy is so great, how come the use of food banks has gone up between 2013 and 2014?

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

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

**MR. JACKMAN:** Mr. Speaker, as my colleague has said, we have a Poverty Reduction Strategy that is touted across this country.

Now, second to that, we have recognized that there is always work to be done, and we have launched consultations. I believe we sent out something like 500 invitations to groups. Mr. Speaker, the more important part to our second poverty reduction review is that we are going to speak to the people who live it daily to get input from them so that we can make the changes that will improve the lot of these people.

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

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

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

John is a senior who has a workplace injury and cannot work any longer. He now needs help. His very basic expenses are \$300 more than he takes in. He has asked Newfoundland and Labrador Housing for a rent sup. Now he is on the growing waitlist with no idea when he might get help. He is about to be homeless. He wrote me and he said he had no idea how difficult life would be for him when he turned sixty-five.

I ask the minister: What is he going to do for John and the many seniors like him?

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

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

**MR. JACKMAN:** Mr. Speaker, I have met now, since coming into this portfolio, on several occasions with representatives from Newfoundland and Labrador Housing. I will tell



you that they will step up and do what is ultimately possible to assist people such as John, Mr. Speaker – such as John. They do it on a daily basis, Mr. Speaker.

In the case of John, I would imagine that he has submitted an application. That being the case, Mr. Speaker, I have full faith and trust in the people of Newfoundland and Labrador Housing that they will find a solution for John and people like him.

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

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

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

They need affordable housing, not sympathy.

Mr. Speaker, John also desperately needs a hearing aid. Seven months ago the Department of Health said he would get one soon. He can hardly hear.

I ask the minister: What is he going to do to help John and the many people like him?

**MR. SPEAKER:** The hon. the Minister of Seniors, Wellness and Social Development for a quick reply.

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

**MR. JACKMAN:** Mr. Speaker, we sympathize with people such as she has mentioned. The thing is to find solutions, and that is what we will do. I will speak to the member's circumstance she has talked about. Mr. Speaker, if there is a way that a solution can be found, it will be found.

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

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

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

Answers to Questions for which Notice has been Given.

Petitions.

### Petitions

**MR. SPEAKER:** The hon. the Leader of the Third Party.

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

A petition to the House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents humbly sheweth:

WHEREAS Newfoundland and Labrador has the greatest percentage –

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

I ask all members for their co-operation, please.

The hon. the Leader of the Third Party.

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

The petition of the undersigned residents humbly sheweth:

WHEREAS Newfoundland and Labrador has the greatest percentage of the workforce earning the provincial minimum wage in Canada, with women, youth and those from rural areas making up a disproportionate number of these workers; and

WHEREAS the minimum wage is inadequate and does not provide enough money for the necessities of life because a person earning minimum wage working forty hours a week makes \$20,800 a year which is barely above the low-income cut-off of \$19,496 and a working couple with two children are also close to low income; and

WHEREAS in 2012 the Minimum Wage Review Committee recommended an increase in the minimum wage in 2013 to reflect the loss of purchasing power since 2010 and an annual adjustment beginning in 2014 to reflect the consumer price index; and

WHEREAS the provincial government instead legislated two twenty-five cent increases, one in October 2014 and one in October 2015 with no indexing; and

WHEREAS other provinces and territories are continuing to raise their minimum wage and six now have a higher minimum wage than Newfoundland and Labrador;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to legislate an increase in the minimum wage in 2014 to reflect the loss of purchasing power since 2010 and make an annual adjustment to the minimum wage beginning in 2015 to reflect the consumer price index.

As in duty bound your petitioners will ever pray.

Mr. Speaker, I am standing here today with over 1,000 signatures from these petitioners who have asked that I stand today and speak to this issue. They come from all over the Island. We have them from the St. John's Metropolitan Area, Mount Pearl, all over the Northeast Avalon, Stephenville, Corner Brook, Grand Falls-Windsor, Marystown, Deer Lake, St. Jude's, Sibleys Cove, Badger, Ferryland. People all over the Island who are concerned, Mr. Speaker, about the fact that minimum wage is not going up to match the cost of living.

Minimum wage – when the government here first started they did, for two to three years, put an index in. They based it on a wage that was too low anyway and then two Budgets ago they ended the indexing on that low wage. Now after four years, the workers in this Province actually got an extra twenty-five cents an hour, Mr. Speaker.

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

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

Once again, I ask all members for their co-operation. Take your private conversations outside the Chamber.

The hon. the Leader of the Third Party, to continue.

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

The workers this year, just this past month on November 1, got an extra twenty-five cents after four years, Mr. Speaker. What we have happening now in this Province is that when we were almost the best in the country with regard to minimum wage, now there are seven jurisdictions in the country ahead of us. We are now towards the bottom when it comes to the minimum wage.

When you look at a country like the US, we do not often look to them for social programs and being progressive around social programs. Yet, Seattle, Mr. Speaker, has put theirs up to \$15 an hour.

Thank you.

**MR. SPEAKER:** The hon. the Member for Carbonear – Harbour Grace.

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

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

WHEREAS a non-consumption advisory was issued for well number three (drinking water) in the Town of Freshwater on June 20, 2006 due to exceeded levels of arsenic; and

WHEREAS this well services forty-four residents of the Town of Freshwater and remains their only source of drinking water; and

WHEREAS any consumption of water from the well will pose a significant health hazard to the consumer;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to provide the necessary resources to the Town of Freshwater in order to provide clean and safe drinking water to the residents affected by well number three.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, this is a serious, serious situation indeed for the people in that town. When I stand up here and speak, I look across the way there and it is sad to say that it does not seem like there is anybody over there listening to what I am trying to say here.

We have people – it is people. They are concerned they are drinking this drinking water. It is going to pose a situation to their health, Mr. Speaker. I am going to tell you something right now, somebody on that side over there better pay particular attention to this one.

Mr. Speaker, we just had a water report released not too long ago and I am going to tell you something right now, there are 180 boil orders. I am talking about boil orders that are in Newfoundland and Labrador. Those guys over there better –

**AN HON. MEMBER:** Boil order advisories.

**MR. SLADE:** Boil order advisories, if you want to call it advisories. Mr. Speaker, the point of it is – and if they were so concerned about what is taking place here as they are at correcting me on whether it is advisory or boil order, we would have no problems.

Mr. Speaker, I am going to tell you something, those people in Freshwater deserve a little drop of drinking water, and I am going to stand in this House every day until this government over here does something about it.

Thank you very much, Mr. Speaker.

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

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

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

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

WHEREAS Labrador's coastal communities already pay extremely high hydro rates; and

WHEREAS small businesses are struggling to stay in operation against rising cost of operation; and

WHEREAS Nalcor, a Crown corporation, is proposing an 11.4 per cent increase to residential hydro rates and a 20 per cent increase to business rates;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to work with Nalcor to establish rates that are fair and consistent to the whole Province.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, I have already been on my feet a number of times on this petition, and I will continue to do so. I have to tell you, it just turns your stomach when you listen to the other side stand up and say we support the process. I stumbled across a piece that was put in the paper last week: Hydro cites aging assets, rising costs as reasons for rate increase. Fine, they want to double their rate of return on equity because they have rising costs with their infrastructure.

Mr. Speaker, why did they choose to do it on the backs of the most vulnerable, the smallest communities with the high rates in coastal communities, and then they have the gall to stand up and say they are subsidized? The people who live in those small communities, all they see is resources that pass by their door every single day and they cannot catch a break.

Back in 2013 there was a rate application that was filed and there was an area of Labrador that was supposed to have a 25 per cent increase. The Vice-President of Nalcor said in print last week the utility re-evaluated its position following a flood of criticism, because do you know what was going to happen, Mr. Speaker? If Lake Melville was hit with a 25 per cent increase, they had to shut down Muskrat Falls and everything else, they would have done it.

So, we have Hydro turn around and say well, let's go and let's target the little coastal communities in Labrador, let's target the mom-and-pop operations there, because there are just

a handful of them and there is nobody going to fight back. It is very unfair, Mr. Speaker. What is extremely disappointing is to hear members opposite say we support the process, they are already being subsidized, and we are not going to do anything about it.

Well, we are going to continue to keep this in the forefront. I will be making a presentation to Hydro to say not only did you receive a flood of criticism on your initial 2013 application, but we have big issues with this one, when small businesses are paying \$6,000 a month just to keep the heat and light on. We have seniors who are choosing, do I go out and fill my prescription or do I turn up the heat? That is wrong, Mr. Speaker.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for Torngat Mountains.

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

WHEREAS Labrador's coastal communities already pay extremely high hydro rates; and

WHEREAS small businesses are struggling to stay in operation against rising costs of operation; and

WHEREAS Nalcor, a Crown corporation, is proposing an 11.4 per cent increase and 20 per cent increase to business rates;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to work with Nalcor to establish rates that are fair and consistent to the whole Province.

As in duty bound, your petitioners will ever pray.

Now, Mr. Speaker, this petition is signed by people on the Coast of Labrador. It has been

signed by the people who are going to be affected.

I heard the Minister of Natural Resources and I heard the Minister of Labrador and Aboriginal Affairs say they support the process. I have heard many members over there stand up and say Nalcor is a Crown corporation, owned by the Crown. We own it, yet they will not do anything to protect the people of the Province from their own company.

They did two years ago when there was a 25 per cent increase for Lake Melville in Labrador West. It was pulled off the table. Why? Because there was a "flood of criticism". So, what do they do now? They go to the least vulnerable in the Province and they say yes, go ahead. Go to the Aboriginal communities. Go to the coastal communities. It is okay. That is what this government supports? It is shameful, Mr. Speaker, especially when they are going to sell power from Muskrat Falls at four cents a kilowatt hour.

Thank you.

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

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

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

WHEREAS Route 2 on the Conception Bay South Bypass Road is the second busiest highway in the Province; and

WHEREAS we must ensure the safety of the residents who use the access road, especially when driving at night; and

WHEREAS brush clearing can reduce the risk to drivers from the local moose population;

We, the undersigned, petition the House of Assembly to urge the government to allocate funding to include brush clearing for the Manuels Access Road.

Mr. Speaker, the Manuels Access Road is part of Route 2. Route 2 starts downtown at Gower Street, goes west, and then on up through Conception Bay South. The section that I am concerned with is that area from the Trans-Canada Highway to Manuels Bridge. We refer to it as the Manuels Access Road.

Mr. Speaker, there are significant numbers of moose in that area. It is a narrow area where the woods, the forest narrow out between a pond and what we refer to as Weir's pit. That is the area where moose come out through the woods and are on the highway there. I went looking for stats to see how many accidents there have been there. Right now we are just going by anecdotal information. I could not find the stats that I was looking for.

Mr. Speaker, this is the second busiest stretch of highway in the Province, second to the Outer Ring Road. In 2012, Route 2 along the Conception Bay Bypass had an average of 24,900 vehicles per day and about 32,000 vehicles on peak days. That was before it was open to Holyrood. Now, Mr. Speaker, this is not only an issue for the District of Conception Bay South; I am get getting calls from people in the District of Harbour Main, people in the District of Topsail.

To add to this, Mr. Speaker, we know that moose are more active from dawn to dusk. We have 32,000 vehicles on the highway. Most of them are travelling in the morning on their way to work, in the afternoon on their way home.

Mr. Speaker, the town has written the Minister of Transportation and Works any number of times. The first time we wrote the Premier, when he was minister. Then we wrote the Member for Labrador West, when he was minister. We did get a response from our current minister saying, basically, that there would be more tenders called. We will be considered at that time.

Now, Mr. Speaker, I find the latest tender call has brush being cut towards Kilbride, not to Conception Bay South. Mr. Speaker, the last accident on that highway was Saturday past. We need brush to be cut.

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

I remind the member his speaking time has expired.

**MR. HILLIER:** Thank you very much.

**MR. SPEAKER:** The hon. the Member for St. George's – Stephenville East.

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

I have a petition related to health care from the Heatherton to Highlands area.

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

WHEREAS there has not been a permanent doctor at the clinic in Jeffery's for almost a year; and

WHEREAS this absence of a permanent doctor is seriously compromising the health care of people who live in the Heatherton to Highlands area and causing them undue hardship; and

WHEREAS the absence of a doctor or nurse practitioner in the area leaves seniors without a consistency and quality of care which is necessary for their continued good health;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to take actions which will result in a permanent doctor or other arrangements to improve the health care services in the Heatherton to Highlands area.

Mr. Speaker, I have presented petitions on this topic before. It is a very important topic. It is part of a developing crisis that is happening in the Bay St. George area. The Jeffrey's clinic has not had a doctor for close to a year now and it is causing serious problems. There is a senior's home in the area; there are also a number of young children. Anyone who gets hurt has to travel about an hour to the hospital in Stephenville.

Also, the doctor in St. George's has announced that he will be leaving the middle of this month. Within a few days St. George's will lose their

doctor as well. People there will have to travel to the hospital in Stephenville just to get any services at all, which adds to the waiting time for everyone in the area who is serviced by the Stephenville hospital. It is a serious matter that is developing.

I want to make note that the people in the area are not calling for a new position or a new doctor. They are asking for government to take actions to recruit a doctor or a nurse practitioner for the area so that the people can get the services they need. It is something that has already been budgeted for, that is already approved. It is a position that has been in existence for a number of years. The position just needs to be filled.

That is the situation. I am looking forward to government taking some action to address the concerns that have been raised in this petition.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Orders of the Day.

#### Orders of the Day

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

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

At this time I would like to call from the Order Paper, Order 2, third reading of a bill, An Act To Amend The Highway Traffic Act No. 2, Bill 37.

So moved by me, seconded by the Minister of Finance and President of Treasury Board, that the said bill be now read a third time.

**MR. SPEAKER:** It is moved and seconded that Bill 37 be now read a third time.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

**CLERK:** A bill, An Act To Amend The Highway Traffic Act No. 2. (Bill 37)

**MR. SPEAKER:** This bill has now been read a third time, it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act To Amend The Highway Traffic Act No. 2", read a third time, ordered passed and its title be as on the Order Paper. (Bill 37)

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

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

Once again, at this time I would like to call Motion 3, to ask leave to introduce a bill entitled, An Act To Amend The Municipalities Act, 1999, Bill 41.

So moved by me, seconded by the Minister of Fisheries and Aquaculture, that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded that the hon. minister shall have leave to introduce a bill entitled, An Act To Amend The Municipalities Act, 1999, and that the said bill be now read a first time.

Is it the pleasure of the House that the said bill be now read a first time?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

Motion, the hon. the Minister of Municipal and Intergovernmental Affairs to introduce a bill, "An Act To Amend The Municipalities Act, 1999", carried. (Bill 41)

**CLERK:** A bill, An Act To Amend The Municipalities Act, 1999. (Bill 41)

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

When shall the bill be read a second time?

**MR. KING:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

On motion, Bill 41 read a first time, ordered read a second time on tomorrow.

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

**MR. KING:** Thank you.

Mr. Speaker, at this time I would like to call from the Order Paper, Order 6, An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991, Bill 39.

So moved by me, seconded by the Minister of Finance and President of Treasury Board, that the said bill be now read a second time.

**MR. SPEAKER:** It is moved and seconded that the said bill be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991". (Bill 39)

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

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

This is an extremely important day in the Province of Newfoundland and Labrador. It is an extremely important day for the people who work for the Government of Newfoundland and Labrador. It is an extremely important day for all the residents, because what we are making today, Mr. Speaker, are some changes to a pension plan covering many of the people who work in the public sector.

You might recall in this House, back in September, there was an announcement of an agreement that had been reached – a Public Service Pension Plan reform agreement, Mr. Speaker, on September 2. The then Premier of the day, Premier Marshall, and the then Minister of Finance and President of Treasury Board, Minister Johnson, announced that together with the various unions that represent employees who

are working for the Government of Newfoundland and Labrador, they had reached an agreement about reforming the Public Service Pension Plan.

That covered many of the employees throughout government, and boards and agencies, through our five largest unions: CUPE, NAPE, AAHP, the Nurses' Union – NNLU, and IBEW. These were the five unions that were a part of that agreement that was signed back in September. I am very proud today to stand on behalf of government to bring this bill to the House of Assembly.

As I am doing this, I first of all do want to thank, though, all of the people who participated in this process, particularly the leadership of the five unions that I just identified. Because this is, I think, Mr. Speaker, a shining example of when individuals understand there is a problem, that all of us need to solve and understand there is a workable solution if everybody turns their head to it and works very collaboratively and co-operatively towards a solution that benefits all.

What this legislation now does, and as I highlight some of the features of this legislation and some of the changes about to be made, I think people of the Province would recognize that this is a piece of legislation that once and for all puts in place a legislative framework for the sustainability of the Public Service Pension Plan.

Those of you might recall, Mr. Speaker, that this bill as well – the other day when I introduced and gave notice I said there were two bills, Bill 39 and Bill 40. Both of them are related but they are separate bills. I will first want to address my comments, because the piece of legislation we are debating right now is Bill 39. Bill 39 is An Act to Amend the Pensions Funding Act and the Public Service Pensions Act, 1991.

Pension reform, Mr. Speaker, is necessary to ensure that all pension plans are sustainable for employees, for retirees, and all taxpayers. We all have a significant and vested interest in ensuring that the pension plans are sustainable. We need to address what has been a growing unfunded liability in pensions and other post-employment benefits.

Mr. Speaker, it was projected that in 2014-2015 the pension and other post-employment benefits, unfunded liabilities would make up to 74 per cent of the Province's net debt, growing – in 2016-2017, that would grow to 85 per cent of the net debt if we had not taken the action. I think that speaks to the significance of this agreement and the significance of the impact this legislation will have on current employees and taxpayers of the Province.

In 2013-2014, the Province's pension interest expense alone on the unfunded liability for all its plans, not just the one we are talking about here today but for all of the plans, was \$345.5 million. As of December 31, 2013, the total pool pension fund assets for all of the pension plans was \$7.9 billion. The total unfunded liability was over \$5 billion. Overall, five defined benefit plans were about 61 per cent funded – only 61 per cent funded as of December, 2013.

The Public Service Pension Plan itself was 60 per cent of that total unfunded liability of all the pension plans. This agreement, on the future of the Public Service Pension Plan, is an important first step in reducing the overall unfunded pensions and other post-employment benefits.

In undertaking this reform, the provincial government had three objectives. These are important, because I think as we went through the discussion process with the various unions, everybody was very cognizant of what these objectives were and it was important not to lose sight of them. One was to sustain and ensure that we imbedded in an understanding that we would want to have a sustainable Defined Benefit Pension Plan.

There has been much discussion around the kind of plan we need to have, should have, and what other jurisdictions have done. We were committed to making sure that we were able to, if sustainable – and we think we can do this. We wanted to have a sustainable Defined Benefit Pension Plan. Number two, we wanted to allow for a reasonable retirement income for public service employees. Third, we needed to reduce the financial impact on the taxpayers of the Province by putting the plan on a track to be fully funded in thirty years. We believe the plan we have put in place, and the commitments we

have made and the manner in which we are going to be managing this plan, will put us on track to be fully funded in thirty years.

We have made a \$1.4 billion – we, meaning the Government of Newfoundland and Labrador, has made a \$1.4 billion payment in special payments since 2003 to the Public Service Pension Plan itself. If you consider all of the plans, all of the five plans, since 1997 the provincial government has contributed \$4.7 billion in special payments to this plan to ensure it was sustainable.

The Auditor General said in his 2013 report – he was commenting on the financial statements of the Province. He said, “Since 2007-08, the unfunded liability has increased, such that, at March 31, 2013, the total unfunded liability is now greater than it was at March 31, 2005, despite in excess of \$3.6 billion in special payments over that period. This reflects the inherent volatility related to this unfunded liability and the risks borne by the taxpayers of the Province for the retirement benefits of public employees.”

Government engaged in consultations with the unions and members of the Public Service Pension Plan and the pensioners association, back in December 2012 up until August. Mr. Speaker, there were lots of discussion, lots of opportunity for healthy input, and lots of opinions got expressed, lots of views were shared, but I think one of the things that everybody had in common, as I said a moment ago, everybody wanted to make sure the plan was sustainable long term and how could everybody turn their heads to making that a reality.

On March 31, 2014, the Public Accounts, which was discussed in this House several times in the recent past, said there was 61.6 per cent of the pooled pension fund assets belong to the Public Service Pension Plan. This was a significant program to focus our first attentions on.

As of March 31, 2014, the Public Service Pension Plan represents some 60 per cent of the \$3.8 billion of unfunded liabilities of all the plans; \$2.2 billion of the unfunded liability of the Public Service Pension Plan is the difference



between the assets of the \$5 billion and the liabilities of \$7.6 billion.

Mr. Speaker, the total unfunded liabilities for the five Government of Newfoundland and Labrador pension plans – you have the Public Service Pension Plan which we are talking about here today, we have the teachers' pension program, uniformed services plan, the MHAs plan, and the provincial court judges – has increased by some \$601 million from the \$3.2 billion recorded as of March 31, 2013.

Mr. Speaker, approximately 29,000 employees in the Public Service Pension Plan represents about 81 per cent of the approximate 36,000 employees enrolled in all of the pension plans that government administers. Public service pensioners, there are approximately 17,500. It represents almost 65 per cent of the approximately 27,000 pensioners within the combined plans.

In Newfoundland and Labrador, we have some 27,000 people retired from public service who are receiving a pension benefit from one of the five plans that are currently in place, and of that, 17,500 belong to this plan that we are talking about today.

This particular bill, Mr. Speaker, and the associated reform and the joint sponsorship agreement, provides a long-term solution to deal with the 60 per cent of the unfunded liability. The Government of Newfoundland and Labrador plans to continue with its pension reform initiative.

When we are through this one, we have to move on to some of the others. The next group that we will be dealing with will be the NLTA. There have been some initial discussions already. There is a piece of work being done now with an actuarial consultant who is doing some work on valuation of the plan, and providing some advice to both the NLTA and to ourselves as to how we move forward with it.

Each of the plans is different. The circumstances are different. The number of pensioners is different. The contribution rates are slightly different. Each of them has some slight nuances. That is why we need to deal with them individually.

We now have dealt with the Public Service Pension Plan. Next we will move to the NLTA. Then we will move to the Uniformed Services Pension Plan, and of course we have the judges program, and the MHAs plan. When we get into the Uniformed Services Plan, they are also represented by NAPE and with the RNC Association as well. Those discussions will continue.

Over time, as we have done with this one, we will successfully negotiate with those unions an arrangement for their pension plans. We will have them all on the same path, a path of sustainability and target dates and a strategy to make sure we deal with the unfunded liability.

You might recall, Mr. Speaker, that in exchange for government's commitment to put \$195 million annually into the Public Service Pension Plan over the next thirty years, the unions have made an agreement as well. The unions have agreed to increase their contributions to the plan by an effective average rate of about – or not about, it is 2.45 per cent, which would be matched of course by government. Contributions to the plan are that employees make a contribution. That contribution is matched by the employer.

The unions have also agreed that the pension associated with future service will be based on the average of the best six years instead of the current best five years. In addition, the age of eligibility for the unreduced early retirement will increase from fifty-five with thirty years of services, to age fifty-eight with thirty years of service. From age sixty with five years will change to sixty with ten years of service. As well, Mr. Speaker, the indexing of pensions related to future service would be suspended.

In order to minimize the impact on employees as they near their retirement, the changes in these early retirement provisions will be subject to a five-year transition period. So as we sat around and we talked about the plan and what needed to be done to fix it, there was recognition. This plan was a plan that was put in place by the employer – the Government of Newfoundland and Labrador at that time – and the groups that represented employees. So it was a collectively designed plan.

The challenge we were facing, as we moved into this set of discussions, was not one group or individual's sole responsibility to fix.

Government had made a commitment, through \$195 million on an annual basis, to contribute to the plan over the next thirty years. The unions involved, those I described earlier, those five unions, they came to the table and said we have to make an investment here as well; and what will our investment be? Because it is a joint responsibility and as we move forward, it will be a joint trusteeship that will manage the program. So what I have just outlined are the changes that have been made in the benefits that will be a reflection of the contributions the employees will be making to the sustainability of the plan.

The implementation of these changes to the Public Service Pension Plan requires amendments – amendments to the Public Service Pension Act, 1991, which is what is included in this bill. These actions, Mr. Speaker, have been taken to ensure the future financial sustainability of the Public Service Pension Plan, and to secure the pension promise for plan members and pensioners. Our actuarial consultants have modeled the impact of these actions on the future funded status of the Public Service Pension Plan.

Those results that I just laid out for you, Mr. Speaker, the contribution by the Province, the contribution by the respective unions, those results will indicate that the Public Service Pension Plan has an 84 per cent chance of being fully funded by 2045. Now, with the implementation of the funding policy, which the unions and the governments have just signed yesterday, this probability has now increased. The funded status of the plan will be measured every year, and corrective action, if necessary, will be taken. With each passing year, the probability of the plan becoming fully funded will continue to increase.

Mr. Speaker, we are very pleased that through our work with the unions we are able to maintain a Defined Benefit Pension Plan, which was an important issue for the public service employees, while ensuring that the taxpayers no longer had the liability for the 100 per cent of any future deficits. The agreement on the pension reform also includes provisions for the establishment of a joint trusteeship for the Public Service Pension

Plan, meaning that both government and the plan members have a responsibility for the sustainability of the plan for the employees, the retirees, and the taxpayers of the Province.

On a go-forward basis, the Government of Newfoundland and Labrador will share in 50 per cent of the surpluses and we will bear 50 per cent of all the deficits. Likewise, the employees, who are members of the plan, they, too, will share in 50 per cent of the surpluses and will bear 50 per cent of the responsibility for any deficits the plan may have. Similarly, the subject to accrued benefits for pensioners and existing employees are not being reduced. Members will share in 50 per cent of the surpluses and, again, as I said, they will also bear 50 per cent of the deficits.

As per our funding policy, as long as the funded ratio of the plan, that is the assets divided by the liabilities, remains between the minimum and the maximum funding targets, no changes will be required in the program. This funding policy lays out the parameters that will guide the people who administer the plan as to when they need to take some kind of an action.

There is a recognition that there will always be fluctuations in investment returns and you cannot be making adjustments in the plan every second day because rates have turned and the markets may change. On an annual basis, when the plan is reviewed, the funding policy lays out the parameters in which the trustees will have to take some form of action and deal with either an accumulated surplus, or to deal with a growing deficit.

Defined Benefit Pension Plans, Mr. Speaker, were originally designed on the basis that employee contributions, matched equally by government, when invested, would generate significant or sufficient returns to ensure there was adequate funding to pay for the pension as promised. Government felt the principle of a 50-50 sharing was important and is pleased this important principle is reflected in the joint sponsorship agreement, as well as the funding policy.

In addition to the legislation, there are three agreements that are in place, that were negotiated with the unions. I referenced one of

them: the sponsorship. There is a trustee agreement and there is a funding policy. The joint sponsorship agreement will establish the principles of the joint trusteeship framework of the Public Service Pension Plan with government and the plan members responsible for the sustainability of the plan and sharing equally in future surpluses and deficits.

A funding policy to ensure the long-term funding goals of the plan and the trustee corporation framework are attached as schedules to the agreement itself. The funding policy and trustee corporation framework will provide for – and these are structured entities. There are two planned sponsors: it is the Government of Newfoundland and Labrador and the plan members, the sponsors, who by their common agreement will be responsible for the future plan design changes.

There will be a sponsor body consisting of four to six Government of Newfoundland and Labrador representatives, there will be six union representatives, there will be one non-union employee representative and one retiree representative, and they will be appointed by the Newfoundland and Labrador Pensioners Association.

The creation of an independent corporation known as the Public Service Pension Plan Corporation, or PSPP, which will be a statutory corporation without any share capital and which is not a Crown agent – and that is important, Mr. Speaker, it is not a Crown agent – to administer the plan and manage the investments of the Public Service Pension Plan.

The administration of the plan will continue to be done by the employees of the Department of Finance and the Human Resource Secretariat under a cost recovery contract with the corporation and equal sharing by the sponsors of future actuarial surpluses and deficits.

The trustee corporation framework gives the Public Service Pension Plan Corporation the power to administer the plan, which includes the collecting of the contributions, the paying of pensions, and the managing of the pension fund assets. That board – the first one I talked about is a sponsorship; this one is a trustee. The board will be comprised of six Government of

Newfoundland and Labrador appointees, there will be six union appointees, and there will also be one non-union and one inactive member appointee.

Now, the Public Service Pension Plan Corporation is scheduled to be in place in March 31, 2015. On March 31, 2015, when the corporation is established, the Province of Newfoundland and Labrador will provide to the corporation a fully enforceable promissory note in the amount of \$2,685,000,000 and that is to be amortized over thirty years, and that is a part of government's contribution to address the unfunded liability.

The unions whose members participate in the plan have agreed to the plan changes, modifications to eligibility for other post-employment group health and life insurance benefits, and the contribution rates. The sum total, the value of that contribution, is considered to be \$1.128 billion. With the funding contributions made by the unions, a promissory note contribution made by the Province is what sets this plan on a path to sustainability and dealing with the unfunded liability over a period of time.

There will be employee contribution rate increases of 2.15 per cent of all pensionable earnings for all plan members, and an additional 1.1 per cent of the portion of pensionable earnings above the Year's Maximum Pensionable Earnings. That is an amount that is defined annually by the Canada Pension Plan.

This means, Mr. Speaker, that when contribution rates become effective, employees will see additional deductions on their take-home pay for each biweekly period. These contribution rates will be matched by the employer and the human resource to help facilitate this process and ensure that people have access to the information about their individual circumstances. The Human Resource Secretariat Web site has a contribution calculator. It is a tool for employees to use to see the approximate impact this will have on their individual circumstance. There is also a table as a guide for people to use that gives them the net salary and their current and post-reform amounts.

Just by way of illustration, Mr. Speaker, what that might mean, examples of any pre-tax contributions that may impact individuals, individuals with a salary of, say, \$40,000 will have an increase of \$33 in their contribution. Some with a salary of \$70,000 will see an increase of \$65. The actual impact on each individual employee's contribution will vary, obviously depending on their personal circumstance and their income level.

Mr. Speaker, as I have said, this agreement will help ensure the future health of the Public Service Pension Plan and improve in the overall unfunded pension and other post-employment benefit liabilities of the Province, which was expected prior to this agreement to account for some 74 per cent of the Province's projected net debt. This agreement on the future of the Public Service Pension Plan is an important first step in reducing the overall unfunded pension and other post-employment benefit liabilities – a step that has been endorsed by many people.

I think the employees of the Province are happy that the plan is now sustainable. We have some provisions embedded in here that were important for the employees and important for the unions that represented them, and important for government as well. We now have a plan that is on a path to sustainability. That is an important piece.

We have protected some principles here. The Defined Benefit Pension Plan was one of them that were really important, the fact that we now as an employer can still offer employees a benefits package that will make us competitive in the labour market, which is an important consideration.

We have also provided a protection for the taxpayers of Newfoundland and Labrador. What we now have, through this joint trusteeship, we have a shared arrangement. Where, as I have said a moment ago, the people of the Province through the provincial government, and the unions and the participants in the plan, will share in the future surpluses and growth of the plan. Also, if the plan finds itself in some financial difficulty, will have to share the risk associated with it – have to put the plan back on an even keel again and ensure that the unfunded liability continues to get addressed.

Mr. Speaker, I think when we look across the country many jurisdictions have done some things different with their plans. Some have suggested: Why didn't you do what Nova Scotia did? Why didn't you do what New Brunswick did? Why didn't you do what somebody else did? Every province is unique. Every province is different, their circumstance is different. The arrangements to be made by employers and the unions who represent employees are different and unique.

We believe what we have come through with the discussion process that we have been involved with for the last couple of years around pension reform in this Province and the detailed set of discussions and negotiations that have taken place between the various unions that represent the employees and the provincial government will put us in a position, Mr. Speaker, where our plan provides a number of real key benefits. As an employer, as a Province, and as a government, it puts us in a position where we can now ensure our employees have a plan that will be there for them when they retire.

We made sure we were true to the principles of wanting to ensure we did not affect the employee, the people who are retirees today. We wanted to make sure that employees' accrued benefits were protected. We needed to ensure that as we moved forward this plan needed to be sustainable. We needed to ensure that as we move forward there would be a sharing of the values and benefits of the plan, but there would also be a sharing of some of the risk associated with having any future liabilities grow within the plan. I think we have achieved that.

We have achieved it successfully because we were able to sit down with the unions involved. There was obviously, as things unfolded – we had an agreement signed off in September that outlined the principles of what the reform would look like. Over the period of time from September 2 to today – and it was not until yesterday actually we had the signatures affixed to the sponsorship agreement that I talked about, and the trustee agreement that we talked about. There are details in those agreements that reflect a management process and an involvement with all who are affected by this plan. It reflects a way forward to administer this plan and to share

in the discussions, share in the decision making that will be mutually a benefit to everybody.

I want to conclude my comments at this time by once again thanking all of the people who participated in this process, the unions who made a commitment to ensure we had a successful pension plan reform for the long-term sustainability and protecting the interests of pensioners, retirees, current plan contributors, and the taxpayers of Newfoundland and Labrador.

I think we have a model here that will serve us well. It is a model I think that other parts of Canada may want to look to as an example of how when you have a single focus, which is to ensure we have a plan that is sustainable, we have a level of co-operation and a commitment to making sure it works. I think we have demonstrated clearly that we are able to deliver a plan that everybody is happy with.

It is unique to Newfoundland and Labrador. It is somewhat different than other jurisdictions but I think we got it right. As we move forward with the others that I just talked about – we will be engaging with the NLTA. We are continuing our engagement with them early in the New Year. We are extremely optimistic that we will have the same degree of success with concluding those discussions. We will move on to the Uniformed Services, and move on to the judges and the MHAs plan. We will do the same thing with those, that everybody in the Province will be well served by the efforts of everybody who is at the table negotiating the restructuring of the Public Service Pension Plans.

Thank you, Mr. Speaker, for the opportunity to make this contribution. As we go through the debate in Committee, there may be some very specific questions that I will be only too glad to answer. I think this is a good day for the employees of the Government of Newfoundland and Labrador and a good day for the taxpayers of the Province.

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

**MR. SPEAKER (Littlejohn):** The hon. the Member for Virginia Waters.

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

I am happy to speak today to Bill 39, An Act to Amend the Pensions Funding Act and the Public Service Pensions Act.

Mr. Speaker, I will certainly be clear upfront that the Official Opposition will be supporting this bill. We have had the opportunity to participate in numerous briefings this year, including our first briefing back in May. More recently, yesterday on the changes and the evolutions that are going to take place in the pension programs that have been talked about by the minister today, and we will certainly be supporting that.

It gives me great pride to stand here, as a matter of fact, as a member of the Official Opposition and talk about three fundamental pieces that the Leader of the Opposition has consistently spoke about when it came to pension reform. We have always stated that there were three conditions that had to be met in order for us, as an Official Opposition, to support changes in the pension plans.

What we have said, and what the Leader of the Official Opposition has said, is that it had to be a negotiated benefit, and quite evidently it is. Government, as well as unions, had to all sign on to the deal. We have said that it could not affect current pensioners. In fact, it is not. Importantly, it could not shock the system. Certainly, what we are talking about today is a strategic plan to evolve our pension program into one that provides stability in the future and that does not shock the system.

I do want to take a moment to thank the staff, as I said earlier, who provided the briefings, but I also want to take a moment to recognize the unions that are here in the House today. The Newfoundland and Labrador Association of Public and Private Employees, the Newfoundland and Labrador Nurses' Union, the Canadian Union of Public Employees, and the Association of Allied Health Professionals, as well as the International Brotherhood of Electrical Workers.

I want to say a particular thank you to the union leadership. There is a profound responsibility that these union leaders have for their membership. As was articulated by the minister earlier, these discussions certainly have, I am

sure, presented challenges but true leadership is about facing the challenges and facing the facts and facing reality. I want to say congratulations to the hard work that the union leadership have demonstrated. I congratulate them for their efforts and for their hard work that they have put in to get the changes to this point.

I had the opportunity to sit in and observe the press conference when the announcement was made. It was certainly evident from the demeanour of the union leaders who were present that day that they take their responsibilities very seriously for their memberships. They are to be congratulated for their hard work and long hours to get to where we are today. So thank you.

I also want to take a moment to thank the Newfoundland and Labrador Public Sector Pensioners' Association because you cannot have a conversation about affecting pensions and changing pensions unless you clearly recognize that potentially could have an impact on people who are earning pensions right now. Having that voice and having that important stakeholder group represented I think is a very important part of the process.

This particular change to the pension programs for the Province deals with about 60 per cent of our pension issue. From an asset perspective that is, I believe, about \$5.2 billion from the Public Service Pension Plan out of a total of about a little over \$8 billion of total assets. We have addressed 60 per cent of the problem and that leaves 40 per cent left.

In the interest of adding some levity to the debate, I found it curious that the minister, when he listed the pension plans that are left to be addressed, he left MHA pensions as the last pension plan to be addressed. I will start my comments by saying we advocate that the MHA Pension Plan be addressed as quickly as possible. Our leader spoke about that in June. We have made a public commitment that we will address the MHA Pension Plan. We certainly look forward to and encourage government to make the same leadership commitment that we have.

As a background, I mentioned earlier that we had the opportunity to sit in on a briefing in

May. That briefing was held with the Department of Finance and it was regarding the government pension plan. There was a technical briefing and there was a tremendous amount of information that was provided.

As members of this House know and the listening audience at home understand, the Newfoundland government has a pooled pension fund that currently contains five defined benefit plans. There is the Public Service Pension Plan, which we are specifically talking about today, the Teachers' Pension Plan, the Uniformed Services Pension Plan, Members of the House of Assembly Pension Plan, and of course the Provincial Court Judge's Pension Plan. The audited financial statements for the fund as of March 2014 indicated that the total fund assets were about \$8.1 billion with estimated liabilities of about \$12.9 billion, which resulted in an unfunded liability of about \$4.8 billion, or a funded ratio of about 63 per cent.

One of the things that struck me as I was listening to the technical briefing we had back in May was the plan membership. Total membership in the pension plan as of May 2014 active members who are paying into the pension plan were a little over 36,000. People who had deferred their pensions was a little over 6,000. Pensioners represented almost 27,000. That combined means we are talking about changes that impact the lives and the families of about 69,000 individuals. That is why it is important for changes to be made in a way that is respectful and mutually agreed upon. Certainly sharing the risk on a go-forward basis, I think, is one of the reasons why we will be supporting it.

Interestingly enough, though, when you dig down under the numbers and you talk about the average pension that is paid out, the public service pensioners' average pension is a little over \$16,000. I think for many people in this House of Assembly, understanding how our public service employees continue to be challenged around the increasing cost of living when you think of a pension plan that is about a little over sixteen and a half thousand dollars, well, you can certainly have an appreciation for why this is a very serious conversation for us to undertake in this House – particularly as an employer of so many, and wanting to be a respectful employer of so many.

The average pension for the teachers' union is about \$29,000; for uniformed services, it is about \$26,000; MHAs, it is about \$36,000; and the provincial judges, it is about \$44,000. The annual contribution to the plans right now in 2013, government contributes about \$164 million and the employees contribute about \$187 million. This is not split 50/50, because some people actually buy back some of their pensions.

As I mentioned earlier, in June 2014, earlier this year, the Leader of the Official Opposition announced that he would take a leadership approach to reforming the MHA Pension Plan; and certainly this side of the House is looking forward, as I said earlier, to that discussion, and we would eagerly encourage government to have that.

Pension plans currently account for about 74 per cent of the Province's projected net debt as of March 31, 2015. There was about 27,000, as I said earlier, contributing plan members. With announcements made about this change impacting many people, these five unions and government came together to make the changes.

The pension plan intentions were that it would remain a defined benefit plan, and obviously, the changes were contingent on the unions and government implanting a joint trusteeship. As the minister referenced, this would require government and unions to be responsible for the sustainability plan inside a corporation or a partnership where they shared equally the risks of deficits, and equally the rewards of potential surpluses. In addition, the administration of the plan would be overseen by, obviously, this independent corporation and the fund would be held in trust by that corporation.

This responsibility for these new fourteen directors who are going to take on the responsibility of managing this pension plan is a huge responsibility. There are many people depending on the viability of this pension plan going forward, and the responsibility of those individuals who both union and government choose to add to that board will be a heavy burden to make sure they do the background information and they have the best expertise available to them to make the decisions that need to be made in the best interest of the plan owners.

As I said earlier, the sharing of risks and rewards is going to require an attention to detail and an ability to be nimble and move quickly that this corporation should be able to provide, as has been demonstrated in other jurisdictions.

Mr. Speaker, I am very pleased to stand here and again say a thank you to the union leadership for the work they have done, and we look forward to standing in the House and supporting the bill as it is presented.

Thank you, Mr. Speaker.

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

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

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

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

I am pleased to be able to rise and speak on Bill 39, An Act to Amend the Pensions Funding Act and The Public Service Pensions Act, 1991. I think this is something that affects everybody in Newfoundland and Labrador. If you are not getting contributions from this pension plan, then certainly as a taxpayer within the Province you are contributing towards it. So I think it is a very important piece of legislation that we are talking about here today.

As the minister and the member from the Opposition both did, I would also like to acknowledge the union leaders. When you say union leaders, you talk about – for the union leaders, this was a huge step to take to come together with government and show their leadership, and show how important it is that government and the unions come together to address, first of all, this issue of the pension plan and then to find a solution as to how we can make the pension plan sustainable.

I certainly would like to acknowledge and thank the union members and their leaders, especially, for showing their leadership in doing this.

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

**MR. MCGRATH:** In saying that, I would also like to acknowledge the government of the day

for addressing this. I participated in many of the conversations in bringing this forward. I remember the former Premier using the analogy of kicking the ball down the road, or kicking the puck down the road. You can continue to do that if you want to. Eventually, as you move forward, it is going to be there waiting for you. I acknowledge the government of the day for addressing this and working with the unions and the union leaders to address the situation and find a sustainable way to move forward.

Also, the senior officials within the departments that dealt with this act, they have done a phenomenal job in working with government and with unions to bring this forward to where we are today. In saying that, I would like to thank the senior officials who gave the briefing today. It was an in-depth briefing. I have to say, as I was going through the briefing, I was sitting there and thinking to myself, why am I standing and speaking on this bill, because it is a very complex piece of legislation that we are dealing with.

On September 2 of this year, the government and the five largest unions, as you have heard the previous speakers talk about, the AAHP, CUPE, IBEW, NAPE, and the Nurses' Union representing the Public Service Pension Plan, signed the Public Service Pension Plan Reform Agreement. Basically what this agreement is going to do is ensure the sustainability of the pension plan into the future.

We are going to see some of these changes to the Public Service Pension Plan and the defined benefit plan coming into effect on January 1, 2015. The amount of work that has gone into this – and as I stated, I was involved in quite a few of the conversations and the negotiations that were happening. To see that being implemented, starting on January 1, is going to be a proud day for both government as well as the unions to see this happening.

The implementation reform began today or yesterday when we saw the unions and the government signing the agreement. Talking about bringing this to second reading today in the House shows the joint sponsorship on the pension reform. I think that is so important.

The government and the five largest unions that represent the public service pension unionized members signed this agreement, the Pension Plan Reform Agreement. That was signed on September 2 and then today we are starting to bring that forward.

As you heard the minister mention earlier, there were three main objectives that the government had in bringing this forward. First of all was to have a sustainable Defined Benefit Pension Plan. I think we have all realized over the years, either through our own private lives or as public figures in the Province, that if you have a plan of any kind and it is not sustainable, then it does not work. It was very important that we have a pension plan and a Defined Benefit Pension Plan that will sustain itself.

Secondly, we wanted to allow a reasonable retirement income for the public service employees. That is only fair that after years of service and paying into a plan, you want it to be a plan that is reasonable. It has to be a reasonable retirement plan. If not, you do not get the buying into it.

Thirdly, we wanted to reduce the financial impact on the taxpayers. As I said in my opening comments, the taxpayers are also paying into this pension plan through their everyday lives. So, if we can remove some of that burden for the taxpayers, then it affects everybody in Newfoundland and Labrador. We are hoping this plan that we are working with now jointly over the next thirty years will sustain itself.

As I stated, we did work closely with the unions. We have a joint sponsorship agreement, or an arrangement there through the funding policy and the framework, and that is forming the Public Service Pension Plan Corporation. That will work with the joint trustee. I think this is a great accomplishment there in the agreement.

One thing that was there for the public employees was ensuring that the taxpayers were no longer liable for 100 per cent of future deficits. Having this joint agreement of the government being 50 per cent responsible and the unions being 50 per cent responsible, I think that gives ownership. Through the great leadership we are seeing in both government and



in the unions today, that was one of the important things, to me, that I felt was giving some strength and meat to this agreement.

Now that we have these agreements and the legislation before the House of Assembly, what we have to do now is inform those who are impacted by it. Make sure we get the details out there, make sure the changes are there, and make sure the people who this affects can understand exactly what is happening. Because I have no doubt, as we all have over the past few months, when it became public that this reform was going to happen, there were a lot of questions being asked. A lot of questions are being answered, but there are a lot of people who are trying to understand exactly how this will affect them. It is important that we, as a government, make sure we can get that information out there.

We are asking that people be patient. We will provide the information. As you heard the minister comment, he will certainly be answering questions here in the House. I have no doubt there will be questions asked to him, and he will be answering questions there.

Through our Human Resources Secretariat, on their Web site there is a lot of information already posted on that. I encourage people who do have questions and have access to that Web site, go on the Web site and you will get answers there. If you are like me, I do not like going on a Web site. I like the tangible piece of having a face-to-face conversation. I feel, for me, it works better when I speak with someone. Obviously, we have a lot of other people who feel the same way.

We have dedicated staff right now in place. They were put in place in September. They will remain in place, the dedicated staff, to answer questions and walk people through this reform.

Since September 2 – up to December 9, actually – we had 1,364 calls. We had 266 e-mails, with a total of 1,630 inquiries. As I stated, a lot of people are asking questions. They are looking for clarity. They are looking at how this is going to affect them.

Again, I commend the government for having that dedicated staff in place to answer these questions, giving the opportunity for people to

understand exactly how they will be affected. We will keep that dedicated staff in place throughout the process in January. I would certainly encourage people to take advantage of that and get your questions answered there.

The joint trusteeship of the Public Service Pension Plan means that both government and the members of the plan will be responsible for the sustainability. That takes the active employees right now who are there, retirees, and also taxpayers who are paying into it, we will all share equally. As you heard the minister allude to earlier, we will share the surpluses and we will also share the deficits.

What it does, it gives the ownership to manage the retirement plan whereas before, when government was 100 per cent responsible, that meant the taxpayers are 100 per cent responsible. If there was a deficit there the taxpayers were paying it all. Whereas now with the joint ownership here, I certainly feel that the management of the plan is stronger with this joint trusteeship.

You heard the minister mention the Other Post-Employment Benefits Eligibility Modification Act that is going to be there. There are going to be changes there. That is some of the changes that we do see in the act itself. There are the ten years of pensionable service instead of five, the immediate retirement under the Public Service Pension Plan upon termination of the employment for new employees.

One of the other key factors that I think people – one of the questions that was asked: How does it affect those who are already within the employment? Some of the changes there, a lot of this will refer to new employees as they come on after January 1, 2015. In the bill there will be a five-year transition period. I know that had a lot of discussion. That five-year transition period is for the implementation of the changes that will come.

Employees who qualify for the unreduced pension, they will have a transition period and be grandfathered under the current rules for group health and group life insurance benefits, if they have five years of service, within that five years. The employees who qualify for the reduced pensions, they must retire during the

transition period, within that five-year period. They would have to retire within that period in order to qualify for the group health and group life insurance benefits as they are now.

Then we have deferred pensioners. Deferred pensioners are people who no longer are employed with the public service, but they have deferred their pension so that when they do retire they want to avail of the benefits. They will have to meet the eligibility requirements for the unreduced or the reduced pension, and they must retire during that transition period, the five-year transition period.

After the transition period, an employee will not qualify for group health and group life insurance benefits unless they have at least ten years of service. It will go from in the old plan of five years' service, after that it will be ten years' service. This again gives an opportunity to strengthen the plan.

The pensions bill itself provides for the establishment of the trustee corporation, and this gives effect to all plan design changes and contribution rate increases effective as of January 1. That would happen in 2015. With those amendments, the Pensions Funding Act removes government's deficiency guarantee and that is what we talked having a joint responsibility or a 50-50.

There will be an employee contribution rate increase – and again, I have to acknowledge the union leaders. That was a huge decision for a union leader to have to make. They realized that these changes had to be made and they went out and they sold that to their union members. Again, I acknowledge them for taking that bold step and showing their leadership in being able to do that.

The employee contribution rate increase of 2.15 per cent for all pensionable earnings, for all plan members, and an additional 1.1 per cent for the portion of pensionable earnings that are above the Year's Maximum Pensionable Earnings – I know that the minister did give some examples there. For example, some of the increases that you are going to see, on a salary of \$40,000 you would see an increase of \$33. For a salary of \$70,000, for example, you will see an increase

of \$65. Those are examples of the contributor's contribution there.

This agreement is also going to help to ensure the future health of the Public Service Pension Plan. I think that is so important because right now as we talked about – and I was reading the Auditor General's report. Right now, the pension plan is responsible for 74 per cent of the Province's projected net debt as of March 31, 2015 – 74 per cent. That number is a staggering number and needs to change, thus the reason we are debating this today.

This agreement for the future pension plan is an important step in reducing the overall unfunded pension. We know we have to reduce it, and this is a very important step in where we are going with that today.

In the Auditor General's report, I noticed that he commented how there was \$2 billion put in first and then over the last decade, there was also a \$1.6 billion contribution, for a total of \$3.6 billion since 2005 put directly into the pension fund. Yet the pension fund, the total unfunded liability right now is greater than it was in March 31, 2005, even with that influx of \$3.6 billion put into it. That is a staggering statistic when you look at it. I normally do not like using statistics, but I think that is one that needs to be brought out. Even with \$3.6 billion that has been put into the unfunded liability, the number today is greater than it was in March of 2005.

Also, in the Auditor General's report he commented that there were 52,000 people who were beneficiaries to the pension plan in 2004. In 2013, it went from 52,000 to 69,000 benefactors to the plan. That is an increase of 17,000 people or 33 per cent who have gone in. There is 8,000 – or 47 per cent is the result of an increase in the number of individuals who are receiving pension benefits. You can see that even though there have been huge influxes of money put into the plan, there has been a lot more coming out. When you get those numbers, you get the results that we are dealing with today.

Some of the highlights from the agreement that was reached in September, I will touch on. Of course I talked that we wanted to maintain a defined benefit plan and it was very important

that we have that there. The element is important for the public employees and it is also important for the taxpayers of today.

The five-year transition period, I talked about that for changes to the early retirement benefits. That was debated so that there is fairness to the people who are affected. The five years is a good point.

Employees can have their past service frozen for their best average earnings for the best five years. If you have twenty-five years in already, that can be frozen – your best years are in there. After January 1 if there is a decrease, you can actually still use your best five years. That is important.

The joint sponsorship agreement establishes the joint trusteeship. I think that is going to work very well. That is government and the plan members. They will share equally, both deficits and surpluses. Hopefully there will not be any deficits, it will just be surpluses.

Mr. Speaker, I see that my time is running out. I could talk for another twenty minutes on it, actually. I am glad I had the opportunity to stand up and share my opinion on where we are. I am certainly going to be supporting this. I look forward to the rest of the debate.

Thank you very much.

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

**MR. SPEAKER:** The hon. the Member for St. Barbe.

**MR. J. BENNETT:** Thank you, Mr. Speaker.

I rise today to speak in support of this bill that will change and secure the Public Service Pension Plan for this Province for the foreseeable future. I think it would be remiss if I did not mention somebody who is not here today, who may well be watching us, and that former Premier, the immediate past Premier, Tom Marshall. I heard him being quoted as saying he wish he had spent more as Premier.

Mr. Speaker, I think when we look back on this piece of legislation – maybe when others look back on this piece of legislation – many will

conclude that few Premiers will have made as significant a contribution to the Province in such a short tenure as Premier Marshall did with this legislation.

He and I have been political opponents since we were teenagers in 1968. So that is a while ago, but he is a great guy. I cannot understand what he was doing wearing blue. It should have been red all along, but in any event he is a great guy.

Credit needs to go to other people as well. We do not have any super humans here, even though he was and continues to be highly regarded. I think credit needs to go to all the unseen people in the Department of Finance and other departments who have worked to make this become nearly a *fait accompli*, and certainly all of the union representatives who were involved in this discussion and negotiation. It must have been difficult. It must have been time consuming. When you see concessions all around – and there have been significant concessions, and I can see it simply by reading the material that all parties must have made significant concessions.

Not to overlook the current members who I am sitting in Opposition to today, because even with the efforts of Premier Marshall and others before, this could not have become a piece of our legislation without the ongoing efforts of even the current Minister of Finance. We may be in opposition on many issues, but, clearly, today I think significant credit needs to go to the current Administration for seeing this through and for providing what I consider to be very good legislation for us to be able to vote on. Is it perfect? Probably not. Few things are perfect.

I am not here today to find any flaws, if I can find any; generally, that becomes seen over an evolution of time. One of my old law professors used to say that it is really important not to let the perfect become the enemy of the good because if a person always insists that something must be absolutely perfect, they will never do anything and then they never get anything good done.

I think in reading the proposed bill, in reading the background material, and my understanding of pensions – and I have had a background in pensions from many years ago. On that basis, I

think this is a very good step in the right direction that will help the Province, that will help the pensioners, and will help us overcome what is a very substantial liability to the Province in an obligation that is accumulated to the people who have worked and helped build the Province and get us to where we are today.

Mr. Speaker, when we look at pensions, I would like to speak generally about pensions. Pensions generally come in two types. Pensions are not recent. In the history of pensions, pensions started out around 1870 or so when Von Bismarck, who was a Prussian leader, felt that they needed to do something for old soldiers. It was not long ago; it was 1870. He could calculate that approximately 3 per cent of the old soldiers got to live to be sixty-five and something should be done for them. If you consider that this comes from Prussian general, who had been successful on the battlefield – except when he came to North America wearing red and all settlers could shoot all his soldiers because they did not have sense enough to wear camo or whatever.

If 3 per cent of the old soldiers would survive, that is really where pensions got to be started. Then, over time, we have evolved into different types of pensions. Of the two types – this is, Mr. Speaker, more for people who may be watching who may think that pensions are complex because, yes, pensions are complex. Pensions come in two types; one is defined contribution and one is defined benefit. We have opted for and continue to opt for defined benefit.

Mr. Speaker, in defined contribution it means that you pay a certain amount for however long and whatever money has accumulated, that buys you a pension. It is sometimes referred to as an annuity, but you do not know what you are going to get until you get to the end and figure out how much you saved and how much you made.

Well, a defined benefit is the opposite. A defined benefit means that you have a formula, you have an amount, and you know if you get to certain points you are going to get a certain amount of money. Then we have to stop and figure out how we fund that certain amount of money. How do we make sure we have enough

cash available, enough investments that we are able to fund all of the obligations that the actuaries have said you owe to these people?

The actuaries are the people who sit down and take the mortality table, which gives them the life expectancy, they take the investment rates of return, the number of people, and how much money do we need. Over time, government – and it is commonplace that governments at least in North America have underfunded pensions. They have taken the money that has been made as contributions; it is gone into general revenues. Then they have paid pensions out of general revenues, which means we have fallen further and further behind in the amount of cash that it would take to fund those pensions.

This bill today says that we are going to fund somewhere in the order of \$2.685 billion, but we do not need all of that money today. What this bill does, it says we do not need it all today, but we will fund it over the next thirty years and pay it off. That means that we get back to where we need to be, which is fully funded in thirty years and we have a formula to get there. That is where we are today. At the rate of \$195 million a year for the next thirty years, I did a quick calculation; I think we are assuming about 6 per cent interest on that. That would be paid off in a thirty-year period.

Then we have to look at the ongoing. The pension contributions have been stepped up significantly. When you step up pension contributions, it means that people have to pay more today for the money that they would take for car payments, house payments, groceries, all the things that people pay for. You have to take more of your income today and put it down for the pension you will get in the future. This pension plan, this proposal does this. All of these monies then need to be invested. It is no small feat to invest successfully for pension plans over the long term.

Mr. Speaker, if you consider that at the close of Toronto Stock Exchange yesterday the TSX had made 1.70 per cent for the year across the board – the TSX made 1.7 per cent over the last year. Specialists who invest in pensions tend to invest for long term, ten-year bonds, thirty-year bonds, and even longer if they can get them. There is a significant art to investing in pensions.

This is important because the union has agreed to accept the risk. The risk is that maybe the pension – typically pension underfunding comes about because investment yield is not what we thought it would be. So we have agreed to a shared risk on shortfall and a shared risk on surplus, which seems only fair.

Why this has been contentious over many years is that over the last few decades with Defined Benefit Pension Plans, particularly corporate ones – not government ones, but corporate ones – is that people have made contributions and when interest rates were really high, there were significant returns within pension plans. This was only to have people who were then shareholders or corporate raiders who would see the accumulated surplus in a pension plan. They would do a leveraged buyout, they would do a raid, buy all the shares they could, downsize the company, get rid of all the employees, windup the pension plan, and pocket the surplus. That really has been, in part, the history of pensions in North America – more in the United States than here, but definitely in this country as well.

The agreement to have a 50-50 share on surplus and a 50-50 share on shortfall is, in my view, eminently fair. It means that if the pension plan does better than we had expected to do, and there is a surplus that has accumulated – and actuaries will value the pension plan on an annual basis. It will not be a matter of waking up one day and finding out we are way behind. It will be on an annual basis. So, on an annual basis if we are falling short, we have to decide to how to cover the shortfall, and if we are getting ahead, then we may have to decide what to do about that. Although, I suspect that all parties to this agreement will be willing to wait until there is a significant surplus accumulated in the pension before you would move on any of that at all.

If there comes a time when the pension plan is in surplus of very much, then probably it will go to additional benefits to some of the people who contributed. Maybe it will go into a reduction of premiums for a period of time. To have a formula in place, an agreement today which says what are we going to do with the extra money, oh, and what are we going to do if it is not working out so well, it means we are going to

share it 50-50. Mr. Speaker, to me, that is eminently fair.

So this pension plan legislation may well be the most important piece of legislation that this Legislature passes. I mean even including some of the pretty high-end legislation, such as Muskrat Falls legislation, which was big-dollar legislation. This pension legislation is something that provides a formula; it provides peace of mind to pensioners today who will not be affected. It provides peace of mind to people on an ongoing basis. It provides us with a mechanism and a formula to pay off a pension shortfall which is more than \$2 billion. It is a pretty hefty shortfall to have to pay off, because it does that over thirty years and it provides a formula to share both in the upside and the downside.

Mr. Speaker, I have no reservations about supporting the pension plan. We do not want investment yields to be too high, believe it or not. If investment yields are too high it usually means that there is inflation. If there is inflation, it eats away at the amount that people have accumulated already. We need to have a relatively stable economy, not that will ever likely happen in our lifetimes, but there will be ups and downs. The formulas are here to be able to adjust for the ups and downs.

In my view, this is eminently fair and well thought out. The Official Opposition has no reluctance to support this bill.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The hon. the Member for Signal Hill – Quidi Vidi.

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

There are times we stand and say we are pleased to speak to a bill, I am sure all the time we are, and to speak to an issue. I have to say that I cannot imagine being much more pleased than I am today with regard to the piece of legislation, Bill 39, that we are discussing, and then Bill 40, which was related and we will be discussing after this bill I would assume.

To have this bill in front of us, a bill that actually goes against the grain of what is happening in many sectors in Canada today and outside of Canada, is something we really should be proud of. This bill is making sure that the public service sector workers in our Province are going to be secure and have a sustainable future after they finish their paid work with the government. I cannot imagine something that is better than that.

For a long part of the time that I have been here in this House, the issue of the public service sector pensions has been there. It has been an issue. It is something that has been ongoing. I am happy to say, along with others in the House who have done this, that over the years that the former Premier was first Minister of Finance before he became Premier, and even when he was Minister of Justice, on a number of occasions we discussed the whole issue of the public service sector pensions.

Initially, he said to me privately what he eventually did and what he eventually believed, and that was he absolutely believed in the Defined Benefit Pensions. It was something that he believed we could not let go of, and it is exactly how he put it to me. I think he said it publicly too. We have to protect the Defined Benefit Pensions, and I have to find a way.

I remember at one point saying to him, because he was going through a lot of studying of pensions. One of the ministers mentioned the model in New Brunswick – it may have been the Minister of Finance – and other models in the country. He looked at them and he was not satisfied. One day when we were chatting, he said, you know, we have to be able to do it. I said to him, do you know what, Tom – if I may say that, he is no longer in the House – I am positive that with your spirit and when you sit at the table with the unions you are going to find the resolutions. Because I really believed that unions that represented the workers wanted a resolution.

The Minister of Finance at the time, and then the Premier, wanted a resolution. I absolutely believed that with everybody believing in defined benefits, as he came to, he rejected the New Brunswick model. He told me about that, rejecting the New Brunswick model. When they

finally got to the table there was such a common goal that I really believed they would come up with an agreement.

The legislation we are here with today is the legislation that puts in place the details of the agreement. I want to thank the department, actually, for both the briefing we received some months ago with regard to the agreement when the agreement was reached. It was really, really helpful. I have the papers here. I have the document in front of me, where they spelled out for us all the changes, the old plan, the new plan, and spelled it all out. They did a fantastic job actually doing that. So when we had the briefing on the legislation, that became very simple because it was putting in place in legislation the details from the agreement that had to be in legislation.

I really do want to thank the former Premier and his leadership. I am sure his Cabinet must have agreed with him as well, but his leadership was such it was wonderful.

I want to thank the leadership of the unions. Others have done it but I think it is really important for me to do it as well, because it was the goodwill of everybody and the determination to find a way through.

When you look at some of the things that have been agreed to by the union side, you see compromises, and I think that is very significant. The change in age, for example, from fifty-five to fifty-eight, that is a compromise. That is something I am positive they must have had to sell to their memberships, but they were able to show what balanced out with the compromises they made. There are compromises there on the side of the government, too. They are to be applauded, and our party does applaud them for coming to the point they came to.

I think one of the most important things to recognize with what we have here today because of this legislation, that with the setting up of the Public Service Pension Plan fund being held in trust by a separate corporation, which both parties have equal participation in, is doing something extremely significant because it takes the pension fund out of the reach of government.

We all know, maybe somebody said it here this afternoon, one of the reasons we got into such a mess with the unfunded liability of the public pensions was because government almost used it as a slush fund.

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

**MS MICHAEL:** I said governments. There were several governments involved in this. Both the Tories and the Liberals may take responsibility for the way in which it was used as a slush fund.

What this does is recognition – and we are all supporting this. We all believe that should not have happened or we would not be supporting what we are voting on here this week. We all believe it should not have happened. By setting up this joint management, a separate fund under a board and joint management with all of the regulations that are going to cover that joint board, we now have security with regard to the fund that will maintain pensions for our public service sector.

I think it is really important that the projections of everything that is being planned say that we would have a funded liability of 98.5 per cent of the fund within fifteen years. That is a tremendous goal to have. Because the board for the joint management is a board made up of, both of members from the unions as well as from government side, I am sure there is always going to be a will – with that 50-50 partnership on all levels, there is always going to be a will to make sure that goal is maintained and work towards that goal because it is in everybody's benefit to do it.

Having a public service sector pension is extremely important to the economy. Not just important for the workers themselves, but important for the economy because they are contributing to the economy, pensioners are contributing. If pensioners are living in poverty – and we do have some pensioners who are. It is an ongoing issue. We have pensioners who are going to food banks. We do have some who are; the statistics show that. We have the information that shows that. We have the information that shows that. Then this is something we want to right, this will go towards

righting it in the future, and I think there are ongoing discussions that have to be held.

I think those discussions also have to be held with regard to the federal level because we do have our public pensions, our OAS and Canada Pension Plan. I think we are going to have to keep pressuring. I know the party I represent provincially believes, federally, that we have to increase the OAS and the CPP. We actually do have a public pension plan that can go along with workplace pension plans to make sure that nobody who has worked for money throughout their life, or even for part of the time, should be living in poverty.

So I think that is a goal we all should have, and I think we all do have that goal. This is something that we have to keep working on, obviously politically, both on a provincial level and a federal level.

The fact that we now have a fund which is overseen by the board, which is 50-50, government and unions, the fact that we have a fund that is no longer under the sole trusteeship of the minister is something we should be proud of. I think the other thing that we should be proud of too is, and this was something that I discussed a number of times with the former Premier, the fact that there was so much pressure from other sectors, from the business sector in particular, to get rid of defined benefits.

Basically, if we had gotten rid of defined benefits, if the government had insisted that was going to be the path they were going down, if we had gotten rid of that, basically the public service sector workers would have had a pension that was more or less like an RRSP, Registered Retirement Savings Plan. That would not be good; we all know that. This way, with defined benefits, everything that is in there, what is going to be covered, is named. The benefits are defined. The benefits are in place. That is what is so wonderful, that we have maintained the defined benefits plan in spite of pressure from outside to get rid of it.

I noticed today while I was reading an article that had been written by the President of CUPE about having been at a Board of Trade luncheon, the Board of Trade luncheon had a speaker who was speaking to them about getting rid of

defined benefits plans and he was received very well by the Board of Trade at this luncheon. That in itself was a red flag, a concern that the Board of Trade seriously wanted to get rid of the defined benefits plan. Did all individuals? I do not know, but they did have speakers who went down that road. It is something for us to be proud of and not just proud of, but to give us a sense that the workers are going to be taken care of.

Most is what I wanted to say about the act itself – I am not going to go into details because the details have been dealt with, first, by the minister who did a very good job of laying it out and I congratulate him on that, but also by others. I think the details are quite clear to anyone who has been watching. If it is not, they can read Hansard. I just want to make some more general comments with regard to the public pensions.

We do have an aging population. We all know that the population of our public service sector, the average age is fairly high, going back to when there were many, many layoffs where younger people got laid off. That again was under more than one government that it happened here in our Province.

Not only do we have an aging population in general, it was an aging population in terms of the public service sector. That is another reason why it is so important that we have reached this milestone today. This is a milestone, this legislation – the agreement first of all that was come to, and now the legislation, putting that agreement in place is a milestone. I hope it will become a model that gets used in other parts of the country showing what we could do here in this Province.

It is so important to have workplace pension plans. We sometimes need to think about the impact that workplace pension plans have on the economy. For example, here in this country the Canadian pension funds have over \$1 trillion of assets. That is an amazing number. It is the second largest source of capital after the chartered banks. That money is not being wasted. Obviously the money is being used continually to give pensions to people, but we have to have a fund from which that money comes. The investments that create the assets of

\$1 trillion have to be there so that there is a continual flow of money for payments to be paid.

Also, 70 per cent of all pension fund assets are invested in the Canadian economy. That is another very significant note as well. The workplace pension plans, and our public sector is a workplace pension plan, are a really crucial part of the economy of Canada, and I would suggest it is the same way here in Newfoundland and Labrador. Our workplace pension plans are also a crucial part of our economy.

They are important contributors to Canada's economy, especially workplace pension plans that are defined benefits plans, by the way. They help workers maintain their standard of living when they retire. One of the reasons for making sure that wages for everybody are decent wages is that we all know that we get a percentage of wage when you get your pension and if somebody is being paid a wage too low when they retire, that is where you get the potential for living in poverty. So this is a challenge to us to make sure we have wages for everybody in the public service sector, those at the lower end, that are not so low that when they become pensioned they are going to be living in poverty.

Also, workplace pensions account for about 20 per cent of the overall purchasing power of all retirees in Canada. They are an essential part of the economy. Pensioned workers just do not go away and fold up and do not contribute; they contribute to the economy as well. Income from workplace pensions amounts to some \$40 billion a year. Again, that is an important economic stimulus that supports jobs and local economies.

It is so important that we have maintained a solid pension plan here in this Province. I think we all believe in all of these things. We are all voting for this piece of legislation. With that, Mr. Speaker, I am very happy to have been able to speak to these points. I will not belabour it but just, once again, to say congratulations to all hands for a job well done.

Thank you.

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



**MR. SPEAKER:** If the hon. the Minister of Finance speaks now, he will close debate.

The hon. the Minister of Finance.

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

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

I want to thank all of those who spoke in support of this bill and it has been pointed out by everybody that this is a significant piece of legislation that addresses a huge issue facing pensioners, plan members, and taxpayers of Newfoundland and Labrador. I think this legislation reflects what is a creative solution to what was a very challenging problem that we all had, and I want to thank everybody's contribution to the debate.

Mr. Speaker, this is not the subject of this debate, but on the Order Paper there is another bill that follows this one, Bill 40, that will get into a couple of other pieces of detail that are tied together. They are separate pieces of legislation but they are tied together.

I look forward to continuing this discussion on this topic through that particular piece of legislation. I thank everybody for their contribution.

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

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

**CLERK:** A bill, An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991. (Bill 39)

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

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

**MR. KING:** Today.

**MR. SPEAKER:** Today.

On motion, a bill, "An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991", read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 39)

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

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

At this time I would like to call from the Order Paper, Order 7, second reading of a bill, An Act To Modify Eligibility For Other Post-Employment Benefits, Bill 40.

So moved by me, seconded by the Minister of Finance and President of Treasury Board, that the said bill be now read a second time.

**MR. SPEAKER:** It is moved and seconded that Bill 40 be now read the second time.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

Motion, second reading of a bill, "An Act To Modify Eligibility For Other Post-Employment Benefits". (Bill 40)

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

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

As I said a moment ago, Bill 40 is relative to the same topic that we just finished discussing on Bill 39. It is tied to the whole reform of the pension program.

I will not repeat myself of all the issues that I raised with respect to the pension plan. The backdrop has been created for this discussion. We have discussed the pension plan, why the reform was necessary, how the pension plan will

be changed in the future, what are some of the benefits and the changes that occur, both for the funding mechanism together with issues affecting employees who are members of the plan.

This bill deals very specifically with another aspect of retirement benefits. Bill 40 is An Act to Modify Eligibility for Other Post-Employment Benefits. I will just go directly to the explanatory notes where it talks about, "This Bill would enact the Other Post-Employment Benefits Eligibility Modification Act."

When employees retire and they have their pension, they are entitled to certain benefits and the continuation of their group health plans continue with them. There is a group of employees sometimes who will decide to retire. They then start becoming eligible for their pension right away, and they will continue – it is pretty seamless. They finish employment one day and they then start receiving their pension benefits, or their pension income. They will continue to maintain their benefits or their group health and programs like that.

There is another group of employees, because of the provisions in the pension plan, who have their pension deferred. For example, an employee might have been working with government for fifteen or twenty years and decided they were vested in their plan, but decided they wanted to change careers. They may want to do something different in their lives so they decide to, basically, put their pension plan on hold. They say we are going to park our benefits that are in the plan and we are going to pursue our second career, but when I get sixty or sixty-five, I am going to come back and then access my pension plan. When that happens, they will also be entitled to access their group health benefits.

There are a number of people who are affected by, or have benefits after they retire. There is a group that leaves today, retires, and starts getting their pension right away, and they continue with their benefits. There is another group out there who, as I have said, may want to hold their pension plan, hold their pension benefits in abeyance and come back and pick them up when they get sixty or sixty-five. They, too, then are entitled to benefits. Some of these changes that

this act brings into force are some changes that impact those individuals.

There are three components to this bill. The language may sound a bit harsh, but the bill facilitates a process. Because fundamentally what has happened here is this bill will eliminate the benefits that a number of people will have, and then, simultaneously, we go back into the collective agreements that govern the unionized employees and imbed the changes in their agreement so they can continue to have them in a modified fashion. Then, through policy in Treasury Board, we enact administrative policies, human resource policies that will actually guide the other people who are not covered by a collective agreement.

This is a piece of legislation that will serve to "extinguish existing rights to and eligibility for other post-employment benefits on the coming into force of the Act, with a 5 year transitional period".

The bill also will "confirm that nothing in the Act would affect or preclude an act, practice, contract or collective agreement for other post-employment benefits in the future". In other words, anything we do in this particular legislation here does not preclude us sitting down with various unions in the future and negotiating certain benefits in a collective agreement to cover people upon their retirement.

There is another peculiar part of this bill, Mr. Speaker, that deals with Provincial Court judges. Provincial Court judges are in a bit of a unique circumstance in some respects because some of the people who are Provincial Court judges prior to 2002 were a part of the provincial pension plan, the Public Service Pension Plan. After that period of time in 2004, there was a separate piece of legislation that came in to establish a dedicated plan for Provincial Court judges. There is a little bit of a nuance around judges.

We can go into a plan, like the Public Service Pension Plan, and we can negotiate with the various bargaining units that are participating in this plan, a removal of certain benefits. One of the things we have to acknowledge with judges is that the Supreme Court of Canada and the Newfoundland Court of Appeal have all confirmed that the Provincial Court judges'

salaries and benefits have to be dealt with through a tribunal.

The Legislature cannot go in and arbitrarily make decisions about Provincial Court judges' salaries and benefits. There is a mechanism where you appoint a body independent of government to actually make a series of recommendations around judges' pensions.

When we come into the House here and make changes to a provincial pension plan that potentially has an impact on some judges who were members of this plan at one time, then we have to actually put a fence around those. We have to protect them from anything that we might do in this legislation to intrude on their constitutional rights and the rights that have been given to judges through the Supreme Court of Canada.

The theory is that judges are independent of the Legislature. In a democratic society we have the executive branch, we have the judicial branch, and we have the legislative branch. So they are independent, and judges' benefits and salaries and pensions are decided by a tribunal.

It is not unlike, I say, Mr. Speaker, MHAs' pension. A number of years ago there was a decision made as a result of a report by Justice Green that said MHAs' pension benefits, they cannot decide that themselves. MHAs cannot come into the House and decide this is what our salary should be or this is what our pension should look like. We cannot make changes in our pension plan without first having it referred to an independent body that will actually make a recommendation.

After every general election, by law, you have to appoint an individual or some kind of a panel that will review pensions, salaries, and other benefits of MHAs and bring forward a recommendation. The same thing happens with judges, I say, Mr. Speaker, the exact same thing. Fundamentally, this legislation provides an element of protection for the judges who are part of this plan because they will have to be dealt with through another mechanism.

Mr. Speaker, there are a couple of changes that are important to lay out for members of the House. The act I just referred to, the Other Post-

Employment Benefits Eligibility Modification Act, as I said extinguishes employees and deferred pensioners' rights to group health and group life benefits also frequently referred to as other post-employment benefits under the old criteria.

We extinguished their rights under the old criteria, while at the same time, we reinstate them for employees and deferred employees who will qualify for group health and group life benefits during the five-year transition period, or are grandfathered under the old rules. In other words, the legislation eliminates the benefits for everybody. It is all gone. They are done. Simultaneously, we reinstate them through their collective agreements, or through policy with Treasury Board, the same benefits for those who be entitled to them based on the new plan.

We have the revised Treasury Board policy, and the letters of understanding are already attached to the collective agreements. These will establish the new criteria that are related to the eligibility for those post-employment group health and group life benefits for all new employees, and for those who are existing employees, and deferred pensioners who are not grandfathered in.

Effective on January 1, 2015, new employees and those not grand-parented will require ten years of pensionable service instead of the five, and must immediately retire from the Public Service Pension Plan upon termination of employment. In other words, those individuals in the future, if they decide they wanted a second career, then they are going to have to take their pension at that time if they want eligibility for benefits.

If they do not retire and take their benefits under the pension plan, they will not be able to continue with those post-employment benefits. If they defer their pension or choose to take a commuted value, which is a lump-sum payment upon their leaving, they will not be eligible for those OPEBs. OPEBs is the acronym for the Other Post-Employment Benefits.

The details that we are talking about here, the details of the changes to the post-employment group health and group life insurance benefits, the eligibilities are changing. Number one,

employees who qualify for an unreduced pension during the five-year transition period will be grand-parented under the current rules for the group life and group health benefits. That is for five years of service. Employees who qualify for a reduced pension during the transition period must retire during the transition period, which is five years, in order to qualify for group life and group health insurance benefits.

Next, Mr. Speaker, deferred pensioners are people who are no longer employed with the public service, but have deferred their pension. That is that group I described earlier. Employees on salary continuance; there are some employees who may have had their employment terminated six or seven months ago and they are entitled to twelve months of severance. Rather than take their twelve months lump sum, they chose to continue to get it on a monthly basis and they are on a salary continuance. They must meet the eligibility requirements for an unreduced or a reduced pension, and must retire during the transition period in order to avail of the existing provisions and the current rules for group health and group life insurance benefits.

Finally, Mr. Speaker, deferred pensioners or employees on salary continuance prior to January 1, 2015, who do not retire during the transition period are eligible for OPEBs if they agree to pay 100 per cent. The premiums for those benefits after you retire are shared. You pay 50 per cent, the government pays 50 per cent, and you continue with your benefits.

Those individuals, deferred pensioners or employees on salary continuance prior to January 1, 2015 who do not retire during that transition period will be eligible for the benefits, but they must pay 100 per cent of the premiums associated with it. This will allow deferred pensioners and employees on salary continuance prior to January 1 of next year, January 1, 2015 the opportunity to maintain their benefits under the Newfoundland and Labrador group health and life benefits.

Finally, Mr. Speaker, after the five years is all over for this transition, all employees will qualify for group health and group life insurance benefits with at least ten years of pensionable

service instead of five, and the immediate retirement under the Public Service Pension Plan upon the termination of their employment. As noted, all these rules will apply to all employees hired after December 31, 2014.

Mr. Speaker, this bill here, Bill 40, read in conjunction with Bill 39 that was just passed in second reading in the House, reflects the legislative legitimacy to the terms and conditions of the agreements that have negotiated; the sponsorship agreement, the trustee agreement, and the funding policy that drives the further investment strategies by the trustee. All of this together, these two pieces of legislation, now will give effect to the agreements that have been negotiated with the five unions involved in the Public Service Pension Plan.

I invite comments from other members of the House who may want to speak to this very specific Bill 40 around the post-employment benefits.

**MR. SPEAKER (Cross):** The hon. the Member for Virginia Waters.

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

I am happy to stand in this House today and speak to Bill 40, An Act to Modify Eligibility for Other Post-Employment Benefits. As the minister has indicated, this piece of legislation really is a result of some of the changes that have been happening as a result of the reform of the Public Service Pension Plan.

I want to say a thank you to the staff in his department who, yesterday morning, provided us with a briefing on this bill, as well as the bill that we just discussed. The staff were certainly very knowledgeable in the information that they provided. We want to say thank you for their time and their attention to our questions.

The summary that we were provided by the Department of Finance indicated that the piece of legislation we are talking about now really speaks to the process of transition, which is happening, with a number of beneficiaries of the other post-employment benefits. Particularly, it relates to retired employees, for example, who can continue their membership in group health

and life insurance plans. It also pertains to employees who retire or reach eligibility an unreduced pension during the five-year transition period. It will continue to require a minimum of five years of service.

Employees not eligible for grandfathering will require pension eligibility and a minimum of ten years' service as the minister has already stated. Employees who have already terminated employment and deferred their pension may retire at the end of the five-year transition period to retain their other post-employment benefits eligibility. Additionally, employees who terminate in the future must retire in order to obtain their other post-employment benefits.

As members of this House and I am sure those listening at home understand the term, other post-employment benefits, refers to a type of deferred compensation. It is something that has been earned but not yet received. Certain specified non-pension benefits are promised after an employee retires or leaves a company in exchange for the services that they provide. These benefits could include things – and do in this case – like health insurance for retirees and their dependants. It also includes life insurance, dental insurance, and long-term disability. Even though employment has ended, government has a contractual obligation to deliver the promised benefits to eligible former employees and/or their families.

As members of this House, Mr. Speaker, would appreciate, employees often place a much higher value on future benefits that will enable them to create a financially secure lifestyle in their retirement years, and this is certainly understandable.

My understanding, based on our briefing yesterday and the summary that we had, is the changes that will happen to the other post-employment benefits, currently pension eligibility requires a minimum of five years of service. Under the agreement with the reformed public pension program, pension eligibility with a minimum of ten years of service with a five-year transition for current employees. Former employees with deferred pensions will need to retire within a five-year transition period to be eligible for the OPEBs, and employees terminated after changes are in effect will have

to be pension eligible at the time of the termination in order to qualify for the OPEBs. As the minister stated, these changes are intended to come into force as of January 1, 2015.

The deferred pension, as I am sure my fellow colleagues here in the House understand, is a pension payable at a later date, either because the plan member terminates employment before the earliest date at which the pension may be eligible, or because the plan member chooses to have a pension commence at a later date. For example, a plan member may choose to defer a pension in order to later receive an unreduced pension.

Given the reformed public sector pension program, a person who is a deferred pensioner as of January 1, 2015 is eligible for their other post-employment benefits, if the pensioner retires in that five-year transitional period. If the deferred pensioner does not retire in that transitional period, the deferred pension is entitled to the other post-employment benefits, as long as the deferred pensioner paid 100 per cent of those premiums.

If the deferred pensioner does not retire in the transitional period or pay 100 per cent of the premiums, the pensioner is no longer entitled to the other post-employment benefits. Employees who are eligible for reduced pension during the transition period will be eligible for the other post-employment benefits. Employees eligible for the unreduced pension, when this act comes into force and during the transitional period, are eligible – my understanding is – for the other post-employment benefits.

Mr. Speaker, one of the questions that we did have in the briefing, and we were assured by staff, I do want to share with the House, if I can, this afternoon. I had the opportunity to have the great pleasure of working in a small business before I became a politician. Many, many years ago I had the opportunity to work in my father's pharmacy, and one of the things that became very evident was that when there were changes to government employee benefits, that oftentimes there were small clerical or technical errors that sometimes may have prevented individuals from receiving the benefits they were entitled to.

Yesterday in the briefing, we asked a question about during this transition phase, in the rare chance that during the transition on individual who is on a pension program or eligible for these benefits, does pass away, that transition of those benefits to their spouse and how that happens, and making sure that it does happen is certainly important to those survivors.

We were assured by staff with the Department of Finance that they were attentive to the details around making sure the transition process did not leave anybody kind of offside. We certainly challenge government, as well as union leadership, to ensure that as we work through the transitions, particularly related to the other post-employment benefits, that those oftentimes understandable errors are reduced as much as possible so that when people are going through a very difficult time of bereavement, the last thing they need to worry about is whether or not benefits have been transferred appropriately and as deserved.

Mr. Speaker, I happy to stand here and say that as the Official Opposition, we will be supporting this bill. We look forward to continuing to hear debate in the House of Assembly today.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for Port de Grave.

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

I am only going to take a couple minutes of time to discuss this because I think we are all in agreement today in the House. It is a good day. This is just an extension of the previous bill, Bill 39, and some of the things that are going to happen to post-employment benefits after employees retire.

Mr. Speaker, I should pay attention because I guess I am in that category. Being a former public service employee, it is a good day for me. I want to congratulate the unions. I want to congratulate all the work because it took co-operation and it took some give and take. I want to commend all the unions and I want to commend government for having the initiative

and the courage to go down a road to make sure that defined pension benefits continued for future employees of government. Being a past employee, post-employment benefits are important to me, and I need to study up a little bit on these.

Again, in the Explanatory Notes to the bill, it outlines three points. It says, “extinguish existing rights to and eligibility for other post-employment benefits on the coming into force of the Act, with a 5 year transitional period”. So post-employment benefits, benefits that are deferred, employees have five years in a transitional period to get those.

Mr. Speaker, this is just transition. This bill is not intended to enshrine OPEBs or post-employment benefits in legislation; it is just a way of transitioning and getting through some of the legalese that is required after the passing of Bill 39 today.

Mr. Speaker, just a couple of other things. The other thing it says, “confirm that nothing in the Act would affect or preclude an act, practice, contract or collective agreement for other post-employment benefits in the future”. Basically when we get this new entity, corporation, in existence, they will bring in regulations and policy and all the rest around post-employment benefits. I would assume much of that would be similar to what we would have now. Again, if I am wrong, I could be corrected.

The other piece is it exempts judges. It exempts judges, and I think the hon. Minister of Finance spoke to that earlier. Basically judges, because of their constitutionality and they are the judiciary, are exempt from this piece of legislation.

The other piece in the collective agreement, Mr. Speaker, the collective agreement and the human resource policy is amended to reflect the reform agreement, so it requires ten years versus five years of pensionable service. Mr. Speaker, that is significant. That is a significant change there. Before you are eligible for post-employee benefits, you will have to have ten years of service in the public service.

Mr. Speaker, any employee who voluntarily resigns after January 1, 2015 and does not

immediately retire forfeits their right to post-employment benefits. Now, that is a change because, before, they could defer it and some employees go off to other work in private enterprise or other places and they come back and they would have still been eligible for their post-employment benefits.

Under the new collective agreement and under this, Mr. Speaker, they will no longer be eligible to collect their post-employee benefits. This does not guarantee employees who may be terminated by the Government of Newfoundland and Labrador after January 1, 2015 their right to post-employment benefits, unless at some point the Government of Newfoundland and Labrador specifically decides to modify the policy to allow the same.

Mr. Speaker, I am not going to stand here and take up a whole lot more time today. I believe that the Opposition is in support of this bill. All we are doing right now is outlining what has already been said by the Minister of Finance and by the member from the Official Opposition.

I will take my seat, Mr. Speaker. I look forward to the rest of the debate.

Thank you.

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

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

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

I too am very happy to stand this afternoon to join my colleagues here in the House to celebrate, to acknowledge, and to express gratitude for all those who have worked so hard to get us to this point today.

Mr. Speaker, when we were talking about benefits, when we were talking about pensions, only half-a-year ago it was scary times. It reminds me of Bruce Cockburn in his song "Lovers in a Dangerous Time." I use that phrase because we know that everybody in this House cared. We know that the unions cared. We knew that everyone wanted to get this right.

It was dangerous times because we were not sure which way it was going to go. This was about trust. It was about dedication. It was about the commitment to get us through those dangerous times, and, Mr. Speaker, it was accomplished. It was accomplished because of the dedication, because of the expertise, because of the care, and because of the sense of social justice around our workers and our retirees. I think that is what we are celebrating here today.

Particularly, I would like to acknowledge the work of the former Premier Tom Marshall who also – as the Member for Signal Hill – Quidi Vidi talked about having had the opportunity to speak to him in the hallways or in this House about how important this was. He was pained about this, Mr. Speaker, because he knew that we had to come up with a solution. We had to come up with a solution that was fair and that was just to our workers.

Also, I would like to acknowledge the unions that worked so hard and their steady, even hand in leadership on this issue. I would also like to acknowledge, Mr. Speaker, the workers in the Department of Finance and the bureaucrats, the people who worked so hard to bring us to this point today as well, again with a steady even hand. It was not exactly clear how we were going to get to this point. What we have gotten to is a point where we are valuing the tenets of the defined benefits because that is about retirement security.

Mr. Speaker, a friend of mine today said to me, Gerry, I lost \$80,000 of my retirement income today. He did not have a Defined Benefit Pension Plan with all the benefits that we are talking about here today in Bill 40. He did not have that. He had to self-invest on the stock market. Because of the price of oil today his retirement security went down over the last five days \$80,000. We can all imagine what that would mean for each of us individually if that happened.

The other strong tenet, the very important foundational piece of this is the issue of joint trusteeship. Mr. Speaker, we were able to negotiate that. That was negotiated and it is how we will move forward now in handling our pension benefits for the workers of the people.

This whole issue is very complex. It was complicated, and so very detailed. I would like to acknowledge the current Minister of Finance who also was very involved in making sure that we got to this point where we can put this to bed. Where we know that we have a fair and just – and we have retirement security for our workers. That is what we were all aiming for. That is what we all cared about, particularly in the dangerous time of getting there. We all got there because of the dedication, because of the trust, and because of the expertise. I am sure, Mr. Speaker, the reason we got to this point is because all parties kept in mind the dignity and rights of our workers. That was at the forefront.

Mr. Speaker, in 2011 when I was going door to door I met a retired worker. He said I have not had an income increase in fifteen years. In his last seven years of employment he was an LPN. He worked at the Janeway. He said I held the sick children of Newfoundland and Labrador in my arms. He said I took care of them when they were really sick; I took care of them when they were at their worst. He said for the last seven years of his work he never got an increase. Then after he was pensioned, he had retired eight years; he had not received an increase then either. He was so afraid of slipping into poverty.

We do know that there are a number of our public servants who have worked hard all their working lives taking care of the people of the Province, who have now either slipped into poverty or on the cusp of poverty because of the high cost of housing and the high cost of food. What we are looking at here today in Bill 39 and in Bill 40 is how vitally important these pensions and these benefits are to our workers, to workers who have dedicated their lives to the people of Newfoundland and Labrador.

Mr. Speaker, I do not want to go on much longer only to say that our party, our caucus here as well, fully supports both Bill 39 and Bill 40. We again want to congratulate all those who were involved in bringing us to this day. We know that retirement security is about dignity. Retirement security is about justice. Retirement security is good for families and for individuals. It is also good for the general economy at large in the Province. Without the type of defined benefits and the benefits that we are talking about in Bill 40, our retired workers live

precariously. Their retirement is not the golden years that we had all hoped they would be.

This is something to celebrate. Also, as a Newfoundlander and a Labradorian, Mr. Speaker, I am proud that our unions, I am proud that our government, and I am proud that our workers have been able to bring us to this point where there is more of a likelihood that we can ensure our workers in the public service, who serve the people of Newfoundland and Labrador, have a better chance of living in dignity in their retirement. This is about social justice.

Thank you very much.

**MR. SPEAKER (Verge):** The hon. the Member for Fortune Bay – Cape La Hune.

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

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

It is certainly an honour and a privilege for me to rise and speak in the House today on this very important piece of historic legislation, Mr. Speaker. As most members have referenced here today, both these bills will be supported, I do believe, by all members of the House. We certainly all recognize the significance of what they mean for the people of this Province as a whole, both the employees of our government and the taxpayers of Newfoundland and Labrador.

I, too, would like to echo the praise that has been stated here in the House of Assembly today for everyone involved in this historic day that we have here in the House, particularly the union leadership and our current negotiating team, and the former Premier Marshall and the Minister of Finance for the vision and courage they had to undertake this monumental task before them, which was trying to reduce a debt problem that would have been, by 2016-2017, up to 85 per cent of the net debt of a province. What has been put forward is a solution that in thirty years, we will be able to see sustainability for the benefits plan.

When we were discussing this bill earlier, my colleague for Port de Grave talked about how, as a union employee and government civil servant himself, the conversation around the water



coolers ten to fifteen years ago was: Would they even have a pension at all? There was very grave concern, Mr. Speaker, by the time these individuals got to retirement age, there would be nothing there. So, again, the leadership of our unions and of our minister and Premier of the day has certainly alleviated that concern and ensured that the pension plan continues to be strong and healthy for the foreseeable future.

This bill, Bill 40, which works in tandem with Bill 39, speaks primarily to the other post-employment benefits. Mr. Speaker, there is a grandfathering clause with respect to this change. The five-year period, I think, does apply as well. So any persons who have left the public service but if they so choose to avail of their retirement benefits in the next five years, it is my understanding that they will be grandfathered into the pre-existing plan for post-employment benefits.

I am not going to belabour the bill much longer here, Mr. Speaker. It was a straightforward bill, Bill 40. It tied into Bill 39. It is primarily housekeeping issues that needed to be amended in tandem with Bill 39 so that everything flows quite clearly. The new corporation that will be established on a go-forward basis will be outlining any future benefits that will accrue as post-employment benefits for employees. It will be done in consultation with the employer and employees. The corporation will, I have no doubt, perform exceptionally well on behalf of the employees of the Province.

I am very pleased again and I will reiterate to stand here today, it is a wonderful day for employees of the Province and a wonderful day for taxpayers of the Province, Mr. Speaker. It is a long-term fix. Everyone has agreed to it and it is quite a historic day for us.

Our next steps after this legislation gets passed here in the House today will be to actually establish the corporation. That has been outlined in the bills here today how that will be done. The bylaws will be enacted, members will be appointed, and fiduciary training will be provided. Then on a go-forward basis, Mr. Speaker, Newfoundland and Labrador have led the way, not only in this Province, but in this country, and in North America with respect to pension reform. I will be very pleased to stand

in the House later today with my colleagues in support of both Bill 39 and Bill 40.

Thank you, Mr. Speaker.

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

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

**MR. MURPHY:** Thank you very much, Mr. Speaker.

I would be remiss if I did not mention the former Premier in this House today. I think this is quite a historic day for him as well as for the people of Newfoundland and Labrador and for the unions as well.

I know that sometimes we have ideological differences, but when it comes to pulling on the rope and getting a job done, I think this is a fine example of what we can achieve in the Province, particularly on behalf of the workforce that works pretty hard for the government at times. We know that they go through an awful lot.

I wanted to have a few words to say about security in this particular case, what these two pieces of legislation mean around Bill 39 and Bill 40. I think both of them are really hand in hand. Even though we are talking right now about Bill 40, it is pretty hard to talk about one without talking about the other.

I just wanted to mention very quickly, Mr. Speaker, that every other speaker before me has already talked about some points to this. I wanted to talk about, in particular, how important this is as regards to income security for the members of the various unions who are working on behalf of government. Income security is something that all of this country is dealing with; indeed, different areas of the world are dealing with the problem of income security. This answers one of the challenges – I think pretty much what was being asked by the National Union of Public and General Employees, or NUPGE, had very interesting presentations some time ago on the three pillars they consider to be very important when it comes to income security.

This is one of the pillars that they talked about. They did talk about the importance of the Old Age Security and GIS. The second pillar was the Canada Pension Plan, and the third pillar was the private plans and other government plans at the same time and how they needed to be increased and, I guess, more defined.

What we are talking about here with these two pieces of legislation is also, on a worker's point of view, security. I think that that is a very important point to bring out, that when people come to work for government in their particular respective roles that they know exactly what they are working for. I think that was an important point to bring out that now they know.

They also know, the unions and government, both in this particular case, when the board is set up that they are going to be able to adapt to the changes and the vagaries of the markets, if you will, because that is part of the problem. Besides governments of the past having to draw from the fund and leaving it short, part of the shortfall in some particular cases of pension plans happens to be with the changing of the market and not being able to adapt to change. That is the one reality. I think the other reality that governments and unions as well probably had to look at was the simple fact that they had to be able to make the adaptation to change in the markets.

In that particular case, the board representation that is going to be there on the part of the unions as well as government is going to be there and they are going to be able to make those changes as they become applicable.

The one other note that I will make, Mr. Speaker, is that timing is everything with this. I think that both parties stepped into this at the right time. They solved the problem, and they got this off the mind of the taxpayers at the same time. You have to admit in this particular case that while it is going to be thirty years to pay off the outstanding liabilities that are there, certainly there is a commitment on the part of government when they are going to be going in and stepping in there every year with \$195 million in order to handle some of those liabilities and the payments of that balance.

This is again, Mr. Speaker, good to see. Our party is fully in favour of this. We have done our consultation and we have talked to the people involved. Again, I think it is a very nice day. I think it has to be for former Premier Marshall. I think that forever and a day Bill 39 and Bill 40, I think we can safely call in this House of Assembly today the Marshall Plan. It was an answer on the part of Mr. Marshall and a lot of work on the unions' behalf. Both got together and came to an agreement. I am fully in support of it, and congratulations to all parties involved.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** If the hon. Minister of Finance and President of Treasury Board speaks now he will close debate.

The hon. the Minister of Finance.

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

I want to thank members on both sides of the House who have stood and spoke on Bill 40. As I said when I introduced it, this is a companion piece of legislation with Bill 39. Both of them, Bill 39 and Bill 40 today we have enacted legislation, or we have done it in second reading – we have not enacted it yet. We have dealt with it in second reading, and it will change fundamentally the debate and discussion around pension plans in Newfoundland and Labrador, public sector pension plans in Newfoundland and Labrador. It will change the discussion significantly when we talk about our unfunded liabilities.

It has a huge impact over a long period of time on our net debt. Thirty years out when a future generation of parliamentarians stand in this House, and retirees and new government employees come on – thirty years out when they are able to say that decisions this House took in 2014, initiatives undertaken by our government in conjunction with the public sector unions, the decisions and discussions we have made, will have made a pension plan that has been a long-time strain, sustainable well into the future and to the benefit of those who will retire and future

employees of government, and for the taxpayers of Newfoundland and Labrador.

So, with that, Mr. Speaker, I will conclude the debate in second reading. I look forward to any issues that may arise as we move into Committee. The next steps, as my colleague from Fortune Bay – Cape La Hune just talked about, the next steps with respect to this agreement and the trustees, and the creation of the corporation and how that will unfold.

Now that this piece of work is done, we now turn our heads to the other great unions and the other sectors of the pension. We have the NLTA, as I said a moment ago, the Uniformed Services, and we are going to deal with the MHAs' pension plan, and we will deal with the judges' pension plan. The work has already started on the NLTA. Some work has already started on putting together some profiles and evaluations of the other plans.

Two we can move forward with in negotiation with the unions. The other two, with respect to the MHAs' plan and the judges' plan, there is legislation on the books that defines how we approach that. We will be appointing the appropriate bodies and commissions to actually undertake the review and bring back a recommendation to the House of Assembly.

With that, Mr. Speaker, I will take my seat. I look forward to discussion in Committee.

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

**CLERK:** A bill, An Act To Modify Eligibility For Other Post-Employment Benefits. (Bill 40)

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

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

**MR. KING:** Now.

**MR. SPEAKER:** Now.

On motion, a bill, "An Act To Modify Eligibility For Other Post-Employment Benefits", read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 40)

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

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

I move, seconded by the Minister of Finance and President of Treasury Board, that the House do now resolve itself into Committee of the Whole to consider Bill 39, An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991, as well as Bill 40, An Act To Modify Eligibility For Other Post-Employment Benefits.

**MR. SPEAKER:** It is moved and seconded that I do now leave the Chair for the House to resolve itself into a Committee of the Whole to consider Bills 39 and 40.

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

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

### Committee of the Whole

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

We are now considering Bill 39.

A bill, "An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991". (Bill 39)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, clause 1 carried.

**CLERK:** Clauses 2 through 31 inclusive.

**CHAIR:** Shall clauses 2 to 31 inclusive carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, clauses 2 through 31 carried.

**CLERK:** Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

**CHAIR:** Shall the enacting clause carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, enacting clause carried.

**CLERK:** An Act To Amend The Pensions Funding Act And The Public Service Pensions Act, 1991.

**CHAIR:** Shall the title carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, title carried.

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

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

**CHAIR:** We are now in consideration of Bill 40, An Act To Modify Eligibility For Other Post-Employment Benefits.

A bill, "An Act To Modify Eligibility For Other Post-Employment Benefits". (Bill 40)

**CLERK:** Clause 1.

**CHAIR:** Shall clause 1 carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, clause 1 carried.

**CLERK:** Clauses 2 through 9 inclusive.

**CHAIR:** Shall clauses 2 through 9 inclusive carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, clauses 2 through 9 carried.

**CLERK:** The Schedule.

Carried.

**CHAIR:** Shall the Schedule carry?

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

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

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

Carried.

I move, seconded by the Minister of Finance and President of Treasury Board, that the Committee rise and report Bill 39 and Bill 40.

On motion, Schedule carried.

**CLERK:** Be it enacted by the Lieutenant-Governor and House of Assembly in Legislative Session convened, as follows.

**CHAIR:** The motion is that the Committee rise and report Bills 39 and 40.

**CHAIR:** Shall the enacting clause carry?

All those in favour, 'aye'.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**SOME HON. MEMBERS:** Aye.

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

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

Carried.

Carried.

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

On motion, enacting clause carried.

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

**CLERK:** An Act To Modify Eligibility For Other Post-Employment Benefits.

The hon. the Member for Bonavista North.

**CHAIR:** Shall the title carry?

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

All those in favour, 'aye'.

The Committee of the Whole have considered the matters to them referred and have asked me to report Bills 39 and 40.

**SOME HON. MEMBERS:** Aye.

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

**MR. SPEAKER:** The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bills 39 and 40 carried without amendment.

Carried.

On motion, title carried.

When shall the report be received?

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

**MR. KING:** Now.

All those in favour, 'aye'.

**MR. SPEAKER:** Now.

**SOME HON. MEMBERS:** Aye.

When shall the bills be read a third time?

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

**MR. KING:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

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

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

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

Given we have covered two significant pieces of legislation here today and the clock is nearing 5:30 p.m., or pushing that way, I move, seconded by the Minister of Finance, the House do now adjourn for the weekend.

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

Carried.

The House stands adjourned until 1:30 of the clock on Monday.

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