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*Speaker: Honourable Wade Verge, MHA*

Monday

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The House met at 1:30 p.m.

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

Admit strangers.

**Statements by Members**

**MR. SPEAKER:** Today we will hear members' statements from the Members for the Districts of St. George's – Stephenville East, St. John's Centre, Carbonear – Harbour Grace, Humber Valley, Virginia Waters, and St. Barbe.

The hon. the Member for St. George's – Stephenville East.

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

Mr. Speaker, recently the Stephenville Rotary Club paid tribute to the late Monique Rideout, a long-time volunteer with the Rotary Music Festival in Stephenville.

Monique began her involvement in the festival as a singer at the age of eight and she continued singing at the festival throughout her school years. When she returned to Stephenville after being away at university, she volunteered her time working as a secretary for the adjudicators of the festival during the mid-1980s.

Monique continued to sing with many groups in the Bay St. George area such as the Glee Club and the choirs at St. Stephen's Church. She was also instrumental in planning the fiftieth anniversary of the choral group which will take place in 2016. She was a vibrant contributor to the music in the Stephenville area.

Monique worked on the Rotary Festival Syllabus, even as she was diagnosed with cancer, and was a supporter and inspiration up until her untimely passing at the age of forty-eight.

I would like the House to recognize the work and dedication of Monique Rideout and her contribution to the Stephenville Rotary Music Festival and also to recognize the work of others on the Music Festival's Steering Committee who continues the work that she was involved in.

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.

Last night, activists and artists launched into Mental Health Week with a brilliant idea executed with heart, talent, and humility. Musicians and the fantastic staff of The Ship pub put on a show organized by Amelia Curran to raise money for a night of live music for patients at the Waterford Hospital, a show that left us spellbound. Many in the audience renewed their conviction to help out in any way they can.

Mr. Speaker, while I am happy to commend those who are working on mental health this week, last night made clear that in fact thanks to activists like Co-Chairs Mark Gruchy and Meaghan Barnhill, and everyone in the Community Coalition 4 Mental Health, this has been a mental health year.

I am so proud to have played a role in calling the Community Coalition 4 Mental Health together, as I see daily evidence that, thanks to their hard work and expertise, they have raised our expectations of what is possible when we work together. Their membership numbers are growing daily. They have reactivated citizen advocacy, and there is no stopping them. They are bursting at the seams with hope and determination.

Bravo, Mr. Speaker, to the Community Coalition 4 Mental Health and its hard-working members and all mental health activists.

Thank you, Mr. Speaker.

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

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

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

Mr. Speaker, I rise in this hon. House today to congratulate Gina Colbourne of Carbonear on being named the Red Cross Newfoundland and Labrador Young Humanitarian of the Year.

This award recognizes young people in Newfoundland and Labrador who dedicate their time and effort towards volunteerism, community involvement, and humanitarian interests.

Gina is a third-year medical student and was nominated for the award by her classmates at Memorial University. She was named valedictorian of her Bachelor of Nursing 2012 class. Much of her volunteer work stems from MUN Medicine, where she is deeply involved in the Monte Carlo Charity Gala, raising money for local charities.

Gina has dedicated a of her time to the Heart and Stroke Foundation, Canadian Red Cross, Easter Seals, Single Parent Association, War Child Canada, the Janeway Reading Program, and the Association for New Canadians. Gina was also the runner-up for the title of Miss Newfoundland and Labrador in 2013, and is a previous Miss Teen Trinity-Conception.

Mr. Speaker, I ask all hon. members to join me in congratulating Gina on being named the Red Cross Newfoundland and Labrador Young Humanitarian of the Year, and wish her success in her medical studies.

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

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

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

I rise in this House today to congratulate teams from the Deer Lake Minor Hockey Association who won medals at the respective year-end provincial tournaments.

Once again players and coaches of the Deer Lake Minor Hockey Association are to be congratulated for their high level of success. Their hard work and determination are certainly reflected in the achievements by all teams involved.

The Deer Lake Atom team won the provincial C championship; the Pee Wee A team won the provincial B tournament; and the Pee Wee B team won a bronze medal at the mega tournament in Paradise.

The Bantam team won silver at the Bantam A tier 3 division championships. The Deer Lake under-12 girls captured gold in the C division championship along with the Girls Under-15 team winning a silver medal at the provincial tournament.

Minor hockey provides an opportunity for youth to engage in personal physical, mental, and social development. Through its team oriented structure, young athletes are able to create memories that will last a lifetime.

I ask all members of this House to join with me in congratulating the Deer Lake Minor Hockey Association on their success at the respective provincial tournaments.

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

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

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

I rise in this hon. House today commemorating the 90th anniversary of women in Newfoundland and Labrador earning the right to vote.

In April 1925 women in our Province also won the right to run for public office.

For decades the campaign for women's suffrage fought to have the concerns of women addressed in political life, giving women the opportunity to seek elected office and to vote on issues including child welfare, education, maternal health and domestic violence among others. I am proud of the legacy left by these early pioneers of the women's movement in our Province.

The suffrage movement began in Newfoundland and Labrador in September 1890 when a group of sixty women lobbied publicly and passionately for the right to vote in municipal elections.

These women fought to be heard as equals in the decisions of government that affect the lives of all Newfoundlanders and Labradorians, not because we are women, but because we see issues differently and care about different things.

Better government results from diversity.

Mr. Speaker, I ask all hon. members to join me in recognizing the unwavering conviction of those brave women which have marked the path – their legacy continues in our work today.

Thank you.

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

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

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

The 2014 Adrian Awards, held in New York City February 2015, saw the Newfoundland and Labrador Find Yourself tourism marketing campaign win four gold. Gros Morne Magic won gold for TV Advertising and Gros Morne Online Campaign won gold for Web Ad Series. These international awards are presented by Hospitality Sales and Marketing Association International.

Since 2006 Newfoundland and Labrador tourism marketing has won forty-seven Adrian Awards, including five platinum. Results show that between 2009 and 2014 non-resident visits increased 22 per cent.

As stated, in Newfoundland and Labrador, especially in the Gros Morne National Park region, there is no such thing as accidental tourism. It takes planning and determined effort to visit, the challenge being to lure people off the beaten track. Gros Morne Magic and Gros Morne Online Campaign have been instrumental in delivering results.

Newfoundland and Labrador, with Gros Morne National Park, has become a tourism destination that others watch and imitate.

Mr. Speaker, I ask all members of this hon. House to join me in congratulating Gros Morne Magic and Gros Morne Online Campaign on winning gold at the 2014 Adrian Awards.

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

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

### Statements by Ministers

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

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

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

Mr. Speaker, I rise in this hon. House to recognize May 3 to 9 as North American Occupational Safety and Health Week. The goal of NAOSH Week is to focus on the need to eliminate or control workplace hazards, ensure all workplaces are safe, and to emphasize that we all have a responsibility to promote safety. Today, I was joined by my colleague, the Minister Responsible for the Workplace Health, Safety and Compensation Commission to participate in a flag raising outside Confederation Building to mark the occasion. We were joined by officials from the Workplace Health, Safety and Compensation Commission, members of the local chapter of the Canadian Society of Safety Engineering, as well as representatives from safety groups and their employer and labour sector, and I thank them for their participation.

This year's theme is Make Safety a Habit – For Your Career, which underlines the need to remain vigilant about staying safe at work, at home, and in our communities. Service NL continues to work with employers and labour groups to enhance Newfoundland and Labrador's safety culture. Working collaboratively, we are enforcing strong safety standards, increasing safety awareness, and ensuring adequate safety training is delivered and used in workplaces across this Province.

Mr. Speaker, the Workplace Health, Safety and Compensation Commission collaborates with the Occupational Health and Safety Branch of Service NL to enhance safety in all workplaces. Last year over 12,800 directives were issued to identify and correct unsafe work practices, and more than 4,800 inspections were carried out across the Province.

I want to offer special thanks to the members of the local chapter of the Canadian Society of Safety Engineering for once again volunteering their time to plan and promote NAOSH Week.

This group spearheaded NAOSH Week here in Newfoundland and Labrador, and it has grown to include the rest of Canada, the United States, and Mexico.

Mr. Speaker, I encourage everyone to look for opportunities to enhance safety in all aspects of our lives, so that we can return safe to our families and friends at the end of every day.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for Mount Pearl South.

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

I thank the minister of an advance copy of his statement. We, too, here in the Official Opposition want to recognize the importance of North American Occupational Safety and Health Week and certainly want to congratulate the members of the CSSE for organizing NAOSH Week activities. They are certainly a very committed group of individuals. I know most of them very well, having been a safety practitioner myself. Obviously, we want to encourage all workplaces to ensure they are safe and people go home at the end of the day the way they arrived.

Certainly, government has a very important role to play in occupational health and safety in the workplace. That is why we continue to encourage government, for example, in Labrador West, to deal with the issues around silica dust, to deal with the issues around not having inspectors there for the last three years, only fly in, fly out.

We want to encourage government to start upping inspections on fishing vessels in the fishing industry, something that is sorely lacking. As well, Mr. Speaker, we want to –

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

I remind the member his time has expired.

**MR. LANE:** 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.

We also recognize NAOSH Week this week and all their efforts behind it. It is readily apparent that we are also living in a dangerous world. Sometimes occupational health and safety can be enhanced with government action. Lone worker legislation, for example, is sorely needed. I think of taxi drivers, convenience store employees, and such that could be covered and protected.

We also just cannot depend on looking for an opportunity to enhance safety, Mr. Speaker. Sometimes we have to have the strength to see stronger legislation to ensure it.

Thank you very much.

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

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

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

I rise in this hon. House today to recognize May 4 to 10 as Mental Health Week. This morning I had the pleasure of joining members of the Newfoundland and Labrador Division of the Canadian Mental Health Association for their annual Mental Health Week conference, and to proclaim Mental Health Week in Newfoundland and Labrador.

Mental Health Week is an annual national event held by the Canadian Mental Health Association to raise awareness of mental health across Canada. It is a key opportunity to further the conversation around mental health.

Mr. Speaker, mental health is a key priority for the provincial government. While these are challenging times and we have made some tough decisions as a government in order to support our five-year plan for sustainability, we remain committed to move forward with the replacement of the Waterford Hospital when the Province's fiscal situation improves.

Meanwhile we are committed to ensuring youth and adults have access to the programs and services they need. Improving access to mental health and addictions services through the use of innovative online technologies is one way we are accomplishing this goal. During this morning's conference, I was proud to announce that we are expanding Bridge the gApp, an existing mental health app for youth, to include additional features and content. A similar app is being developed for adults that will also offer self-help information and self-referral to mental health and addiction services.

Mr. Speaker, as a government, we recognize the tremendous value of research in advancing the way we deliver programs and services. That is why we are investing in research funding for e-technologies supporting mental health. An investment of \$50,000 will be provided to Memorial University's Counselling Centre to test ways to deliver a number of offerings, ranging from brief self-help online to tailored interventions with counsellors. A second research grant of \$50,000 will fund the Province's adoption of the BreathingRoom Program – an online self-management program that gives young people between the ages of thirteen and twenty-four the tools to manage stress, depression, and anxiety.

As we recognize Mental Health Week, it is important that we also highlight the continuing work of many groups and individuals throughout the Province who are raising awareness, reducing stigma, and enhancing access to programs and services.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile.

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

I thank the minister for the advance copy of his statement. Mr. Speaker, I am happy to rise in this House today to recognize Mental Health Week, and I want to quote the Canadian Mental Health Association when they say, "We all have mental health, just as we all have physical health." I think it is important to expand our

thinking around mental health. We are all vulnerable to mental health issues arising in our lives, and we have to prioritize mental health promotion.

I do find it sad to hear the minister say in the same breath that mental health is a priority for a government that is delaying replacing the archaic Waterford Hospital until the fiscal situation improves. We also have to express concern around the focus on self-managing mental health. While we certainly believe in empowering people to become partners in caring for their mental health, we have to question how valiant an effort it is to actually increase access to mental health services.

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.

As we celebrate Mental Health Week there are families across the Province who are waiting months and months to get help for their children. There are adults on year-long waiting lists desperately reaching out for help, patients and staff working and living in an antiquated psychiatric hospital, family doctors doing their best to try and help their patients, citizens locked up in the most dilapidated prison in the country because they have serious mental health problems they could not get help with. Awareness and dialogue is not enough.

Thank you, Mr. Speaker.

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

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

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

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

Mr. Speaker, I am pleased to rise in this hon. House to reiterate the importance of providing learning opportunities to employees with the

public service that focus on safety and consistency in the delivery of services.

Newfoundland and Labrador has a professional and dedicated public service working throughout the Province. The Department of Transportation and Works has over 1,700 employees in a variety of fields. They are technicians, engineers, administrators, and policy analysts. There are those who pilot ferries, those who fly and maintain provincial aircraft, and those who maintain the over 10,000 kilometres of provincial roads.

These public service employees are our neighbours; they are the people who you see at your child's hockey practice or meet at the grocery store. They take an active role in our communities, but they are also dedicated to serving the residents of Newfoundland and Labrador in their professional capacities within the department.

Both as a government and as an employer, we are committed to providing employees with opportunities to improve upon the skills they use to ensure that safety and consistency are key components of every job, every day.

With that in mind, a training program has been developed for Transportation and Works department supervisors, specifically maintenance and engineering project supervisors and operation supervisors. It is anticipated that the first sessions will be conducted over four days and will take place in late May.

This in-house training will ensure that the department supervisors are working with the most up-to-date information regarding the department's highest standards for summer maintenance, winter maintenance, ice control, and safety practices.

Topics will include: an orientation on the knowledge, skills and abilities that are necessary to safely provide quality service to the public; the importance of communications and consistency in operations across the Province; and the continued focus on employee safety and public safety.

I would like to express my support and encouragement to supervisors and managers as

they embark on the important and critical training to ensure the safe and effective delivery of public services.

Thank you, Mr. Speaker.

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

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

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

In light of the many stories in the media recently about road safety, I think this announcement is timely. I believe it is something that is important.

We need to ensure that our employees – and they are dedicated, they are dedicated to the safety of the driving public – have up-to-date information about the standards in this Province. When you see ruts and hydroplaning and issues like that on our highways throughout the Province, Mr. Speaker, maybe it is the standards themselves that need to be looked at. I know the employees in this Province are dedicated. They are people just like us. They are driving the roads we are driving but they can only work with the tools that they are given.

While these information sessions are absolutely essential and important to those employees to ensure the safety of our driving public, the standards do have to be looked at.

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 thank the minister for the advance copy of his statement here today.

Mr. Speaker, culture and safety should also include an understanding by ministers, deputy ministers, and upper management that certain conditions also have to be followed. It is not just about the employees. An employee should be the final arbiter of safety on any job site, on

land or on the water. Sometimes that fact is overlooked.

Congrats on the institution of the training program but let's undertake the task in ensuring accountability if an accident or a dangerous occurrence happens.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Oral Questions.

### Oral Questions

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

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

Last week, government decided to reach into everyone's pocket and increase HST in our Province, but their own Budget documents tell a story of Japan's recent sales tax hike. In that country, consumption fell dramatically. Their economy went stagnant, and further tax increases were postponed for fear of prolonged economic difficulties. The research is clear; an increase in HST is a job killer.

I ask the Premier: Given that your own Budget documents point to the negative economic impact, why are you hurting our economy by increasing HST?

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

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

**MR. WISEMAN:** Mr. Speaker, this is several times I have heard the Leader of the Opposition make a reference to our own document, The Economy – 2015, which is a really comprehensive overview of the provincial economy but also sets a context of what is happening globally.

When you cherry pick a sentence or two out of any document you always run the risk of distorting the picture. One of the things that the Leader of the Official Opposition has failed to acknowledge is the context in which that

statement is read. If you look at the economy of Japan for the last twenty or twenty-five years, they have a debt – there is about 225 per cent of GDP in that country.

Any time you make a comment about the impact of any fiscal decision it has to be made in the context of a bigger picture, I say, Mr. Speaker.

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

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

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

Well, maybe I will shrink the picture down a little more, because in the same booklet that the minister is talking about – and after \$25 billion in oil money in our Province this government has really failed to diversify the economy.

Now, in that same booklet – he did not mention this – but all provincial economic indicators are pointing in the wrong direction. In the booklet that the minister is talking about it says that GDP is down, retail income, household income is down, retail sales is down, housing starts are down, employment down, population down, unemployment going up, and the Consumer Price Index going up.

So I ask the Premier: With all those provincial economic indicators pointing in the wrong direction, why are you hurting the economy with this regressive tax increase?

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

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

**MR. WISEMAN:** Mr. Speaker, I am delighted that the member opposite, the Leader of the Official Opposition, has read the document because now he should fully understand some of the reasons why we took this balanced approach to our Budget. One of the things that I said last week in the Budget Speech –

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

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



**MR. WISEMAN:** – was very clearly, we are acknowledging the current circumstance that the Province finds itself in, Mr. Speaker, and we had to make some very significant choices. Budgets are about choices –

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

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

**MR. WISEMAN:** – and we believe that we have made the choices that provides a balance which positions Newfoundland and Labrador in a better position than if we were to run out and amass huge debt like the member of the Opposition is suggesting, or his other colleague who is suggesting that we make massive cuts in the public service. Either way would be too severe, I say, Mr. Speaker.

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

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

The hon. the Leader of the Official Opposition.

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

Well, I would suggest that the \$2 billion in borrowing that the minister is already talking about, the increase in HST, will slow the economy. The minister should know that, given the experience that he has. The HST increase, as an example, makes buying a new home in our Province more difficult and out of reach for many in the Province.

Last year, during the PC Leadership campaign, the Premier himself said he would create a program to provide a down payment assistance for first-time homebuyers.

So I ask the Premier: Instead of making it easier, as you had promised, why did you make it harder for people to buy their first home?

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

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

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

We are going to hear over the next two or three weeks, I suspect, Mr. Speaker, a lot of cherry-picking on this Budget. Members will stand up day after day, will ask questions in debate, will highlight some particular aspect of this Budget that they do not like. No doubt, it will always be about things that they do not like.

They have never, ever – you will not see them, Mr. Speaker – the Member for Virginia Waters will stand today and talk for several hours, but not once will she talk about a balanced perspective, not once will she talk about the big picture, not once will she talk about the future, not once will she talk about how the strategic decisions being today are about making sure that we make the right choices –

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

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

**MR. WISEMAN:** – and we take a balanced approach to work our way through the circumstance we find ourselves in, Mr. Speaker, and that is what this Budget is about: balance and choices.

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

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

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

Speaking of balance and choices: Will the Minister of Finance or the Premier, as he mentioned in the leadership campaign, now agree that increasing the HST will make it harder for the first-time homebuyer to purchase that first house? It is a simple question: Yes or no; is it more difficult today as a result of the HST?

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

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

**MR. WISEMAN:** Mr. Speaker, here you go again; taking one question, one issue, in isolation. What I can tell the member opposite and tell the people of this Province is this particular Budget –

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

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

**MR. WISEMAN:** – makes some choices and, on balance, the people of Newfoundland and Labrador will be better off as a result of the decisions we made and announced in our Budget last week than they will be and would have been had we made some very significant decisions in other ways.

If we do not have a balance between our revenue stream and our expense stream, and looking at our fiscal capacity to borrow and what that outer limit might be, if we do not take a balanced approach, not only will it be difficult for people to buy their house for the first time, it will be difficult for people to hold onto the house they already have.

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

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

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

There is no question that is what increasing HST does: making it more difficult for people to hold onto the money, that they paid for that – that takes money out of the hands of Newfoundlanders and Labradorians, I say, Mr. Speaker.

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

**MR. BALL:** Government is borrowing \$2 billion, but transferring \$760 million to Nalcor; \$571 million is going to the Muskrat Falls Project.

I ask the Premier: How much total money will the people of Newfoundland and Labrador have to borrow to fund Muskrat Falls?

**MR. SPEAKER:** The hon. the Member for Finance.

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

**MR. WISEMAN:** Just think about Muskrat Falls, Mr. Speaker. Let's put it in context. Over a ten-year period starting in 2008 and ending in

2018, this Province, this Government of Newfoundland and Labrador, will invest in a company that is owned by the people of Newfoundland and Labrador, some \$3 billion in total over that ten-year period. Guess what? We are going to get every single cent of it back in eight years.

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

**MR. WISEMAN:** In the following seventeen years from that we are going to get \$12 billion back on that investment; and from there on, for the rest of our lives, \$1 billion a year – in fact, in excess of \$1 billion a year. That is the kind of return the people's company is going to give to Newfoundlanders and Labradorians.

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

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

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

My question was: How much are we borrowing for the project at Muskrat Falls? The Minister of Finance surely should have that number right now.

How much are we borrowing to fund the project of Muskrat Falls?

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

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

**MR. WISEMAN:** Mr. Speaker, the member opposite, with his vast business experience, would fully appreciate return on investment. He understands that concept, Mr. Speaker. He would understand that concept quite well.

Just let me repeat one more time. We are putting in \$3.1 billion over ten years. We are getting it all back in eight years. The following seventeen years we are getting back \$12 billion more, and then for the rest of our lives a little better than a billion dollars a year forever and a day, I would say, Mr. Speaker.

Just think about that for a moment. When you start talking about borrowing money, when you

start talking about investing money, all you are concerned about or should be concerned about is what is going to be a return on that? How are we going to get our money back? What value will it be for the people of Newfoundland and Labrador? Fundamentally, Mr. Speaker, that is a great investment in our future.

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

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

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

I will remind the minister that the people of Newfoundland and Labrador are paying every single cent for that project. It is going to be on their electricity bills. He knows it and the people of Newfoundland and Labrador know it.

Newfoundland Power is concerned that once the Holyrood station comes offline there is considerable risk of prolonged transmission failures on the Labrador to Island Link. They went looking for detailed information from Newfoundland and Labrador Hydro but they have been denied.

I ask the Premier: Do you support Hydro withholding this information from Newfoundland Power?

**MR. SPEAKER:** The hon. the Minister of Municipal and Intergovernmental Affairs.

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

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

There is no doubt, as we know here, a regulatory regime in place in this Province, Mr. Speaker. In regard to the specific question that the member asked, I am not familiar with it at the moment but I will certainly take the information, provide it to the House of Assembly –

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

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

**MR. HUTCHINGS:** – and take it under advisement to make the information available to the hon. member.

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

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

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

I thank the minister for that. What is happening right now is we have Newfoundland Power that is looking for information. This is public knowledge. It was April 22 they put in this request, and obviously this information that they want is being withheld.

Up until April 22, 2015, when asked questions in the House about the RFP for a new Labrador Marine service, the minister gave no indication that it would be cancelled on April 30, which was Budget day.

I ask the Premier: When was a decision made to cancel the RFP for the Labrador Marine service?

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

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

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

We had a very extensive process in the RFP development, Mr. Speaker. What we did was look at exactly how we could provide a service for the people of Labrador. We had to take into account our fiscal reality. The fiscal reality was the costing that came in from the RFP was much higher than we anticipated. As a result, we are going to go back and deal with our stakeholders. I have engaged opening up the Labrador communications process here. I am going to bring stakeholders in. We are going to determine exactly what service it is that is sustainable and affordable for the taxpayers of Newfoundland and Labrador.

Thank you.

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

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

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

My question about the RFP for the Labrador ferry system and ferry services was when was the RFP cancelled? On April 22 the minister stood in this House, April 30 was Budget day, so somewhere in between that there was a decision made. It was not reflected in the statements on April 22.

I ask the minister: When was this decision made to cancel this RFP?

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

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

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

This was an ongoing discussion through the Budget process, Mr. Speaker, an ongoing where we went in, as it works with ministers, and we assess exactly what our budget lines are in our own line departments.

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

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

**MR. BRAZIL:** What is it we can afford? What is in the best interest of the taxpayers of Newfoundland and Labrador, and if there are other ways we can do things that are more sustainable and more affordable for the taxpayers.

Mr. Speaker, when we assessed this, the costing was much higher than we were able to fulfill within our budget lines. So, Mr. Speaker, we are going to go back. We are going to deal with the people of Labrador. We are going to continue the service we have. We are going to find ways to improve it. Then we are going to engage, and then we are going to go back to the market when the time is right and we know that the process in place will guarantee we get something that is affordable and sustainable for the people of Labrador.

Thank you, Mr. Speaker.

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

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

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

The RFP was issued in December 2013 and it finally closed on June 16, 2014, and there were two extensions. A year and a half after it was issued, government now says they are going back to consult with the people of Labrador on a new RFP process.

I ask the Premier: It is clear that marine services are needed in the region, so why a year-and-a-half later are you repeating steps and increasing the cost of this process?

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

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

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

We have as our objective here to continue to support the ferry service in Labrador and improve on it. We went through an RFP process. An RFP process is fairly simple. You go to the market. You say this is the type of service we would like provided and we also ask the proponents, can you also give us other alternatives. They came back very intensive, the first time we went to market for something of this magnitude.

They came back with a number of alternatives. They came back with some very in-depth information. We assessed it, we asked for an extension. We went back to the market. We did a short list. We went back again. When we got back and realized what we had in front of us, the costing, Mr. Speaker, was not in the best interest from a financial point of view where we are right now to be able to deliver on that service.

Mr. Speaker, what we have done is gone back. We are going to work with the people of Labrador and find a service that is useable for them and we can fit within our financial abilities.

Thank you, Mr. Speaker.

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

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

The hon. the Leader of the Official Opposition.

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

Well, I can assure you that the ferry service in Labrador is not adequate. Your consultations with the people down there will be a waste of time. They have told you over and over again what is required on that service.

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

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

**MR. BALL:** The Premier and Minister of Finance should know this; it has been repeated.

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

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

**MR. BALL:** Stop doing it over; give the people of Labrador what they deserve.

Mr. Speaker, the 2015 Budget Speech says that total investment for the purchase of new ferries for Fogo-Change Islands and Bell Island is \$126.7 million. We know that the total cost of both vessels is \$102 million.

I ask the Premier: What is included in the other \$24.7 million?

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

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

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

I want to make it clear to the hon. Leader of the Opposition that any time we consult with the general public, regardless of what issue it is, it is never a waste of time, Mr. Speaker.

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

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

**MR. BRAZIL:** It is very important for us, and particularly me, as a minister, to assess exactly what –

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

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

**MR. BRAZIL:** – people think is the type of service we can provide, and outline to them exactly what our financial restrictions may be, or our challenges, and see if they can be part of not only outlining what should be done, but how they can be partners in that, Mr. Speaker.

So when we open up dialogue as an open government, we engage the general public to come in and that is how we will solve the problems in this Province and engage people by having a better service for the people of Labrador and every other service we offer in this Province.

Thank you, Mr. Speaker.

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

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

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

Well, the people of Labrador, in all due respect, they understand what is going on here. This is a delay tactic by this government right now. This has nothing to do – you should know, Minister, after a year-and-a-half of this RFP closing, what is required on that service. There has been extensive dialogue at every single meeting that we have had down there. They have explained it to me; they have explained it to you. It is a delay tactic. Tell it for what it is.

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

**MR. BALL:** Now, Mr. Speaker, I will go back to the ferries on the Fogo-Change Islands, which was at \$126.7 million.

My question was: What is included on the \$24.7 million? Will the Premier or the minister explain what the \$24.7 million is?

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

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

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

The costing there is the contract with Damen Shipyards to build two state-of-the-art vessels to provide service for the people of Fogo Island-Change Islands and Bell Island, to add two very valuable assets to the ferry service in this Province, and any other additional costs that are relevant to delivering those ferries to the people of this Province.

Thank you, Mr. Speaker.

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

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

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

Well, I will ask the minister: Does any of this money that is in this Budget include or exclude the tariff on those vessels?

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

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

**MR. BRAZIL:** Mr. Speaker, this is a continued investment in supporting the people of our Province, particularly those who live in isolated areas and need ferries as their service.

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

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

**MR. BRAZIL:** Built into that are all of the costs that we feel may or may not be necessary to get the ferries here and be delivered on time to do that.

Built into that is the tariffs that may be added.

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

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

**MR. BRAZIL:** We have engaged in a process with the federal government, Mr. Speaker, where we have outlined exactly why we feel the tariffs should not be levied on these vessels. As that process unfolds, I will report back to the House of Assembly where we are with that.

Thank you, Mr. Speaker.

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

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

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

Time and time again the minister has stood in this House – there were two options, of course, two clear options that were available: one with the tariff and one that would exclude the tariff.

Is there anything that happened in terms of the dialogue or communication with the federal government why you would put this in this year's Budget? Have you heard back from the federal government? Are they going to exclude the tariff or not?

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

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

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

First, I want to clarify. When we assessed which ferries we wanted to go with, which company we wanted to deal with, we did not go with the least expensive; we did not go with the most expensive. We went with something that was in the middle from a financial point of view but was light years ahead of some of the other proponents based on the principles of its professionalism, the type of asset we are going to supply to the people of this Province, and the longevity we would get out of that, Mr. Speaker. It was an investment for the people of this Province.

What we have done in this case, in our Budget line, is due diligence. We want to build in to make sure that we are not caught off guard with additional cost. We know this was the best investment for the people of Newfoundland and Labrador, and we have built that in.

Mr. Speaker, after we go through the process on the tariffs, once we are successful on that, then we will deal with the other ramifications around our ferry services.

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

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

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

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile.

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

Budget 2015 announced consolidation of the administration of the four regional health authorities and the Newfoundland and Labrador Centre for Health Information.

I ask the minister: What is the anticipated cost savings of this consolidation?

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

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

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

We did announce the consolidation of a number of back-office administrative functions within our four regional health authorities and the Newfoundland and Labrador Centre for Health Information. The estimated savings is between \$18 million and \$26 million after five years, not to mention the other efficiencies that such a consolidation will create.

We want to allow our regional health authorities to focus on what they are mandated to do, Mr. Speaker, which is delivering quality health care services to the people of Newfoundland and Labrador.

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

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile.

**MR. A. PARSONS:** Mr. Speaker, this government consolidated the administration of the regional health authorities in 2005 to save money. In 2007, the AG pointed out cost increased 16 per cent in the first two years. Since that consolidation the cost of administration and support has ballooned from

2005 at \$371 million to \$513 million in 2013, a 38 per cent increase.

I ask the minister: How do you expect people to trust consolidation will not waste money like it did the last time?

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

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

**MR. KENT:** Mr. Speaker, we have a five-year plan to achieve greater sustainability in the health care system in our Province and part of that process involves us finding efficiencies, finding better ways to do business. We want to ensure that the regional health authorities can find efficiency by being truly focused on what their core mandate is, delivering health services and will consolidate those back office functions like procurement, purchasing, information technology, information management, human resources, finance, payroll, which will naturally create efficiencies, Mr. Speaker.

We have a Province of just over half a million people. We have four regional health authorities for good reason, but we believe we can find real savings by consolidating these functions.

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

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile.

**MR. A. PARSONS:** Mr. Speaker, the school board consolidation was supposed to have savings, we have not seen those. The last consolidation in health was supposed to have savings, we did not see those, but I trust that we will see them this time.

A new standalone, shared service organization is being created to oversee the administration of the health authorities and the Centre for Health Information.

I ask the minister: Where will this organization be physically located, and how many positions will be cut in each of the regional health authorities?

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

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

**MR. KENT:** Mr. Speaker, where exact positions will be located is yet to be determined as we put the transition plan in place. What I can tell you is for each of the functions that I have previously mentioned there will still be a need to have personnel working in the various regions of the Province. That is going to be important when you talk about finance or human resources or information technology, just to give a few examples.

In terms of potential savings in positions, a reduction between 180 and 230 full-time equivalent positions would be eliminated over the five-year period, and we are going to do that largely through attrition, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile.

**MR. A. PARSONS:** Mr. Speaker, the Newfoundland and Labrador Centre for Health Information will now oversee this new organization.

**MR. KENT:** No, it will not.

**MR. A. PARSONS:** It will not oversee, the minister is saying.

This centre was highlighted by the AG for ballooning salaries that went up 354 per cent over a five-year period, disregarding government policy around hiring and compensation. Now government let this go on for years without action, including the Minister of Finance.

I ask the minister: Have you gotten the centre to fall in line with the rest of government on hiring and compensation after millions of taxpayer money was misspent due to a lack of financial oversight by your government?

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

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

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

**MR. KENT:** Mr. Speaker, we have taken steps in recent months to get salaries aligned at the Newfoundland and Labrador Centre for Health Information. I am pleased to report to this House that action has been taken and progress continues.

In terms of the efficiencies that will be created by this new organization, the Centre for Health Information is not going to oversee this new entity, but it will be a key part of the new shared services organization that we are creating. Newfoundland and Labrador Centre for Health Information is a valuable organization. It will continue its focus on information management and analytics, and it will continue to provide valuable support to the health system in this Province.

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

**MR. SPEAKER:** The hon. the Member for Burgeo – La Poile has time for a quick question – Bay of Islands, I am sorry.

The hon. the Member for Bay of Islands, an even quicker question.

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

I ask the minister: Will you specifically tell the people what the \$9.6 million budgeted for the Corner Brook hospital will be used on this year?

**MR. SPEAKER:** The hon. the Minister of Health and Community Services has time for a quick reply.

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

**MR. KENT:** Mr. Speaker, I know I only have a few seconds so I will tell you that those funds, the \$9.6 million will be used exclusively towards the replacement of the hospital in Corner Brook.

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

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



The hon. the Member for Signal Hill – Quidi Vidi.

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

Government said last week that the fairest method of raising additional revenue is through the HST because it is distributed across the entire population. This is quite different from government's decision to ease the tax burden on the highest income earners between 2006 and 2010.

I ask the Premier: Why raise the regressive HST now when it was not acceptable to lower it when times were good?

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

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

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

One of the things that the member would also recognize when she read the document last week was that we have made a huge change as well in the application of the rebate and the HST credit. We have now taken the income threshold some \$15,000 a year to \$30,000 a year.

The number of people who will now be eligible to apply for that credit has more than doubled I say, Mr. Speaker. That number has more than doubled. The amount of the credit has changed significantly. It has gone from \$40 to \$300, \$60 for the second adult in the family, and \$60 for each child in that family.

The transition we have made here is, not only have we made an increase in the HST itself, but we have made sure that we have protected the most vulnerable in society. So those individuals who are on that lower income spectrum have been protected as a result and shielded from this change.

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

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

**MS MICHAEL:** Mr. Speaker, government is trying to reduce its deficit on the backs of lower and middle income people. We now have the highest HST in the country and the third lowest income tax rate for high income earners.

I ask the Premier: Would he please explain the rationale for this upside down, regressive, and unfair tax regime?

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

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

**MR. WISEMAN:** Mr. Speaker, just listen to the member's comment. What she has failed to point out in her preamble is as a result of indexation, this year any single individual who is making close to \$19,000 a year, \$18,800-and-some-odd I think it is, will not pay any personal income tax in Newfoundland and Labrador at all. Families who have a combined income of just a little over \$30,000 will not pay any personal income tax in Newfoundland and Labrador this year.

So, I say, Mr. Speaker, our commitment to maintain that program, only introduced back in 2005, combine that with the change we just made in the dollar amount and the income threshold for the HST credit is a huge impact on those people in society who are on the lower income level.

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

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

**MR. MURPHY:** Mr. Speaker, this government went back on a promise to drop the tax on heat and light to consumers in the Province that they made in the 2012 Budget. Heat is a necessity of life and costly to low-income earners and seniors.

I would like to know, Mr. Speaker, we would like to know on this side of the House: Why did government reinstate the tax on heat and light in this Budget?

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

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

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

The member opposite would fully recognize, as the oil and gas price guru in the Province, that in 2011 when we implemented this credit it was at a time when oil was at its peak. We wanted to make sure we shielded Newfoundlanders and Labradorians from the continued rising price of oil to heat their homes. That circumstance is no longer valid today, Mr. Speaker. It was introduced just a few short years ago in 2011. The price of oil has changed today, so the policy decision to do it back then and the rationale for it, that rationale no longer exists today. That is why we have made the adjustment.

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

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

**MR. MURPHY:** Mr. Speaker, the Finance Minister already knows in his own projections for oil prices that oil is going to be going up again. He should never have done it.

Mr. Speaker, the price of gas and diesel will also go up by about 2.5 cents a litre this January.

How does government expect to keep the economy strong if they keep chipping away at consumers' disposable income?

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

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

**MR. WISEMAN:** Mr. Speaker, I just want to point out for the member opposite and the people of Newfoundland and Labrador, that we still have in place the rebate, the annual process of making applications to the Province. Attaching your oil bill or your utility bill to demonstrate that you have had to heat your own home. That program is still in place. Some \$65 million a year is invested in that program.

We will continue to maintain that program for Newfoundlanders and Labradorians because, Mr. Speaker, that particular program, and only that program, protected and shielded the low-

income families. The other program, regardless of what your income was you got the credit for that. So we believe that those who are more vulnerable in society deserve the most attention and the benefit of having the safety net protecting them, rather than the high income earners.

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

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

The time for Oral Questions has expired.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

#### Notices of Motion

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

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

BE IT RESOLVED that the House of Assembly urge government to cancel intended increase to the HST.

I move this motion for Wednesday's PMR, and that is seconded by the Member for Virginia Waters.

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

**MR. A. PARSONS:** As per the Leader of the Opposition, and pursuant to the Standing Orders, the motion just read will be the one debated on Wednesday.

Thank you.

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

Answers to Questions for Which Notice has been Given.

Petitions.

Petitions

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

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

I have a petition related to health care from residents of 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 in the clinic at Jeffrey's for almost a year; and

WHEREAS the absence of a permanent doctor is seriously compromising the health care of the 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 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 action which will result in a permanent doctor or other arrangements to improve the health care services in the Heatherton to Highlands areas.

Mr. Speaker, this petition is from the Heatherton to Highlands area, but it also addresses a situation for the whole district. I think it is fair to say there is a health care crisis in the St. George's, Stephenville area.

The community of Jeffrey's and communities from Heatherton to Highlands have not had a doctor now for over a year, nearly a year-and-a-half, Mr. Speaker. It is causing serious problems in terms of health care. Elderly people have had to travel long distances to get to see a doctor in Stephenville at the emergency there. People have not been receiving their health tests on a regular basis, blood work and things like that. So there are some serious problems caused by this lack of a doctor.

Also, in St. George's a similar situation exists. They have been without a doctor since November of last year, Mr. Speaker. It is a situation that continues to get worse in the area. What is happening is the people who cannot get a doctor at their own clinics are going to the outpatients in Stephenville which is causing a big back up and longer wait times for people there. It is not uncommon for people in that area to have to travel long distances, wait all day in a waiting room to see a doctor, even for simple things like to get a prescription refilled.

Mr. Speaker, this is not a budgetary matter. I am not asking and the people who signed this petition are not asking for new money to put a doctor in place. This is money that has been budgeted. It is a recruiting issue.

I have talked to the Minister of Health. I have asked him to get personally involved in this situation. I have talked to people at Western Health and asked them to get personally involved in this situation as well. The services are not good, it is a crisis situation, and I ask the government to do something about this.

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

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

**MR. MURPHY:** 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 residents of Newfoundland and Labrador humbly sheweth:

WHEREAS Tordon 101 contains the chemicals 2, 4-D and Picloram; and

WHEREAS the chemical Picloram is a known cancer causing carcinogen; and

WHEREAS the provincial government has banned the cosmetic use of the pesticide 2, 4-D; and

WHEREAS safer alternatives are available to the provincial government for brush clearing such as manual labour, alternative competitive

seeding methods, and/or the mechanical removal of brush; and

WHEREAS the provincial government is responsible for ensuring the safety and well-being of its citizens;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to cease the use of chemicals covered under its own cosmetic pesticide ban and begin using safer methods of brush clearance that will not place its citizens in harm's way.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, I am pleased to present this petition in the House today. Signatories come from St. John's, Paradise, and other areas of the Province. I have to make special note to government that rather than using chemicals and adding not only to your environmental liabilities in this Province – and there is still a question as regards to how much environmental liabilities are actually included within the Budget or not – the question has to be asked upon government right now if it is really prudent for them to be adding to the health burdens in this Province by dumping carcinogenic chemicals that are going to be damaging the environment and causing issues for us as well into the environment and accounting for that on their own health care bottom line.

Mr. Speaker, it does not make any sense why we would take such a step. Instead, what government should be doing right now is thinking about this as well on an economic perspective – a job creator too at the same time. Times are hard. We are in a recession, contrary to what the Finance Minister would think. These are recessionary times according to economists. It is time to put people to work in this Province, particularly when it comes to green programming.

It is something that we can address right off the bat, Mr. Speaker. We can add a level of taxation back to provincial coffers by employing people, number one, to clear brush from the sides of the road. Next to having safer highways, Mr.

Speaker, this should also be looked at as a job creator as well.

Mr. Speaker, I am pleased to table this again. Besides the known health concerns here, government should be looking at this as an opportunity. I do not see mechanical brush clearing within the Budget. I have no doubt that government right now is strictly focused on using chemicals to keep roadside brush down, but again they should reconsider simply on an economic perspective.

Thank you very much.

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

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

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

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

WHEREAS the Town of Conception Bay South is the second largest municipality in the Province; and

WHEREAS recent dangerous incidents on community streets have highlighted concerns of high speed and inadequate traffic control in Conception Bay South; and

WHEREAS residents, organized groups, and the town continue to raise awareness about pedestrian safety along main streets and the lack of police presence in the town; and

WHEREAS residents are increasingly concerned about safety in their community and are feeling insecure in their streets and in their homes;

We, the undersigned, petition the House of Assembly to urge government to review the level of policing in Conception Bay South with an objective of increasing policing services and improving public safety.

Mr. Speaker, this is the second time I have brought this petition forward. As I said before,

in no way am I indicating that there is any concern about the work that RNC officers do in the Town of Conception Bay South. They continually present themselves in a very professional manner in all the work that they do.

Mr. Speaker, the concern here, and it seems to be the issue among residents, is the degree of policing and the perception of residents and the visibility in the community. The Premier is fully aware of these issues in Conception Bay South as a former member of the RNC. He was a ward councillor in Conception Bay South, and I know that the Town of Conception Bay South has kept him in the loop on these issues as time has gone on.

Mr. Speaker, two issues that is involved in this issue of policing: one is the feeling of insecurity in neighbourhoods – and I pick this up as I go door to door and, quite often, among the seniors in our community. Some of them are very forthcoming and talk about not feeling comfortable in their neighbourhoods; whereas others are not so forthcoming. The other indicator of feelings of insecurity is the fact that any number of homes in any number of neighbourhoods has the little sign on the house or on the patio saying that it is being protected by a private security firm. Mr. Speaker, that is money that individual residents are paying to ensure their own security.

The other issue, Mr. Speaker, is the issue of speed and unsafe driving in our neighbourhoods. There is a major concern in the district for speeding and dangerous driving: Route 60, Foxtrap Access Road, our provincial highways through the town. There are eight schools.

Mr. Speaker, the Minister of Justice will tell us that the philosophy of our local police (inaudible) –

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

I remind the member his time is expired.

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

**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 call from the Order Paper, Motion 1, to move that this House approves in general the budgetary policy of the government: the Budget Speech.

**MR. SPEAKER:** We are debating Motion 1, the Budget Speech.

The hon. the Member for Virginia Waters.

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

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

Mr. Speaker, I listened to Question Period intensely today, as I always do, and I just wanted to let the Minister of Finance know that I have no intention of cherry-picking this Budget. I have every intention of talking about every single line in this Budget.

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

**MS C. BENNETT:** Mr. Speaker, last Thursday the people of the Province and the hon. members of this House witnessed the Minister of Finance stand in his place and admit to his government's complete failure to manage the resources entrusted to them –

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

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

**MS C. BENNETT:** – by the people of Newfoundland and Labrador. It was a sad spectacle to sit here and listen to the litany of lost opportunity and misplaced priorities that have set our Province back decades.

The minister is fond of making references to the 1990s, pre-oil.

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

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

**MS C. BENNETT:** Really, we have to look even further back. Not since the dark days of the 1920s and the 1930s have we seen a government in Newfoundland and Labrador be such an abject failure at financial management, a primary responsibility for any government. Mr. Speaker, 14,000 words, perhaps one of the longest Budget Speeches in our Province's history, for a minister and a government who like to hear themselves talk, and who clearly have started to even believe their own spin.

The minister is spinning a yarn, a story of glory and riches in an attempt to fool the people of Newfoundland and Labrador into believing two things: First, that they, the government, have everything under control and have a plan to deal with a crisis they created; and second, that they had no control over the financial mess we find ourselves in, that we have all been victims of a global economic downturn. Mr. Speaker, nothing can be further from the truth.

Government has not done anything to demonstrate that they have the capacity and the financial literacy to manage any financial plan, and certainly not the one that government laid out in this Budget. Despite the rhetoric, the essential problem of poor planning and mismanagement, as identified by the Auditor General and others, remains.

Their solution? They want the people of the Province to give them a free pass to deal with the crisis they created. Mr. Speaker, I have great confidence in the people of Newfoundland and Labrador to see this for what it is: lack of economic and fiscal leadership.

Their plan is to take more from those who can afford it least. Take more to fund their re-election campaign. Take more good money after bad to be squandered and lost.

Mr. Speaker, after seventeen straight months of job losses, this Budget does nothing to help families, nothing to help the unemployed or seniors. In fact, it makes them worse off.

During the time I have been given, I plan to expose the minister and the government and demonstrate the truth about our Province's finances and this government's role in creating

this financial crisis and what it is that needs to be done differently.

Government talks about the new Premier as having a renewed vision, that we were ready to be bold and innovative. Mr. Speaker, I would remind the members opposite that less than 350 people picked this Premier, and if now is the time they are going to be bold and innovative, quite frankly, it is too little too late.

Now they say they are ready to make the decisions. Now they say they are ready to do the things that need to be done. Well, Mr. Speaker, seven Finance ministers in four years; eight ministers responsible for economic development in seven years; six ministers for workforce development in seven years; seven Ministers of Transportation and Works in seven years, and, Mr. Speaker, worst of all of this, fourteen Health ministers, fourteen in twelve years.

Clearly, there is an absence of leadership in departments, which is impacting not only their ability to plan and manage the affairs of the Province but it is also impacting on the culture of the public service, driving down morale, increasing stress, and lowering productivity of our very, very valuable public sector.

We will take lots of opportunity to speak about this Budget, and it is important for people of the Province to understand the extent of this financial mess. How Tories mismanaged us into it, and, Mr. Speaker, what Liberals will do to get us out of it. The Liberal solution goes well beyond the scope of the Tories tunnel vision.

Mr. Speaker, this government will let you believe there are only two options, tax and borrow. That is what this Budget is a reflection of. It is a reflection of tax and borrow.

Liberals take a more strategic view because there is a need to reduce the Tory waste and get our Province's finances under control. We do not support an increase in HST. This will only stunt our economy and make it more difficult for people to build a life here, to raise their kids here, and it will leave the people of this Province paying for the Tories mismanagement.

Liberals would better manage expenses and, most importantly, grow the economy. If

necessary, we would borrow over increasing taxes so we do not risk the revenue side of the ledger at a time when our economy is contracting. Quite frankly, if the minister cannot understand that, then perhaps he needs to brush up on his math skills after all.

Today, our economy is struggling. All indicators are pointing in the wrong direction. Mr. Speaker, the Province cannot risk another Tory misstep or do over.

Economic analysts may have differing opinions about whether our Province is in a recession or not, but there is one thing we know for sure, that this side of the House – and I believe that side of the House as well – sees every single day in our communities, and that is the effects economic change is having on the people who are in our districts. Whether it is the people in Lab West who lost their jobs as a result of the mining commodity pricing, whether it is the people on the West Coast who are struggling to find opportunities where this government has failed to create any, or whether it is on the South Coast where a lack of entrepreneurs unable to come in and replace retiring entrepreneurs and buy their businesses creates a contraction in our economy. This government has failed to recognize the struggles that people in our Province are having as a result of the economy that their decisions are part of creating.

Mr. Speaker, led by the Leader of the Official Opposition, this team of Liberal entrepreneurs, a team of energetic and passionate leaders in our Province who are eager to get to work and roll up our sleeves and put our business acumen to work to create opportunities for people across our Province, not just in the oil industry but in every single industry that is important to the growth of our economy.

Mr. Speaker, some on the other side might assume that my tone today means that I am not optimistic. Quite frankly, that would not be the case. I am very optimistic about the future of our Province, but first and foremost, we must have our economic policy better managed to get there.

I am so excited that the minister on the opposite side is excited that I am going to have four hours

to make this presentation. I look forward to him sitting there for the whole time.

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

**MS C. BENNETT:** Mr. Speaker, let me say again, I am very optimistic about our future, but the importance of clear and well-thought-out economic policy is critical at this time in our history. Quite frankly, because Liberals are more experienced managers, I think we can get Newfoundland and Labrador through this ‘Toryness.’

Here is what good managers do, Mr. Speaker. Good managers and good leaders start by executing on plans. They do not just create the plans; they execute them. They make those plans based on using accurate financial facts, and they hold themselves accountable to delivering outcomes and getting results.

Mr. Speaker, that is what has been missing. There are lots and lots and lots of plans this government has started and I look forward to listing them all in the next couple of hours. Let’s be clear; a plan is not worth the paper it is written on if it is not based in fact, if it is not accepting the reality at the time the plan is written, or more importantly, if we do not hold ourselves accountable to delivering on targeted outcomes.

Mr. Speaker, I sat in this House earlier last month as we were presented a strategic plan for the Department of Industry – I am sorry; I forget the name of it now.

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

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

**MS C. BENNETT:** The Department of Business, Tourism, Culture and Rural Development – oh sorry, not Justice and Public Safety; Business, Tourism, Culture and Rural Development.

We saw a strategic plan for the period of 2014-2017 presented in 2015. Mr. Speaker, that does not speak to a planning process that is founded in performance. Because, quite frankly, without the outcomes and without holding ourselves to the outcomes and planning, the risk is, right now

during these economic times, we just will not get it right. We will continue to see a government that makes mistakes.

Mr. Speaker, it is time for better management in the Province. So we address the challenges we are facing today honestly and finally – finally – reach our full potential.

In the minister's Budget Speech, which I spent many hours over the last three days reviewing, the minister spoke under the heading of strategic spending and sustained growth. Please indulge me, Mr. Speaker, as I quote from the Budget Speech, and I am going to refer back to this.

The minister began his speech by saying, "Through wealth generated primarily by our offshore oil sector ..." – that is right; most of the revenue they have had to deal with, to spend with, has come from the oil sector – "Newfoundland and Labrador became a 'have' province for the first time since Confederation. Applying these new found revenues strategically to sustained investments in health care, education, infrastructure, debt reduction and new opportunities, we have built a rock-solid foundation sturdy enough to sustain growth for generations to come." Mr. Speaker, that was page 1 of his speech.

Mr. Speaker, strategic: There has been no strategy, quite frankly, other than spend. This Budget is a shell game and it is designed to deceive the public into thinking that this government has the fiscal crisis that they created under control.

Sustained: Well, let's talk about what really is sustained. Historic deficits are not the definition of sustainable spending. This government has presided over six deficits in twelve years and are now forecasting three more.

Let us talk about debt reduction. In two short years the government has all but destroyed any benefits they may have gained from debt reduction in previous years, debt reduction that only came about because of unexpected windfalls from oil, not from any strategic plan to reduce the Budget. Sustained growth for generations to come – that is what he said: sustained growth. Clearly, the minister is working from a different definition of growth

than most of the western world. How do you defend seven years of decline as sustained growth?

Mr. Speaker, one thing is clear from the feedback people are giving me; this government is too busy with their own key message track, trying to spin a yarn, rather than spending time working on creating meaningful solutions. They want the people of the Province to believe that doing the same thing over and over again will somehow yield different results.

Mr. Speaker, later on in his speech the minister moves into a section where he says the time has come to raise the pillars of economic durability enough to weather any storm. Already, we are weathering a storm that would be crushing us had we not made the choices that transformed this Province over the past ten years.

Durable economy – this government ignored the economy with a narrow-minded focus on oil and gas while other industries faltered and failed. Is the minister talking about the durability of the pulp industry? He should speak to the former mill workers in Grand Falls. He should speak to the former workers in Stephenville.

Is he talking about the durability of the mining industry? I beg him to speak to the out-of-work miners in Wabush; the single mother who is trained to be a skilled tradesperson, she has four children, she has lost her job, has a mortgage on her house, has a car payment, and is terrified about what her future will bring, not only for her but, more importantly, for her kids. What pillars.

What about the Corner Brook Pulp and Paper facility that has seen a continuing shrinkage in their workforce? Mr. Speaker, this government's single focus on one industry failed to recognize the importance of all of the other industries in our Province. That is what people told me last fall when I spent weeks travelling this Province talking to people about what they are saying about our economy. I can assure the members opposite that every person who gave me feedback on what this government did not do on our economy, I promised them I would say that in this House of Assembly. I intend to use every minute I have to make sure that those messages are heard.



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

**MS C. BENNETT:** Mr. Speaker, the minister referred to past choices. What choices? The only choice this government made, and the only choice they made in this Budget is to tax and spend and borrow. In this Budget they are asking permission from this House to continue on that path, ignoring the need for any real plan to deal with our fiscal crisis.

Mr. Speaker, the minister talked about in his speech the choices being what is in the best interest of Newfoundlanders and Labradorians. Mr. Speaker, I can tell you that that lady in Lab West and the people I spoke to at the doors in St. John's West this past Saturday, they do not believe this government has made the decisions in the best interest of them.

Mr. Speaker, the minister went on to say, on page two of the document, "In this first Budget of our new Premier's tenure, we also happen to be facing a particular challenge that, a year ago, no one saw coming." I believe he said, "The precipitous, protracted and unpredictable decline in the global market price of oil and the parallel drop in the global market prices of mined commodities such as iron ore have shaken economies from Canada to Australia."

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

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

**MS C. BENNETT:** Mr. Speaker, when I heard the minister say that on Thursday, I was dumbstruck. I am not sure any financial analyst or financial planner would advise anybody on that side of the House – or anybody on this side of the House, for that matter – that oil price is a dependable number. This government saw record oil prices. If they had looked at the history of oil prices over decades they would have realized the risk they were taking with money that was not theirs to spend. That was money that belonged to the people of Newfoundland and Labrador.

The minister said no one saw this coming. Really? Because everyone else did. If the Premier did not and the minister did not, then we have a problem. Quite frankly, we have a problem much more serious than lack of

planning if this government did not see the oil price coming. Their own report in 2012 forecast the oil price that was happening last year. Their own report that they commissioned and paid for showed the oil price that is reflective in this Budget, and reflective of the results of last year.

Mr. Speaker, this is a crisis of bad management. More than half of last year's deficit – let's be clear on that. More than half of the one billion dollar deficit from last year was actually planned. It was not by accident, it was not because commodity prices dropped. It was planned. They came into this House of Assembly last year, presented a Budget that planned for 60 per cent of the deficit they now have. That is not a result of falling oil prices.

For ten years we have listened to members opposite crow about all they have done to bring the good times to Newfoundland and Labrador. Mr. Speaker, they would have us believe that they actually put the oil in the ground. I have to say that I was sitting last night going over some of these documents and my son said: mom, don't they know about geology?

Mr. Speaker, the people of the Province know the difference. They know the Tories did not put the oil in the ground. Quite frankly, they were not the ones to take it out of there either. If you believe their spin, the wealth that has been generated over the past ten years is all their doing, and only their doing.

It has nothing to do with the development agreements of previous Liberal governments, nothing to do with work that previous Liberal Administrations accomplished. It certainly ignores, quite frankly, I think with great disrespect, that nothing would have been done with the oil if there had not been investment from private business and the expertise in that business and the expertise in the industry.

Mr. Speaker, I will go on to say that it is disrespectful to not acknowledge and to continue to pontificate about their work without recognizing that thousands of Newfoundlanders and Labradorians have been involved in this industry, some who have given up their life to go work offshore. Those are the drivers of the oil industry, the people who work in the industry, the people who make the investments,

and the people who had the vision to create the development agreements in the first place.

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

**MS C. BENNETT:** Mr. Speaker, it had nothing to do with the fact that they forget Mother Nature incubating carbon for an eternity; yet, oil is all their doing. They spun the yarn – Mr. Speaker, they spun the yarn.

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

**MS C. BENNETT:** Mr. Speaker, I understand that the Minister of Health on the opposite side is riveted by the comments that I am making and I am certainly appreciative of the much mentoring he has given me in this House over the last year and I look forward to continuing to showing off those skills in the next four hours.

Mr. Speaker, they spun this yarn so that we would believe that they and only they had the right to determine how and where the revenue from that resource was spent. Now the house of cards has collapsed – it is collapsed – and they want us to believe that they had nothing to do with it – nothing to do with it.

Mr. Speaker, I have to remind the members opposite that Newfoundland and Labrador has been a commodities-driven economy since John Cabot. Fishing, forestry, mining – in every industry we have seen the impact of fluctuating prices before.

In the absence of real data, there should always be an understanding that a certain amount of our revenues, that a certain amount of the critical dollars that this Province brings in, would be at risk particularly in oil and gas.

Mr. Speaker, the failure of this government is not that it could not predict an exact price of oil – that is not the failure. It is not their failure to predict the exact price of oil; it is their failure to assess, to plan, and to manage the associated risk with oil prices. That is this government's failure. It is not the failure of the people of the Province of Newfoundland and Labrador. It is not the failure of the people in this House of Assembly. It is theirs and theirs alone.

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

**MS C. BENNETT:** Mr. Speaker, the media and others have made much of one particular line in the Budget, which I think speaks volumes as to where this government's priorities lay. The minister said, "We certainly look forward to hearing the choices of those who will inevitably criticize ours. But it is not enough to simply criticize our budget choices" – as he stomped his feet – "or criticize the financial position of the province. Our detractors must outline their alternatives."

Mr. Speaker, this line says a lot about government's purpose for this Budget. It was not to put forward a comprehensive economic agenda to manage the people's money. It is a pure and simple political tool.

I heard that at the doors when I went door to door for the next member of St. John's West, Siobhan Coady. I flag the minister, your constituents, the Minister of – they move so much I can hardly remember where they are. The Minister of Environment and Conservation, I flag for him, this is what his constituents are telling me. They are fed up with the games of this government, the game that these statements, quite frankly, expose.

At a time when families are losing jobs, incomes are declining, seniors' expense is growing, this government chose to neglect their responsibilities and turn yet another critical obligation to set forth a responsible fiscal plan into gamesmanship, just like they are doing today while they heckle me while I reply to this Budget. That is exactly what the member opposite is doing.

I tell the minister, yes, sometimes it is enough to simply criticize because sometimes that is all they deserve, but, Mr. Speaker, we will do more than that.

**MR. KING:** (Inaudible).

**MS C. BENNETT:** You are right. I remind the House Leader on the opposite side, you are absolutely right. The people of the Province deserve better. We have for months put forward the ideas and the priorities of our party for this Province. As a government, we will build the financial plan needed to make those priorities a reality and truly sustainable.

So while the minister can continue to be concerned about his detractors, he may want to step back and take a minute to think about his responsibility and how as a minister he and his government have failed to meet their basic responsibilities to the people of the Province.

Finally, Mr. Speaker, in the minister's opening preamble, the minister was trying desperately to minimize the true nature of the mess they have created, calling the challenges short-term. "The short-term challenges are just that – short-term; temporary; transitory; finite in duration." That is a lot of words to define short-term. "We will get through them, just as we have gotten through the challenges of the past. Recall the global economic downturn of 2009. We endured it, we survived it and we are stronger because of how we managed it."

Mr. Speaker, I found this statement to be particularly ridiculous. In 2009 – this government continues to refer to the global –

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

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

**MS C. BENNETT:** Thank you.

Mr. Speaker, this government continues to refer to the global economic crisis of 2009, and Newfoundland and Labrador magically, through what they say was their good planning, riding out the economic downturn of 2009. Well, Mr. Speaker, many businesses, many people in this Province, as this government was talking about the Newfoundland and Labrador recession at that time, people on the streets in certain parts of our Province were saying what recession; government misread the statistics. Quite frankly, Newfoundland and Labrador was one of the few jurisdictions in North America that was experiencing an economic growth because of oil. You rode the boom, there was no management of any fiscal downturn, except for those who are forgotten about in rural Newfoundland.

Short-term challenges: This is not a short-term challenge. Seven years of deficit – seven years of deficit? Five years of GDP declines – five years. Seventeen months of job losses, with, I might add, five more years to come. Five more years of job losses to come; that is what this

government is proud of? Seven more years of unemployment over 12 per cent; that is what they are proud of?

Mr. Speaker, that is not short term. That is not only a fiscal crisis in the management of government's money and government's affairs, that is an economic issue that we as a Province have to band together and deal with. We cannot let Newfoundlanders and Labradorians suffer because of this government's failure to recognize its own economic indicators.

Mr. Speaker, the Minister of Finance spoke about eight long-term principles and how those eight long-term principles were the keys to the visionary plan that this government has. I would like to spend the next few minutes speaking about those eight long-term principles.

The first one, "We Will Cultivate a Culture of Cost Management." They will cultivate. Starting now they are going to cultivate a culture of cost management. Twelve years, and now they are going to cultivate a culture of cost management.

He went on to say: our first new approach – the first new thing they were going to do is "... launch a process to overhaul our existing program and service delivery model in order to contain expenditure growth." It is on page 3.

Mr. Speaker, people of the Province are begging the question, what have you been doing for twelve years if you have not been creating a culture of cost management? The fact that the words "new approach" were used that is a stunning admission from a government that had the resources that this government had.

I have news for the minister, this is nothing new. There is nothing new about cost management. Quite frankly, it is a concept that is long overdue. It is a sad indictment on this government that after twelve years and billions of dollars wasted that they are only now even talking about cost management.

Mr. Speaker, I thought for the members opposite I would remind them of just one example. This past year the Auditor General reviewed the use of government vehicles. Let's just hear what the Auditor General had to say, "The Department of

Transportation and Works (the Department) is responsible for monitoring and managing Government's light vehicle fleet" for all departments. "To fulfill this mandate, the Department created the Vehicle Fleet Management Branch" – they created a branch, that is great, that sounds good – "under the Highway Maintenance and Support Division."

The department maintains an Equipment Management System, EMS it is called. The Auditor General's review focused on six major departmental users of the EMS system: Transportation and Works; Natural Resources; Justice and Public Safety; Environment and Conservation; Service NL; and Fisheries and Aquaculture.

What did the Auditor General find about the use of government vehicles? Well, the Vehicle Fleet Monitoring was reviewed and the branch was not maintaining an accurate or up to date inventory of vehicles.

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

**MS C. BENNETT:** No. No inventory list. As a result, inventory reports that were generated by the EMS were not completed or accurate. It is amazing.

He went on to say, if you look at fuel consumption related to the vehicles that were used. "No analysis is made of fuel consumption for Government vehicles by the Branch." No analysis. What he found was "8 instances of diesel fuel" – eight, diesel fuel – "purchased for vehicles with gasoline engines." For example, in one instance 1,320 litres of diesel was purchased for \$1,795 when records indicated that the vehicle was gasoline.

Now, Mr. Speaker, let me be clear. There may well be a good reason why a government employee needed to buy diesel. They may have been driving a pickup truck. Maybe they were bringing diesel somewhere else. Maybe they had tanks in the back of their car or the back of the truck that they filled up with diesel. There are logical reasons for this. What the issue is, the Auditor General said nobody knew why, and that is the problem. That is the problem.

He went on to say in Reporting and Accountability, "The personal use of Government vehicles is not monitored and reported in accordance with policy." There is a policy in place. Government has a policy, but government does not have a process to monitor their own policy.

Now I have to tell you, twelve years ago when Chief Justice Green came into this House of Assembly to look at some things, there were definitely some control issues that were identified. Mr. Speaker, these are symptoms of those problems.

"Government does not have a process in place to monitor whether a personal benefit is being conferred on employees who are authorized to park a Government vehicle at their personal residence." The policy manual for this has not been updated since 2003. An update was supposed to happen in 2006 but never was approved.

In conclusion, the Auditor General went on to say specifically about the Department of Justice and Public Safety that it had "... the highest operating cost as a percentage of capital cost at 40.2 %." Just on the vehicles.

Mr. Speaker, this new approach to cultivate a culture of cost management is an expectation of the people of the Province. People of the Province expect these items to be followed up on by their government. They expect policies and processes in place to protect those public sector employees who want to follow the rules and to make sure that the taxpayers' money is well stewarded. That is what they expect – twelve years, Mr. Speaker.

Then, Mr. Speaker, there is the infamous and well known throughout the business community in Newfoundland and Labrador, it is referred to, it is budgeted for, it is jokingly talked about by sales reps who are trying to meet their sales quotas in their private businesses, and that is the phenomenon commonly referred to as March madness. It is not basketball; it is year-end.

That March madness, this government has allowed that to be created. Its symptom is based foundationally in a budgeting process. If public sector employees were empowered and

recognized, and I would argue, rewarded for finding efficiencies, Mr. Speaker, they would be rushing out to spend that money that they are afraid to lose in next year's Budget. Part of the budgeting process, this part is a clear example of how this government has failed for a decade to be a good steward of the public purse. March madness is one of those examples.

The message to the people of the Province, quite frankly, the message from this Budget, the message from this pillar, is really simple. I think this government is saying we know we are inefficient and we cannot manage it. So we need to get consultants to come in and we need to redo things because we have not been able to manage it after twelve years.

Mr. Speaker, there is nothing more ironic than sitting in the lock-up the other day and pulling this document out. It was the document entitled *Solid Investments in Provincial Infrastructure*. There is nothing more blatant that demonstrates the lack of a culture of cost management than this book. Quite frankly, this document is a piece of political propaganda designed to educate the uneducated electorate of the great value of the Tory reign. It is interesting.

**AN HON. MEMBER:** Say that again.

**MS C. BENNETT:** Oh, absolutely. The member opposite asked me to say it again. This book is nothing more than a blatant attempt, a piece of political propaganda, designed to educate the uneducated electorate – their words – of the great value of the Tory reign.

Mr. Speaker, this book outlines dozens of capital investments. I do not see the Confederation Building in here.

**AN HON. MEMBER:** Is the Corner Brook hospital in there?

**MS C. BENNETT:** The Corner Brook hospital is not in here.

**AN HON. MEMBER:** Is the Waterford in there?

**MS C. BENNETT:** The Waterford Hospital is not in here; long-term care is not in here.

I am going to come back to this book.

**AN HON. MEMBER:** A new penitentiary?

**MS C. BENNETT:** No new penitentiary.

I am going to come back to that book because there are some really interesting things about what government said they were going to do and then what they actually did.

Mr. Speaker, quite frankly, this government's paternalistic view is wearing very thin with many people in our Province. This government seems to forget government is not here to convince people; it is here to represent people. Government is not here to convince people; it is here to represent people.

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

**MS C. BENNETT:** The results will speak for themselves.

Spending taxpayers' money to convince people is the most brazen example of the lack of a culture of cost management there is. Taxpayers' money printed that book.

The current financial crisis facing the government is not the result of oil prices. It is the result of a failure to plan in the past. They have done nothing to manage costs, even over last year. When we talked about this in the lock-up, when we realized these numbers, this is a stunning admission from a government who says they are now going to have a new approach of cost management. Mr. Speaker, this Budget actually budgets 1.7 per cent more money than last year – more money. Mr. Speaker, this government has only been interested in redacting, not reducing.

Mr. Speaker, let's do the math; \$20 billion in oil royalties, \$5 billion in Atlantic Accord money, and an increase in debt by \$5 billion. So that is twenty, plus five, plus five; that is thirty. That is \$30 billion, Mr. Speaker. The minister has said in his own document that government spent \$6 billion on infrastructure and \$3.1 billion on Nalcor. That is \$9.1 billion; \$30 billion and \$9.1 billion, I ask the minister: Where is the rest?

Now they want you to forget about that and give them a free pass to deal with the crisis they created. I have a lot of confidence in the people of the Province to see this for what it is: lack of economic and fiscal leadership.

Mr. Speaker, the cancelled Labrador ferry contract is another example of how their failure to plan is having a real impact on people. As my colleague for Cartwright – L'Anse au Clair noted last week: After a full year of delays and broken promises, the contract for the new Labrador ferry has been cancelled indefinitely, ignoring the expectations and the needs of the people on the Coast of Labrador and leading them on with false promises.

Mr. Speaker, in December 2003, the minister announced that the RFP – I add that the minister at the time was the Member for Labrador West. The Member for Labrador West stood in this House and said he was announcing an RFP to secure a single contractor to provide comprehensive marine services to Labrador over a fifteen-year term. The deadline for receipt of the proposals was April 2014.

The deadline was extended by this government by another thirty days. In May, it was extended to June 16. June 16, 2014 that RFP closed and it was not until November that a proposed short list was made up of two bidders.

In January of this year, my colleague asked the minister if there was a violation of the agreement of the Labrador Lands Claims Agreement as a result of the RFP.

Mr. Speaker, in March of 2015, the minister contacted bidders of the RFP requesting another extension until June of 2015. Then, the minister indicated that the start-up date of 2016 no longer seemed attainable. Well, do you think? They spent several years trying to figure out the RFP. Of course, it is not going to be attainable.

Then, last week the minister announced that the RFP was no longer on the table; that the ferry that the at-the-time minister, now the Member for Lab West, had promised the people of Labrador was no longer on the table. Mr. Speaker, all of the energy, all of the public sector resources, all of the discussions around that decision and process speak to this

government's inability to understand the culture of cost management.

In a 2013 report, Newfoundland and Labrador ranked seventh, along with Saskatchewan and Quebec. All of them received D+ in terms of reporting practices for budgets and public accounts. Newfoundland's main issues at the time were that it presents multiple expenditure and revenue categories in its Budget Estimates as opposed to a simple summary of revenues and expenses.

Also, as I said before, it is not easy to compare the estimates to what government plans to spend with the actuals report in public accounting. When you factor in the number of times this government has changed government responsibilities for ministers and moved buckets of money around for accountability to ministers that makes the ability to be transparent about the spending of the Province even more difficult.

Newfoundland and Labrador is the only jurisdiction in Canada to undershoot its Budget Estimates over the past ten years. Just think about that. For ten years this government is the only government to undershoot its Estimates. Now some would say, well, that is a great job. They must be wheeling back in the middle of the year and trying to look for some savings.

The reality is that in Estimate discussions year after year after year what we realize the answers are is the government is not able to get the programs running and get the money out the door. It cannot deliver on the promises. It is a systemic problem of not being able to execute the plans they put in place, even their own Budget plans.

Now, Mr. Speaker, they have deal fever and getting a deal done for Statoil. People are truly worried about this government doing a deal because of the crisis they created. It is never a good time to negotiate the terms of a long-term contract when you are in a crisis that this government has created for themselves. People are worried that the deal will not be in the best interests of the people of the Province.

Mr. Speaker, we have spoken on this side of the House many times about the track record of this government's attention to cost control. We have

asked questions repeatedly about this; \$45 million in business loans written off for businesses, spending hundreds of thousands of dollars to collect almost the equivalent – imagine, spent hundreds of thousands of dollars to collect almost the equivalent in pension overpayments from seventy and eighty-year-olds.

Where is the assessment of time value of money over there? It is a failure to complete oil royalties, a failure to count the pennies that the people of this Province are depending on to pay for health and education. Money, by the way, that comes from the manna this government says falls out of their pockets instead of where it truly comes from.

Mr. Speaker, let's talk about some of the other ones. In December 2008, this government introduced legislation to expropriate the AbitibiBowater assets in the Province. In February 2010, government issued a news release that said: the provincial government was assuming custody of the Grand Falls pulp and paper mill. In April of 2010 – February, March, April, three months later, twelve weeks later – the Premier had to stand in this House and admit they accidentally expropriated the mill, and in their rush to do it, they made mistakes.

The cost of that mistake was half a million dollars; half a million, just the cost associated with that mistake. Not the liabilities. I want to make sure everybody understands that. Just the cost of the mistake alone was half a million dollars.

**AN HON. MEMBER:** How much are the liabilities? What are the liabilities?

**MS C. BENNETT:** Mr. Speaker, members on this side of the House are asking, what are the liabilities? Well, we have asked the question in the House. We have repeatedly asked, what are the liabilities related to that mistake. The minister either does not know – which is one problem if he does not know what the liability is from something that his government expropriated back in 2008 – or he does not want to be honest with the people of the Province and tell people what the liability is. Mr. Speaker, they went through the same thing with Come By Chance. They did not know the liability there.

Let's talk about another example. Let's talk about the Department of Business, pet project of the former Premier. It was announced in 2004, \$140 million for business attraction. How much did they actually get out the door? Does anybody have any idea? One hundred and forty they budgeted, and they got \$25 million out the door; not even 20 per cent of what they budgeted. They had money and they could not even give it away to grow the economy.

Mr. Speaker, let's talk about communications and promotions. I mentioned earlier about Solid Investments in Provincial Infrastructure pamphlet that was in the Budget documents. Well, Mr. Speaker, there have been millions and millions of dollars spent on public relations that have been designed to prop government up in the polls and not designed to help anybody; not designed to help anybody else.

We saw examples of that last week. Every pre-Budget announcement had the expensive banners, had all the bells and whistles of some high-priced corporate launch. At a time when our Province is facing a huge fiscal crisis and, more importantly, people in our Province are hurting, and this government does not want to see that.

Mr. Speaker, let's talk for a minute about the Office of Public Engagement. Let me be clear – Mr. Speaker, do you know what? Having hosted in my business life but, more importantly, in my community work, many different varieties of stakeholder engagement sessions, there is nothing more important for a government than to engage with the people who are the stakeholders in the decision and listen to them. Not listen to them, cancel a ferry, and come back and say you are going to listen to them, but really truly listen to them.

I do not know if the members opposite understand how the Office of Public Engagement – what kind of reputation it has, but here are some of the things that people have told me at the door. These are not my opinions. I know there are lots of talented people working in the Department of Public Engagement, but their direction comes from this government and how that department functions comes from this government and the priorities from this government comes from this government.

Mr. Speaker, I was surprised when this office was announced, I think, back in 2012, the minister at the time – actually, I think he showed up on Wikipedia as the minister of Twitter. They actually called him the minister of Twitter on Wikipedia, which is certainly so far removed from what true engagement is. Mr. Speaker, I can understand that is not government's intent.

Mr. Speaker, one of our illustrious members, the Member for Bay of Islands, said during Questions in this House of Assembly: The Office of Public Engagement is a worthless PR exercise designed to provide cover to the most secretive government in Canada. As it turned out, he was right.

We just spent last week debating Bill 1, turning around and repealing Bill 29 that this government brought in so it could hide and create veils of secrecies about things that government needs to communicate to the people of the Province. That action to repeal cost the people of the Province over \$1 million.

Mr. Speaker, let me be clear; if there was real engagement, if this government was serious about real engagement, the stakeholders would have been consulted. People who work with those struggling to make it from one pay period to another would have been consulted. They would have told this government that a 10 per cent increase in utility rates in January is going to make it really, really difficult for seniors to eat because they will pick heat over food.

Mr. Speaker, if this government was really serious about real engagement, they would have made sure that when they made the announcement about their long-term care plan that the stakeholders, the important stakeholders, unions and front-line workers were consulted as part of that decision-making process.

Mr. Speaker, as we continue to talk about the track record of cost control, how about we have a party? Government announced they were having a have party in November of 2008. For the first time in our history as a Canadian Province we were a have province and \$175,000 was paid for a party – this one which I think everybody forgot about. The partying continues: a party for CETA, the non-agreement – the agreement that has yet to happen.

This one really struck me because I am going to talk a little bit about the cost of full-day Kindergarten. This government's own numbers say that full-day Kindergarten operations are going to cost about \$13 million a year. Government paid \$1 million to store tires in Dunville, Placentia because they could not come up with a solution for the tires. In 2007 the Auditor General reviewed the Department of Justice and said that the Department of Justice, the department that is responsible for making sure that the rules, legislation, and regulations are followed in our Province did not comply with the Public Tender Act; \$200,000 of goods and services were not purchased correctly.

I think all those examples speak to the values of this government. It is the values of this government that the people are questioning at the door.

Mr. Speaker, the minister announced that they were going to appoint an external consultant with the expertise to examine the structure of the provincial government and its agencies for efficiency improvements. Let me be clear; we welcome the appointment of an external consultant, but I would like to remind you that the minister already has one. He already has an external consultant; it is called the Auditor General.

The Auditor General is responsible for coming in and auditing government and providing sage advice on places where government can act on the saving money culture that they now talk about wanting to create. We do not have to wait for an external auditor to take action. There are things this government can do now. There are actions this government can take today.

How can you stand in this House and say costs are 45 per cent higher when you are the ones responsible for managing the costs? How do they do that? The cost of consultants in 2013 was \$84 million. In 2014, it was \$75 million. There are at least a dozen departments that have used external consultants and there are times when they are needed.

There are times. When there are significant business processes and change management processes that have to change, absolutely you have to bring in some expertise; but to show you



where to save money, that is government's responsibility. That is the responsibility of the people in the House. This government has the Auditor General who in 2008, 2009, 2010, 2011, and 2012 has made a total of 318 recommendations for better management of money that this government has control over.

I ask the minister: How many of those recommendations are actually completed, and why is your government not acting expeditiously to save money?

The Auditor General, since 2011, has made hundreds of recommendations to improve financial accountability which would lead to better control of taxpayers' dollars. What is the status on the implementation of those recommendations?

Time and time again the Auditor General has identified a lack of strong financial oversight by this government, leading to waste of taxpayers' money. In several cases, recommendations that would save large dollars – large dollars – were implemented two years later. Mr. Speaker, that does not speak to expeditious implementation of the Auditor General's recommendations.

There are actually, in some cases, where government ministers not only take two years to implement the AG's recommendations, but they refuse to act on the recommendations. Why have a government minister refuse to implement some of the Auditor General's recommendations – why? Either the minister is saying the Auditor General is not providing the accurate information, or there is some other reason. It does not make any sense.

Oversight and control of spending is an issue. Let me be more specific. The Auditor General has found issues with oversight in our health care system. Last year, he identified that there was a lack of audit processes in place at Eastern Health. They have a budget at Eastern Health of over \$1 billion – \$1 billion. The government's total budget is \$8 billion – \$8 billion. What exactly has this government done to provide management and oversight to health care costs?

As I said earlier, Mr. Speaker, sometimes when organizations undergo significant organizational change, you do require a consultant. To

implement a culture of cost control, though, is an admission that a foundational principle of spending and managing public money has not been in place. External consultants can provide huge value. When used correctly, they support organizational shifts and process changes in key business areas, but this government has a poor track record of actually doing what consultants advise.

The core mandate review – a half million dollars on a report, a core mandate review, and I would ask the government, I ask members opposite: What were the results? What were the results of the core mandate review? What did you implement? What did you actually do from the report?

This government fails to provide oversight to huge organizational changes. An example of that is the technology implementation under the Oracle platform, the PeopleSoft technology. This government budgeted, spent, \$35 million on implementing new technology that is supposed to introduce efficiencies into the benefits management process for public sector employees, yet they failed to provide oversight and key pieces of that implementation process, key pieces of advice from not only internal experts, but also external experts – the consultants they paid – were ignored.

So, to bring in a consultant, the people of the Province have to ask the question around creating a culture of cost – it begs to be asked: Will you listen to the consultant? You have difficulty listening to the AG; will you listen to the consultant?

Mr. Speaker, the second of the eight long-term priorities that the minister spoke about in his speech last Thursday was “We Will Refocus ... – they will refocus – refocus. I would interpret that to be to put our focus back on. “We Will Refocus to Strengthen Health Services” – refocus.

Mr. Speaker, he went on to say – this is his quote; this is a quote from the Budget Speech of the Minister of Finance of the Province of Newfoundland and Labrador who has just spent in his Budget Speech an amount of time talking about a culture of cost management. He says,

“We know there are better, more efficient ways to deliver health care service.” They know that.

“There are choices we can make that will shift greater focus and attention toward frontline health care services that people need.” So the idea, he goes on to say, is that they “are going to consolidate key administrative support services in the provincial health care system to find efficiencies, economies of scale and better value for our money.”

He says, very carefully, “We do not intend to reduce the number of authorities.” I say he said that very carefully because, as we discussed in Question Period, this government has a track record of not delivering on the savings from consolidation. I am sure the minister did not want to spook the general public.

“The regional health authorities each have their separate administrative services ...” he went on to say. “By consolidating administrative functions among regional health authorities” – under the Newfoundland Centre for Health Management was what the document said – “we will find greater efficiencies and promote better value for our money.”

Mr. Speaker, quite frankly the people of the Province do not believe that change management is this government’s strong suit. We witnessed it with the early amalgamation of the health boards. We have seen it with the amalgamation of the school boards.

As a matter of fact in 2008, the AG noted that the goal of amalgamation of the health boards was to save \$7 million – \$7 million. In fact when the AG went back and looked at how this government changed all of that – since the integration, administration and support expenditures for the authorities, since then, has increased – increased – to \$51.8 million by 2006-2007. It was supposed to save \$7 million and it increased costs by 51.8 per cent.

Mr. Speaker, internal audit – the AG, last year in 2014, recommended that an internal audit committee be set up for Eastern Health. Expenditures for Eastern Health have grown to \$1.1 billion and the AG says that he has found some significant financial issues. They have incurred \$83.2 million in budget overruns in the

past five years – \$83 million in five years. Fiscal management is one of the integral roles and responsibilities of the CEO.

Mr. Speaker, the Auditor General went on to say, as he was reviewing the financial results for Eastern Health – he highlighted compensation and recruitment as being areas where there needed to be better control. We are standing here in the House of Assembly listening to the government on the opposite side talk about their long-term care plans when they still have a facility they built and spent taxpayers’ money on with beds not open. They have not been able to manage and get people hired to get down to that facility and work in Pleasantville.

Leave and overtime was identified by the AG as issues. This is an interesting one. Internal Controls: inadequate controls to prevent or detect fraud in the areas of purchasing. There were 103 employees who were not authorized to purchase who had the authority to purchase. Tendering of Goods and Services: purchases were not made in compliance with the Public Tender Act and there was insufficient reporting on file. Monitoring of Capital Assets, “... no policy to conduct annual capital asset inventory counts.”

Mr. Speaker, this is just another example of the government’s failing to provide proper oversight measures and have them in place to ensure that taxpayers’ money is being spent effectively and efficiently and that dollars are spent on health care, not on waste and management. We spend in our Province 35 per cent of our Budget on health care. It is the most per capita on health care than any other province in Canada. While geography and population affect that to some extent, the focus must be in health care outcomes, and improved service delivery.

Mr. Speaker, the Fraser Institute Provincial Healthcare Index 2013 found that overall Newfoundland has the worst bang for your buck in terms of health care spending. We spend the most per capita in Canada, yet outcomes do not reflect that. This was the case back in 2008 as well. Newfoundland and Labrador ranked tenth in overall performance. They said it was perhaps the most glaring case of throwing good money after bad in the Canadian health care system.

We have the poorest health care outcomes in the country in many areas. Heart attack, Newfoundland and Labrador has the highest rate in the country. It is the leading cause of illnesses and death in Newfoundland and Labrador. High blood pressure, Newfoundland has the highest rate in Canada. Diabetes, we have the highest rate in Canada. Arthritis, we have the highest incident in Canada. Obesity, Newfoundland and Labrador is the second most obese population. Coronary artery bypass surgery, we have the highest rate in the country. Smoking, 23.2 per cent of our population smokes. We have the highest rate of smoking in the Canadian provinces.

We have to truly measure where we are putting our money and look at how effectively that money is being spent. However, this government is running health care like it does everything else, knee-jerk reactions. This is by far the most expensive way to run health care. What needs to happen is planning and investments in prevention so we will save money later.

Mr. Speaker, last week this government announced their long-term care plan. I quote, "Long-term care and community support services are essential components of our health care system." They are going to engage with private and non-profit providers to build long-term care facilities in Western and Central regions, as well as on the Northeast Avalon.

Mr. Speaker, the waiting lists are well over 270 people in the Province. Quite frankly, the unions were misled. They were hoodwinked into believing that government would not privatize core professional services, which is what they have done and what they plan to do.

We are not just talking about infrastructure in their long-term care plan, the privatization of bricks and mortar. That might make sense, but not the services that are provided in those facilities. I want to make sure the Premier and the minister understand what we mean. I think the minister and the Premier really do need to understand what we mean by the various levels of long-term care, because I am not sure they do.

I watched these members on the opposite side of the House heckle the Leader of the Official

Opposition about his personal care homes. Quite frankly, I was stunned. Mr. Speaker, personal care homes are for those individuals who require Level 1 and Level 2 care.

Level 2 care: this individual maybe independently mobile with or without medical aids, inclusive of a wheelchair. They may need specialized aids for one person to assist in transferring. They may need a moderate amount of assistance with bathing, dressing, and grooming. They may require a reminder and/or assistance with routine toileting to avoid the frequent incontinence of bowel and/or bladder issues. They may need occasional fleet enemas, as directed by physicians. They may require nutritional monitoring of and/or assisting with eating. They may have sensory deficit which interferes with activities of daily living and requires moderate assistance. Mr. Speaker, that is Level 2.

What is the description of Level 4? Individuals, that when the life journey takes them there, have to enter a long-term care facility. The definition of Level 4, medical services.

Mr. Speaker, this past December, after the Christmas holidays, my mom's sister passed away. As a family we were relieved that she had spent almost a year, a little less than a year, at a long-term care facility. She had been diagnosed with dementia. For those of you here in this House – I am sure you know – dementia is a terminal diagnosis. The doctors and physicians will tell you.

Well, my aunt also spent almost thirty years of her life in a personal care home because she needed a little bit of help. When that little bit of help turned into medical services so she could die comfortably in a place where she was feeling safe and supported by core professional services, that is what long-term care is. That is why, on this side of the House, we will not privatize core professional services.

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

**MS C. BENNETT:** We will not put the people of the Province at risk.

Mr. Speaker, in the Budget Speech, besides refocusing, there was a renewed – in the words

of the minister – focus on primary health care; a renewed focus that can help find ways to improve quality and assess the services while reducing the cost of service delivery. We will also examine why our costs for health care are higher than other jurisdictions in Canada, and we will work to bring our costs down in line with the rest of the country.

Mr. Speaker, in 2003 this government had a framework for primary health care. It was this government in 2006 that cut the Office of Primary Health Care; therefore, gave up any leadership role on primary care that we may have had at that time.

The fastest aging population in Canada, the group of people in Canada who need the most health care are in our Province, and this government gave up its leadership role and primary health care. Now today, they are saying they are going to renew their focus on primary health care. Can we blame the people of the Province for saying we are not sure we believe you?

We absolutely need primary health care. It is essential to our Province, and it has been essential since 2003.

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

**MS C. BENNETT:** Mr. Speaker, a Liberal government has committed to a real focus on primary health care centres throughout the Province. We have heard from health care professionals that it is not about spending more money on health care, but spending those health care dollars more wisely. The focus must be on outcomes and working with health care professionals to ensure delivery of services is optimal. Allowing health care professionals to meet their own objectives and exceed their own goals will result in a better system for everyone.

Mr. Speaker, this Province needs to show national leadership in health. It is our Province that has the fastest aging population in Canada. We have the higher costs, and let me tell you, Mr. Speaker, we are fortunate to have the Leader of the Official Opposition as the person who is going to be the next Premier of this Province.

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

**MS C. BENNETT:** Let me tell you, our leader will bring his skills and his experience from both his professional background and his years on the Board of Western Health, his national experience from the Canadian Pharmaceutical Association, fighting big drug companies.

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

**MS C. BENNETT:** He will be the one to better deal with the cost of medication and how he can ensure that the people of Newfoundland and Labrador, the Canadians who live in Newfoundland and Labrador, will get their fair share of the federal health transfers. He is the best one to put at that table, and I have every confidence he will get the job done, Mr. Speaker.

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

**MS C. BENNETT:** Mr. Speaker, this Budget continues our focus, as the minister said, on creating a health care system that supports better health outcomes, provides better care, and produces better value for the money. Because our health system is oversubscribed and failing to meet the needs of people across Newfoundland and Labrador, we need to look at things differently. We need to consider the best service model for people at every stage of their life.

We need to consider the challenging needs of our population and put actions – not talk, actions – in place. We need to get those actions done and consider the best service model for the people of our Province at every stage of life. We need to consider the changing needs of that population. We have some of the highest rates, as I said earlier, of cancer, diabetes, stroke, and heart disease of all Canada. The exact same as it was ten years ago. Nothing has changed with health outcomes. This government has not focused health care spending on outcomes.

As I said earlier, our rate of heart disease is the highest in Canada, rate of obesity is the highest in Canada, rate of diabetes is the highest in Canada, and cancer is the highest. The value of the health care dollar is the lowest in Canada. Now, ten years later, \$25 billion of oil royalties, \$5 billion worth of Atlantic Accord money, and you guessed it, no change. It is now common

knowledge that there is a direct correlation between the health of a population and the cost to health care. The healthier the population, the less the per capita cost. It is pretty basic.

What should a long-term strategy entail? It should entail a comprehensive plan for a healthier population. In 2007 this government admitted as much. They even offered to do something about it. So what have they done? Nothing; in fact, they made it worse.

Our government will take a new approach under the leadership of the Leader of the Official Opposition, Mr. Speaker. In mental health, the minister in his speech last week said, "Throughout our province, awareness of the mental health and addictions challenges people face is growing." So the awareness is growing, and so are the struggles of the people who are faced with mental health issues. They said, "As a government, we are committed to ensuring effective programs and services are in place when people need them." That is what the minister said last week.

Well, Mr. Speaker, when we talk about health, it is not just physical health because mental health issues impact the lives of so many. We are committed on this side of the House to a provincial mental health strategy to address the growing need for appropriate services, appropriate resources, and appropriate support. This government is focused on reactive actions instead of a proactive planning of strategy.

When it comes to health care infrastructure, Mr. Speaker, the people of this Province have lost confidence in this government's word. The Corner Brook hospital, if this government had any intention of building this hospital the people of Corner Brook and the West Coast would be receiving medical care there now. You have simply played politics with this one from day one. Reiterating during every election and every by-election, and now once again. I would ask the government to stop playing the people of Corner Brook. Stop making promises you will not keep.

In 2007, October, government commits to building a new West Coast hospital in Corner Brook. In 2008, January, government announces plans for site selection on planning

for the new West Coast hospital. In 2009, September, government holds a news conference to announce that the site has been selected. In 2010, May, government commits \$11.8 million for hospital construction.

In 2010, September, government confirms construction of the new hospital to start in 2012, occupancy expected in 2016. In 2012, April, government commits \$1 million to plan for the new acute care facility in Corner Brook. That was back in 2012. In 2012, government confirms the hospital is in the pre-design phase. Again, in April of 2012, MHA Tom Marshall says publicly the new hospital will be completed in 2018.

In 2012, July, the Premier tells the media the cost of the new hospital could not exceed \$600 million or \$700 million. In 2012, December, the Health minister confirms that a second engineering firm has been hired to review the pre-design work. In February, 2013, the Health Minister confirms a second engineering firm has been hired. February of 2013, government documents confirm that the new hospital is still not in the design phase. What were they spending the money on? Who was getting the money, it is still not in the design phase?

March of 2013, the Premier announces \$227 million to design a new hospital; anticipated total cost in the range of \$500 million to \$600 million. March 2013, government confirms 260 beds in the new hospital and 100 dedicated to long-term care. April of 2013, government confirms 138 acute care beds – that seems like a lower number – and 260 beds for the new hospital. I am getting confused just reading the sheet out.

May 2013, government receives two engineering reports on the design of the new hospital. August of 2013, government rejects the suggestion for a radiation unit, a PET and a CT scanner and new diagnostic services in the new hospital. It confirms the cost of the new hospital will be a half a billion dollars.

Mr. Speaker, in November of 2013 the Health Minister confirms that a radiation unit will not be in the hospital. In December of 2013, the Health Minister confirms ultrasounds will be reduced from six to three. In January of 2014,

my colleague, the Member for Bay of Islands, and the Leader of the Official Opposition, commit to a PET and CT scanner in the new West Coast hospital in Corner Brook.

**MR. JOYCE:** What was that?

**MS C. BENNETT:** They committed to it. They said they were going to do it, and that they were researching the possibility of providing radiation services. Guess what happened? All of a sudden government saw the light. Shortly after, the Health Minister refuses to attend a public meeting on the new hospital in Corner Brook.

In March of 2014, Budget 2014 committed \$15 million for the design and program planning of the new hospital, and a half million dollars was committed for a study into Province-wide radiation services. In April of 2014, the Member for Bay of Island and the Leader of the Official Opposition committed to radiation services in the new hospital. Can anybody predict what happened next? Of course, government followed suit by committing to radiation services and a room for PET and CT scanner.

Mr. Speaker, in December 2014, government then confirmed that obstetrics beds would be reduced from eleven to six in the new hospital. December 2014, government refuses to release the functional plan for the new hospital in Corner Brook. Finally, in February 2015, government releases the Altus Planning report on radiation therapy services.

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

**MS C. BENNETT:** Mr. Speaker, I understand the Minister of Child, Youth and Family Services is finding this discussion really interesting on the opposite side.

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

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

**MS C. BENNETT:** Mr. Speaker, the people on the West Coast of this Province, they understand what is going on with this hospital. They know that this government is playing politics with their health care and they are not going to take it any more.

Mr. Speaker, the third of the eight long-term principles that the minister spoke about last week was that –

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

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

I ask hon. members if they want to take their conversation to a sidebar outside.

Thank you.

The hon. the Member for Virginia Waters.

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

I appreciate the break, Mr. Speaker.

Number 3 of the eight long-term principles: “We Will Ensure Trades Education is Industry-Driven.” He said in his speech, “... we will overhaul our approach to trades education by working with College of the North Atlantic to develop a new strategic vision and direction that is opportunity-driven and industry-driven.”

Mr. Speaker, he went on to say, “No one would disagree that it would be reckless to train people for jobs that do not exist or to fail to train people for jobs that are about to open up.”

That is exactly what this government has done. They have been reckless with training. He went on to say, “Thousands of people have been able to take advantage of emerging opportunities thanks to the education, the workforce skills training and the certifications they received on our watch.”

Mr. Speaker, I have to tell you, there were 170 words in that Budget Speech out of 14,000 that were dedicated to education and training, and this government’s commitment to the long-term principle that this government had – 170 words out of 14,000, to deal with our fiscal challenges. It is imperative that we grow the economy. To grow in a global economy, we must have a workforce that is reflective of the jobs that need to be done today. That continues to remain critical today.

When I was elected last year I had the pleasure of getting to know members of my district who

live in the area of MacMorran Community Centre. I had a chance to speak to many of the families there whose kids have lots of optimism about their future, but equally, challenges.

The most disturbing thing about my conversations with those families is when I discovered that for years and years and years from that community the young people who had gone to high school had completed high school, but not graduated. These children went through the education system and ended up with a completion certificate that said they were in the seats, but that does not reflect a quality education that we have a constitutional requirement to ensure that they get.

Mr. Speaker, to prove that is a systemic issue you need only look at the participation rates of June high school graduates from 2000 and 2013. I think that is actually a full chunk of time in a child's life from Kindergarten to Grade 12, a full lifetime for a student.

**MR. J. BENNETT:** A full government for these guys.

**MS C. BENNETT:** Absolutely, a full government for this government.

Mr. Speaker, eligibility requirements for our high school graduates who graduate, only 50 per cent of them meet the entrance requirements for Memorial University – only 50 per cent.

Mr. Speaker, I have to tell you that people will say to me, why did you enter politics? There are some days in this House, Mr. Speaker, when members opposite are heckling that I wonder why, but every night when I go home and I talk to my kids about their day in school and I understand the value of the education they are getting, I am motivated to come in here and do my very best to represent the people of my district and the people of this Province to make sure our kids are educated in a way that we are constitutionally required to educate them.

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

**MS C. BENNETT:** Mr. Speaker, that is not a statistic to be proud of, 50 per cent of our children cannot meet the entrance requirements

for MUN. Fifty percent of our kids cannot meet the eligibility requirements for MUN.

Mr. Speaker, 170 words out of 14,000 and this government focused on industry driven training. Well, I would argue that this government has narrowly focused on a slice of industry. It has not developed and trained the people and the young people that we need to be working throughout our Province.

Mr. Speaker, there is one thing that a government can do and it can do really well, and that is ensure the workforce development matches the needs of the economy at the time. That is a responsibility of government. They need to understand the future of the workforce and what skillsets we will need for those industries. Government must increase the relevancy of its programs, and it must be relevant to the economy of the future. We need to see greater linkages to industry, all industry.

When a farmer cannot find a young farmer to sell their farm to because there is no way that farmer can find any training, we have discounted the agricultural industry in our Province, Mr. Speaker, and I just do not think that is acceptable. We need more entrepreneurship training. We have to inspire our young people to figure out a way to come up with an idea, employ other Newfoundlanders and Labradorians, and then sell that idea globally so we can increase our share of the global market.

This government believes that oil is the industry, or construction is the industry. Quite frankly, we need farmers. We need vets. We long-term care employees that this government has been unable to find. We need people working in the logging industry. We need saw millers. We need all kinds of different jobs, and it is the responsibility of government to develop a workforce that is reflective of the economy that is needed.

Mr. Speaker, I have to tell you, when I was going through these numbers yesterday – and we had to check them several times – I was stunned that under the pillar of, “We Will Ensure Trades Education is Industry-Driven” this Province’s commitment to the apprenticeship and trade certification – just listen to this: the Province’s commitment to apprenticeship and trade

certification has gone from \$7 million to \$5 million, a decrease of 32 per cent.

The fact that this government spent 170 words talking about workforce development, cut \$2 million out of the apprenticeship and trade certification, and still is unable to understand the importance of education at the right time so people know the skills for our economy, is shameful.

Government did mention a disability inclusion strategy – my apologies – but there is no budget. This government is the same government that has had a program under its own wing called the Open Door Program, which is government's own program to support persons with disabilities. That has not been updated in a decade.

Aboriginal employment; this government had the opportunity with two to three large-scale projects to provide opportunities for our Aboriginal communities to be trained for jobs of the future. What happened? The training did not happen early enough. There were missed opportunities on the large projects to encourage workforce development in Aboriginal communities where there were real transferable skills, skills that those workers could take into the jobs after the large-scale projects were built.

Autism; recent studies indicate that one in sixty-eight children in our Province are diagnosed with autism spectrum disorder. Children have to wait months to get diagnosed with a disorder and then months again to receive the proper supports for such things as language, speech language pathology, and physiotherapy. Children can receive applied behaviour program in class supports up until Grade 3, but children still need support after Grade 3. As a matter of fact, Mr. Speaker, many members on the opposite side of the House, and on this side of the House, understand that the ages between zero and six are the most critical time for our young children to ensure that their brains and their learning skills are developed in a way that sets them up for success.

Mr. Speaker, health care does not talk to education and education does not talk to health care. This Province needs an autism strategy. These children cannot continue to be left behind,

because regardless of what this government wants to do today, we still have a moral obligation to support them and their families as they grow up. Don't we all want a child to be independent and self-sufficient versus dependant on the state?

Literacy; less than 43 per cent of Newfoundlanders and Labradorians have a level three literacy or higher. Level three is the level required to cope in a modern society. We are below the national average. That is despite \$20 billion of oil royalties and \$5 billion of Atlantic Accord. Our literacy rates have actually declined since 2003.

Government has failed to deliver a strategic adult literacy plan it promised in 2007. Literacy is a primary determinant of health and well-being. It is therefore fiscally and socially irresponsible for government to place literacy on the back burner.

Immigration; the Premier spoke and the minister spoke about the increased numbers that the Province now, after almost a decade with us having the fastest growing population in Canada, the oldest population in Canada, after a decade it finally sat down with the federal government and arranged immigration numbers that were an increase over what we had before. What did they do? Since 2011, the budget for the division of immigration was actually cut in half. So how does this government plan to execute on those numbers?

Then there is the Early Learning and Child Care Strategy. Government talks about the most recent child care initiative which is the volunteer operating grants that have been fanned out and communicated to operators, especially on the Northeast Avalon. The reality is the grant they are offering does not reflect the realities of what it costs to operate a centre. The minister said on Open Line that those grants actually will not work outside of rural Newfoundland. She said it.

**MR. JOYCE:** Who said that?

**MS C. BENNETT:** The Minister of Education said that a program this government implemented to help increase the number of child care spaces was flawed and discriminatory,



quite frankly, to children on the Northeast Avalon and their families. Mr. Speaker, that is unacceptable. They failed to consult with the sector and the information they are relying on is out of date by several years. AECENL has a position paper on it on their website and it is far, far, far from an endorsement that the minister said she received from them.

The provincial subsidy does not cover the full cost of expenses related to placement. Mr. Speaker, I know that many members in this House of Assembly as they are talking to their constituents hear stories. I was knocking on doors in one part of my district where the door opened and a young mother who had twins who were a year old and a four-year-old wanted to explain to me what the cost of her child care was going to be. If you think about those ages, two babies at age one and one child at age four, her total child care expenses would be \$45,000. She said: Why would I go back to work? I cannot afford to go back to work. I want to go back to work, but I have nowhere that I can afford to send my kids.

Mr. Speaker, one of the last items I will speak to is on education. I mentioned earlier lots of people ask me why I ran for politics. I get lots of heckling from the members of the opposite about my career choice but I can tell them that I am very proud of the people who I have worked with, the over 4,000, 5,000 young people in Newfoundland and Labrador who I have had the opportunity to work with.

I can tell you a young woman came to me after working with me for three years. We had identified her as being somebody who we wanted to promote to a management position. We were prepared to do the training and we were prepared to put her through the exact same training I had. We sat her down in our manager's office and she opened up her training book and she started to weep. I said: Robyn, what is wrong? She said: Cathy, I cannot read. I said: What do you mean you cannot read? You graduated from high school. She said: No, I completed high school.

She has a learning disability, Mr. Speaker. She went all the way through high school and nobody figured out a way to help her. Nobody figured out a way to help that woman get one

extra step ahead so that she could do some things that would set her up for success.

I will tell you, Mr. Speaker, Robyn's story is one of the reasons why I stand in the House of Assembly today. It is also one of the reasons why, as a business person, I stood up and spoke about full-day Kindergarten. It is why my colleague for the District of St. John's North has spoken out repeatedly about full-day Kindergarten and we continue to put pressure on this government to implement full-day Kindergarten.

Last week in the Budget the minister said, "Our government also remains committed to the implementation of the full-day kindergarten program. Budget 2015 will invest over \$10.5 million" – now, did anybody happen to count up all those millions that I mentioned earlier about waste? – "to ensure it is provincially implemented beginning in September 2016."

Mr. Speaker, full-day Kindergarten, I would argue, is a Liberal initiative, and it is an investment that the Liberal caucus has been calling for for several years. I say thankfully, as a result of a by-election, this government was forced to take action last year.

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

**MS C. BENNETT:** Their reluctance to see the value of the program when they had the ability to implement it both financially and logistically – when they had money, when oil was at \$100 – is another example of mismanagement and misplaced priorities, Mr. Speaker.

Implementing full-day Kindergarten must include proper consultation and thorough planning. Rushing into a program – especially in times of fiscal crisis – will only cost the Province money in the long run. The annual budget cost to operate full-day Kindergarten – guess how much it is going to cost, full-day Kindergarten?

**AN HON. MEMBER:** How much?

**MS C. BENNETT:** Thirteen million dollars – that is the operating costs. Do you know what? Let's pay a million dollars for tire storage instead of a kid's education – a million dollars.

Let's pay a million dollars to fix bad legislation instead of supporting our kids with learning needs.

Mr. Speaker, if done properly, full-day Kindergarten will pay dividends to society through savings in daycare fees and redirecting that spending elsewhere, easing the burden on parents who will also benefit children from higher levels of education, who in the long run will be able to contribute even more to our society.

It is important to consult with the right stakeholders, like the NLTA, teachers, and early childhood educators, and parents. Full-day Kindergarten is an important social commitment which we are committed to. It will grow a better future for our children but also enhance and improve our economy and our communities.

The minister has gone on record to say that plans are still proceeding with full-day Kindergarten, even though the Premier has said that everything was on the table and possible cuts in next year's Budget may come. We will still hold the government accountable to that commitment, but also make sure that the process they implement is the right process and not simply a rushed election promise.

Mr. Speaker, last week the government spoke about its curriculum review and the minister said, "As we announced in this year's Throne Speech, we are proceeding with a K-12 curriculum renewal in many areas, including English, Language Arts, Science, Health, Social Studies and French programs. We will develop a 21<sup>st</sup>-century curriculum, employing methods that integrate innovative and research-driven teaching strategies, modern learning technologies and relevant resources and contexts, and focusing on learning skills that address the needs of a new generation of students. We will also convene a group of educational leaders to review Math performance."

Well, Mr. Speaker, our leader has announced that he would hold, when elected, a Premier's task force to focus on improving educational outcomes with sensible long-term improvements to our educational system. Our education system is failing our students and it is failing our

teachers. Children are underperforming but still pushed through under the PC's no-zero policy. The result: less students qualifying for post-secondary education. Changing that means providing strong curriculum, critical resources, and enough support staff so teachers can do their jobs. Early learning opportunities and full-day Kindergarten will also set our kids up for success.

Mr. Speaker, number 4 of the long-term principles, "We Will Develop an Attrition Plan." This will enable us to strategically right-size our public service. "Currently, our province has a relatively large public service per capita and in actual context. The total number of employees in the entire public service, including core government departments as well as agencies, boards and commissions, is over 46,000. This represents 19.3 per cent of total employment of the province."

He went on to say, "The provincial government will use attrition as a tool to minimize layoffs and manage the size of the public service, while at the same time reducing negative consequences for our economy. Our attrition plan, which I announced on April 27, will enable us to reduce the size our public service in a gradual and measured way with minimal disruption to our employees and without compromising the services our government provides to the people of Newfoundland and Labrador."

Mr. Speaker, attrition is not a policy. Attrition is an issue to be managed and government has not demonstrated that it has a plan that will manage attrition. It is not just attrition but, really, government is lacking a plan to address the 9,500 retirements that are coming in the public sector. For any government, including a Liberal government, attrition will help with reducing the cost of government without negatively impacting the economy – for any government – however, in the absence of a clear plan, we are not convinced that it will not have an impact on the delivery of service.

Government needs to put a plan in motion. They continue to spend money on reviews but nothing comes of them. The only plan right now that I heard the minister talk about last week is ten go and eight are hired. Well, I would ask the

minister: If your planning on workforce development for the public sector is so good, why can you not find an Occupational Health and Safety Officer to be stationed in Labrador? Why have you not trained and developed one person? You could not find somebody in the Aboriginal community to train? You could not find somebody in Labrador to train?

Mr. Speaker, they spent half a billion dollars on the core mandate program review and talk about a 10-Year Sustainability Plan, neither has seen the light of day.

I would ask him: Has the minister asked the officials to complete a critical position analysis to see what critical skills are the most at risk from the retirement and attrition plan? Listen, nobody is going to argue. There may be policy analysts and clerks that have the ability to move between departments. As I said earlier, Mr. Speaker, what about an occupational health and safety inspector for Labrador or a provincial vet? What are the critical skills that we need to provide service to the people of the Province?

The minister used this section to talk about consumer confidence. He is worried about the 1,400 positions through attrition, but he said nothing about the 6,500 people who lost their jobs last year and government's own projections – listen to this: 6,500 people lost their jobs last year and your own report on the economy predicts a reduction of 12,000 people; 12,000 more people are going to move out of the workforce between now and the end of 2018.

I have to stop for a minute; 6,500 lost their jobs last year; 12,000 more people are going to exit the workforce between now and 2018. On top of that, this government's own figures show that unemployment will be 13 per cent for the next three years.

Mr. Speaker, number 5, "We Will Adopt Longer-Range Infrastructure Planning." The minister said, "When we first came to government just over a decade ago, the magnitude of the infrastructure deficit we inherited was truly staggering." "Having invested nearly \$6 billion in infrastructure projects over the past 11 years, we can afford to pull back a little until oil revenues have rebounded." "Even though we are slowing the

pace, we will still be investing heavily this year in priority projects by allocating more than \$660.8 million in infrastructure that will strengthen communities, support economic activity and create long-term prosperity for the province."

Mr. Speaker, the document that was included in the Budget, there are four projects that I will highlight. Number one, Transportation and Works, the Placentia lift bridge, press release March 2013. The department has awarded a \$40.6 million contract. Guess how much it cost?

**AN HON. MEMBER:** Forty-five million.

**MS C. BENNETT:** It cost \$51.9 million.

Mr. Speaker, construction of the Team Gushue Highway was expected to cost half \$50 million. How much do you think that one cost?

**AN HON. MEMBER:** How much?

**MS C. BENNETT:** Mr. Speaker, \$61.3 million.

Number three, the Labrador West Health Centre; \$25 million was the forecast. Guess what it cost? It cost \$90 million.

**AN HON. MEMBER:** How much?

**MS C. BENNETT:** Mr. Speaker, \$90 million, their own book – \$90 million.

**MR. RUSSELL:** (Inaudible).

**MS C. BENNETT:** Mr. Speaker, I hear the Minister of Labrador and Aboriginal Affairs asking me across if I would not have done the hospital. Do you know what? That is not what I am talking about. What I am talking about is the first priority, the first principle, cost control. If you are going to make a plan, you have to execute a plan and you have to bring it in on budget. You cannot throw out numbers and then years later come back and say that there is a – they tripled the cost of the project. It is either poor planning or poor execution, one or the other.

Mr. Speaker, what was curious was that in this document, what was the one project they did not refer to? What do you think was that one project

they did not refer to? Home for the MHAs; they did not include the Confederation Building. The original quote or the original cost, and I read from the press release, “The total cost of the project is expected to exceed \$20 million.” Does anybody have any idea what the costs have gone up to now?

**AN HON. MEMBER:** Fifty million.

**MS C. BENNETT:** It is \$50 million. So you missed one. Maybe we should include the Confederation Building in that one.

Mr. Speaker, this government has an abundance of assets that it is responsible for managing on behalf of the people of the Province, but it has an absence of a real estate portfolio management strategy. This government has a huge asset in buildings and land that managed better could get better value for the people of the Province. You have not resourced people with skill sets and the accountability to manage a very large real estate value.

Does anybody know what the value of the provincial real estate portfolio is? Does anybody know? Does anybody on that side know? What is it?

**AN HON. MEMBER:** Almost \$2 billion.

**MS C. BENNETT:** Almost \$2 billion is the value of the real estate asset.

The reason government does not know that is because they do not have control, they do not have central control. You can look at examples like the Hoyles Escasoni facility. It has been vacant since the new long-term care facility opened last September. The decision to build the long-term care facility was done, how many years ago? Three or four years ago, so it has taken government almost four years and they still have not figured out what to do with it.

They built a school in Carbonear and had to go back right away and add classrooms because they built it too small. Then, Mr. Speaker, do you want to know where some of the costs are with the consolidation of the school boards? Triple-A lease costs; the most expensive real estate in St. John’s. That is what the school board is paying for.

**AN HON. MEMBER:** In Atlantic Place.

**MS C. BENNETT:** In Atlantic Place.

Mr. Speaker, what makes this example even more frustrating for the taxpayers, or for the people of the Province, and certainly for those of us on this side of the House in the Official Opposition, is that all of this goes on in the absence of an infrastructure strategy. The minister is keen to talk about – very keen to talk about – the \$6 billion in infrastructure funding, but after promoting the need for an infrastructure strategy there is not one. At least the Auditor General could not find one.

The Acting Auditor General at the time, in 2011, came in to government to find the infamous infrastructure strategy, the \$5 billion infrastructure strategy, and they could not find it. The AG contacted five departments which had the largest budget expenditures. So Transportation and Works, Health and Community Services, Education, Municipal Affairs, and Justice, and it soon became apparent there was no strategic plan around infrastructure.

Not only that, but two departments expressed significant concern about providing the information at all, and actually refused to provide it. The AG at the time filed a complaint with the House of Assembly citing denial of access. Sure, it is no wonder they saw the light and wanted everything to be open.

At the time, our leader, the Leader of the Official Opposition, responded by saying it is outrageous that this government has refused to give the Auditor General information about an infrastructure strategy that they now admit cost the people of the Province over \$6 billion. The Auditor General said there was no formal strategy. To make matters worse, they would not let the Auditor General have access to information. Shameful, Mr. Speaker, shameful.

Mr. Speaker, number six of their eight long-term principles, “We Will Focus on Regional Clusters.” The minister said in his speech last week, “... our approach moving forward will be to promote regional clustering for the purposes of economic development and the delivery of services.”

Mr. Speaker, I would ask the question, what are the objectives of this, and what is new about a regional approach to economic development? There is no detail. There is no accountability. There are already regional hubs happening organically. We saw that when we went on the road last year for our Let's Connect consultations. We saw it in the communities. You could have done so much more to develop these ideas.

What did they do when they talked about regional clusters? This is where they are going to talk about "... unveiling this year is the new Community Sustainability Partnership." – sharing gas tax with our municipalities and our Inuit community governments beginning in Budget 2015, and providing partial rebates for portions of the HST to municipalities, Inuit government communities and local service districts.

Mr. Speaker, I have to say that when we came in the House on Thursday and I had watched on Wednesday the reaction from Municipalities Newfoundland and Labrador, the Member for Bay of Islands was at the press conference, I do not think there is anybody in this House of Assembly who does not recognize the need to support our important communities throughout this Province, because there is a crisis looming in our communities that has to be addressed. People deserve fresh water, clean water, safe water, and they deserve the infrastructure in all parts of the Province. There should not be discrimination when it comes to those things.

Mr. Speaker, what did this government do? They made an announcement about the fiscal framework with municipalities, celebrated the fact they were going to give them a rebate on the HST, and what did they do the next day? He giveth and he taketh away, all at the same time. How is that possible? How did you hoodwink MNL like that?

How disrespectful to your partners, how disrespectful to those communities and all of those volunteers who have worked so hard to create this fiscal framework suggestion, and they lobbied both sides of this House. We have all been talking to them. Then you stand up and you celebrate the terms and conditions of your

fiscal framework and the next day you take it back, or a portion of it back.

Mr. Speaker, I can tell you that on this side of the House we value partnerships. We value them and we will not throw them under the bus twenty-four hours before a Budget Speech. The Member for Bay of Islands said it right; we will do more for communities. We will roll up our sleeves and we will work hard with our municipal partners to make sure that those valuable volunteers are supported, not trotted out at a press conference, Mr. Speaker.

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

**MS C. BENNETT:** Mr. Speaker, he also announced a pilot project. "Three regional service boards will implement regional water and wastewater operator services from October 1, 2015 to March 31, 2019 targeting a pilot group of communities that meet certain criteria. Through this investment of approximately \$1 million over the 3.5-year pilot, these operators will provide assistance and advice to help build capacity in these communities."

Mr. Speaker, we have 215 boil orders in this Province, and we are going to have a pilot project; 215 boil water advisories. It is interesting that the members on the opposite side of the House know exactly how many water advisories there are, yet they still refuse to do the work they need to do to take care of that.

The seventh of their eight priorities was, "We Will Implement a Strategic Deficit Reduction Plan." In order to take the edge off this year's Budget, government decided, well, we cannot tell them about a one-year plan, we have to tell them about a five-year plan because they have to wait for the oil. This is the wait-and-hope Budget. It is a wait and hope, eventually it will come back. That is what they are all saying, just like – a really good economic policy, I am sure the oil will come back.

The minister said, "... we will abide by a multi-year plan to ratchet that deficit down to zero, progressively, step by step." He went on to say, "We will set clear fiscal targets to measure our performance. Through multi-year planning of expenditures, we will be able to project the year that we will return to balance. If borrowing is

required to cover programming expenditures, as it will be this year, then we will present a plan to repay that borrowed funding in a reasonable period of time ... ." They want more time.

Mr. Speaker, this government last year ran a \$1 billion deficit, 60 per cent of it they planned. In this Budget document they are planning for a \$1.1 billion deficit. They are planning for \$2 billion of borrowing. They have not been able to hold the line on spending. Even in this Budget, which was supposed to be where they made the tough decisions, they actually increased spending by 1.7 per cent, \$110 million. They increased it by \$110 million.

Mr. Speaker, the cost of borrowing will grow under this government to a billion dollars a year. Just the interest alone will be \$2,000 a head; \$2,000 for every man, woman, and child in this Province. That is not taking into account any potential risk to the bond ratings. This Province's bond ratings, as was spoken about on Friday by some of the bond rating agencies, are at risk. So that billion dollars of expenses related to the interest is at risk if the cost of borrowing goes up.

We understand that this government has a difficult time managing risk. They could not manage the risk of the oil prices and I do not believe they can manage the risk associated with the interest rates, Mr. Speaker. This government would like you to believe that they have two options: to borrow or to tax. They want you to believe it because those are the only two options they have.

Government has to manage its expenses first and grow the economy before they look at borrowing, and if necessary, look at borrowing before you increase taxes. Of \$20 billion of oil royalties, government admits they only spent a fraction, \$6 billion, on infrastructure. We have \$3.1 billion that went to Nalcor. I ask again: Where is the rest?

Mr. Speaker, 32 per cent of the borrowing planned over the next few years is related to Nalcor. Quite frankly, this government sold the people of the Province on a plan and they did not prepare their fiscal house to execute it. Now they are expecting the people of the Province to pay for it. Worse than that, they have not used

the Muskrat Falls development to leverage the local economy for economic development.

Mr. Speaker, those are the eight priorities of this government. Let's take a look at the economic performance that led them to these eight priorities. Their own documents say that real GDP was estimated to have contracted by 1.9 per cent, driven by falling oil prices and mineral prices. Provincial exports were estimated to have declined by about 6.6 per cent in 2014 due primarily to lower oil and iron ore production and prices.

Mr. Speaker, government says that all economic indicators are strong. I would really like to know which indicator he is talking about. Quite frankly, of the four key indicators that determines the health of an economy: GDP, consumer price, unemployment, and price of oil; all of those four indicators are a problem for us. There is a lack of sound economic planning and the government is taking a wait-and-see attitude when it comes to economic development.

Real GDP has dropped. Household income is planned to drop between now and 2018. Housing starts are expected to drop. The one thing that is going to stay the same is the unemployment rate at 13 per cent. Mr. Speaker, 6,500 people were out of work last year and 12,000 are going to be moving out of the workforce over the next number of years.

Mr. Speaker, the one indicator that government spoke about at length, which by the way is not an indicator of the strength of your economy, is retail sales. Retail sales are driven by consumer spending. The only good indicator that this government showed last week, and spoke to, was the 2014 retail sales numbers. What was government's response? Government's response was to increase a value-added tax for the people of the Province, to put their hands in the wallets of the people of the Province to pay for the fiscal mismanagement of this government. I would ask the minister: Has he considered the impact of an increase of HST on consumer spending?

Mr. Speaker, earlier today the Leader of the Official Opposition spoke about government's economic outlook and he made a reference to the country of Japan. Members opposite

mocked and heckled when the Leader of the Official Opposition asked a very, very critical economic policy question.

Well, Mr. Speaker, let me read from the former director of the International Monetary Fund's Asia and Pacific Department and the former chief economist of the Institute of International Finance when he was speaking about the economy in Japan. He said, "Time and again, history has shown that fiscal consolidation efforts in the situation of a weak or declining economy are futile and could even have a perverse effect on actual deficits. Japan should first put its economy onto a stronger and sustained growth path ... ."

That is why the Leader of the Official Opposition and the entire Liberal Party has said we would not implement an HST increase at this time. It is bad economic policy. At a time when people are losing their jobs, and more jobs are to be lost, this is not the time to react with an increase in consumption tax. Just an interesting quote, Mr. Speaker, Winston Churchill said, "We contend that for a nation to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle."

Mr. Speaker, let us look at some of the other economic performance indicators. Employment and wages; the minister said, "While Newfoundland and Labrador was one of five provinces to record negative employment growth in 2014 and the provincial unemployment rate rose to 11.9 per cent, wages continued to rise. Average weekly earnings rose by 4.1 per cent in 2014 and, at \$991, were the second highest among provinces, after Alberta. The increase in wages led to a 4.7 per cent gain in employee compensation for 2014."

Mr. Speaker, how could he publish any information about our economy and not acknowledge seventeen months of straight job losses, and five more years? We will have, in our Province, seven years of unemployment over 12 per cent. The wage gap is still an issue. Not all have benefitted from an increase in wages. It is being concentrated on the Northeast Avalon and in other urban areas.

When we talk about the price of oil, Mr. Speaker, in October of 2012 government's own

report suggested that the low price of oil should be \$60 from 2012 to 2025. Mr. Speaker, this government had information to make financial decisions on and it chose to ignore it. I cannot answer the questions at the door when people ask me why they chose to ignore it, but no doubt, members opposite will be asked the questions when they go to the door.

Government has not taken into account all the risks associated with oil and gas. It is not just the price for the barrel. There are also risks associated with the impacts of production changes during a period of low priced oil. Risks associated with exchange rates in volatile markets, and this one which this government never talks about but actually was impacted by last year, and that is the risk associated with lower demand as alternate energies grow.

Under forecast in good times, over forecast in bad; the one good light in this Budget is they have likely hit the mark, finally, at least for this year, but they continue to edge the future. Their entire deficit reduction plan, their five-year plan is on higher oil prices, repeating the mistakes of the past.

Mr. Speaker, this is a significant concern for us. We have a Province that now has as high as 32 per cent of our revenue coming from offshore royalties. That does not include the other direct and indirect benefits that come to the Province such as higher corporate taxes and jobs for services.

The current government failed to diversify our economy in a significant way. They failed to plan for a rainy day, and I can tell the minister and the Premier it is pouring rain right now. Oil is a risky business. They assumed that the price of oil would always stay high.

I can tell you, Mr. Speaker, that under the leadership of the Leader of the Official Opposition, when he is elected Premier by the people of Newfoundland and Labrador, our team will plan for the future and anticipate and measure the risks of the unexpected.

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

**MS C. BENNETT:** You should be planning for the best and worst case scenarios. That is what

effective managers do. Oil is a non-renewable resource that we must leverage to ensure a more stable and diverse economic future. We must have the discipline to use oil to control our destiny, not determine our fate.

Mr. Speaker, there is a simple, simple premise with oil prices and commodity prices that any financial analyst, any financial planner will tell you, and it is a simple one: What goes up must come down. This government has chased commodity prices and spent their way into a fiscal mess that the people of the Province are now facing.

Mr. Speaker, let's talk about the debt and the deficit. In his speech the minister said: A year ago, Budget 2014 forecast a deficit of \$537.9 million for the 2014-15 fiscal year. Since that time, lower projected gross expenses of \$385 million were not able to offset lower total revenues of \$771 million, and the precipitous decline in the price of Brent crude oil resulting in the forecast deficit increasing to \$924 million, and new debt for the year is projected to increase by \$1.17 billion.

Total revenue forecast for 2014, the minister went on to say, is \$6.976 billion, with a reduction of \$1.5 billion from the \$8.5 billion estimated from last year. Net debt was projected to increase by \$1.768 billion, and the borrowing requirements for this year are expected to be \$2 billion. Listen to this: the borrowing is going to be in total – the whole plan is \$4.85 billion in the next four years. So when we get back to surplus, that is when we will have a plan in place to deal with the debt.

**MS PERRY:** (Inaudible).

**MS C. BENNETT:** Mr. Speaker, it is interesting; the Member for Fortune Bay –Cape La Hune obviously has a problem understanding two sides of the ledger because you have to worry about the revenue and you have to worry about the expenses. Until this government realizes that, they are going to continue to think narrow and think that the only solutions they have are the limited ones they have in this Budget plan. I can assure you that this side of the House has a lot more ideas than that side of the House.

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

**MS C. BENNETT:** Mr. Speaker, the deficit was not driven by oil alone. Net debt has increased by over a billion dollars. Government is paying close to a billion dollars a year in interest payments.

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

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

**MS C. BENNETT:** Government –

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

**MS C. BENNETT:** Will I wait, Mr. Speaker?

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

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

The member can continue.

**MS C. BENNETT:** This is an interesting number. Government was claiming that its debt expense to revenue is lower than 2003 levels. So what they do not say is that in the revenue number is the \$20 billion worth of oil royalties that skews the number. Of course it is. Take into account those oil revenues that did not start flowing until 2003. Likewise their claim that debt expenses to gross expenses is below the 2003 levels because again their spending was too high.

Mr. Speaker, a billion dollars a year to service our debt starting in 2017. Even with last year's Budget, this government was unable to hold the course on spending and increase spending some 1.7 per cent, \$110 million.

This government plans to spend on operations \$8,274,000 and their revised budget from last year was just over \$7 million. The people of the Province, and the people who I spoke to on the doors last weekend, certainly have huge concerns about this government's ability to manage its way out of this fiscal mess. They do not have confidence and they have even less confidence when a government talks about raising revenue in ways that are really going to put people in harm's way, financially.



Let me take the last few minutes before the House closes today to speak about the Residential Energy Rebate. The Residential Energy Rebate program was introduced in 2011, as the minister said last week, to help residents offset the rising price of fuel used to heat their homes. It will be ending July 1. That energy rebate will impact seniors as the cost of home heating increases. Mr. Speaker, it is two-fold. We will get an 8 per cent increase the first of July and another 2 per cent increase in January.

When we were in the House last week for debate I was out in the foyer having some conversations with some stakeholders. One particular individual came up to me and he said: Cathy, this government does not understand that there are thousands and thousands and thousands and thousands of people in this Province who live from one pay cheque to another, from one income stream to another, and even more as we look at 6,500 people who lost their jobs last year and the 12,000 people who are going to move out of the workforce over the next number of years.

Those people do not have the luxury of doing what this government should do. Those people are already living in their homes and in their communities in a culture of cost management. They make sure that every single penny they spend on their groceries, on their utility bill, on their clothing bill, is used in the best way they can. They stretch every single cent and every single dollar. Quite frankly, I believe the people of the Province expect the government to do the same.

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

**MS C. BENNETT:** Mr. Speaker, I see by the clock that it is just about before the House closes. Given the hour of the day, I would move adjournment of debate. I hope to continue my remarks tomorrow.

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

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

The motion is the debate on the Budget Speech be now adjourned.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, debate on the Budget Speech adjourned.

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

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

I would like to remind members of the House that –

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

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

**MR. KING:** I realize they are excited that I am on my feet, Mr. Speaker, but I will only take a minute.

I would like to remind members that this afternoon the Social Services Committee will meet in the House of Assembly at 6:00 p.m. to review the Estimates of the Department of Seniors, Wellness and Social Development.

With that, I move, seconded by the Minister of Health and Community Services, that the House do now adjourn.

**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.

This House stands adjourned until 1:30 o'clock tomorrow, Tuesday.

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