



Province of Newfoundland and Labrador

FORTY-SEVENTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND AND LABRADOR

---

Volume XLVII

FOURTH SESSION

Number 14

---

HANSARD

*Speaker: Honourable Wade Verge, MHA*

Wednesday

May 13, 2015

The House met at 2:00 p.m.

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

Admit strangers.

We will begin. I was waiting because there was a group of students from MSB Regional Academy that we were expecting in the public galleries. So if they come in, I may pause before I recognize an intervening member to do their member's statement so that you are not interrupted.

Today I am also pleased to welcome to the public gallery His Worship Mayor Ern Simms, and Deputy Mayor Darl Scott of St. Anthony –

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

**MR. SPEAKER:** – along with their Town Manager, Curtis Richards.

#### Statements by Members

**MR. SPEAKER:** We will hear members' statements today from the members representing the Districts of Humber Valley, Torngat Mountains, St. Barbe, Port au Port, Humber East, and Baie Verte – Springdale.

The hon. the Member for the District of Humber Valley.

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

I rise in this hon. House today to congratulate SEDLER Community Employment Corporation on twenty years of service in the Deer Lake area.

SEDLER helps provide people with intellectual disabilities access meaningful employment in the Deer Lake area. They provide support to clients when choosing where they wish to work. SEDLER also works with businesses as a client advocate.

SEDLER began its history in 1995 when a local pharmacy hired their first employee from SEDLER, Judy Lodge. This past week SEDLER hosted its twentieth anniversary banquet and highlighted many of their success stories.

Mr. Speaker, I congratulate Jim Mercer, Paul Porter, Dianne Cross, Tracy Cassell and Randy Osmond for fifteen-plus consecutive years of employment through SEDLER.

The effort SEDLER has made in promoting workplace inclusion for those with developmental disabilities is commendable. Their dedication and commitment is why SEDLER continues to thrive today, having a real impact in the Deer Lake area.

Mr. Speaker, I ask all members of this House to join me in congratulating SEDLER Community Employment Corporation on twenty years of service in the Deer Lake area.

Thank you, Mr. Speaker.

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

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

**MR. EDMUNDS:** Mr. Speaker, I rise in this hon. House today to congratulate the badminton team from J.C. Erhardt Memorial School in Makkovik on their excellent showing at the provincial badminton championships recently held in St. Lawrence.

Eight students from the school, ranging from Grades 7 to 12 cleaned up at the two-day tournament winning gold in every event except one, where they received silver.

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

**MR. EDMUNDS:** The team consisted of Amanda Dyson, Mandy Smith, Sophie Jararuse, Charlie Mae Dyson, Dylan Andersen, Sydney Ford, Liam Dyson, Jason Wolfrey, and coach Ryan Connors.

They took gold in boys' and girls' singles, girl's doubles, boy's doubles, and mixed doubles. The team excelled in all events, and proved their supremacy in the sport of badminton.

During the tournament, Makkovik competed against teams from Mount Pearl, Marystown, Glovertown, and others. Just to put it into perspective, Mr. Speaker, the school in Mount Pearl has 900 students in Grades 10 to 12, that is

three times the population of the community of Makkovik.

Mr. Speaker, I ask all hon. members to join me in congratulating the badminton team from Makkovik and look forward to next year when they have already committed to defending their title.

Thank you.

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

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

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

March 23, 2015 was a night to remember for eight people who took refuge from a wild snowstorm at Irene Payne's Sunrise Bakery in Parson's Pond, on the Great Northern Peninsula.

For those eight people who could no longer drive in the blinding snowstorm, it could have been worse. Sunrise Bakery owner, Irene Payne, with employees Holly Payne, Robin Payne, and Grace Decker kept the bakery and store open all night to accommodate the motorists that were stranded. They served toast and sandwiches, and kept the hot coffee hot and the tea on. Most of the stranded people slept, while others stayed awake.

"We could not leave them stranded; there was one little boy who was really scared," said Irene. "It's the way we do things in Newfoundland & Labrador."

This incident epitomizes the hospitality and generosity that Newfoundlanders and Labradorians are world renowned for – an act of kindness that will stay with eight people forever, a story that will be shared.

Mr. Speaker, I ask all members of this hon. House to join me in commending Irene Payne, Holly Payne, Robin Payne, and Grace Decker for taking care of strangers in the Newfoundland and Labrador way.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for the District of Port au Port.

**MR. CORNETT:** Mr. Speaker, I rise today in this hon. House to congratulate the Rotary Club of Stephenville for presenting their fortieth Annual Music Festival.

Under the leadership of Rosa Dollard and Noreen Dwyer, a very successful festival was presented. Performers of all ages provided pieces from classical piano and bodhran to bagpipes, showcasing the rich and diverse cultural fabric of the Bay St. George region.

Mr. Speaker, the winner of this year's Rotary Music Festival Rose Bowl and best in senior piano for the second consecutive year was Stephen Eckhert of Kippens, who was recommended to perform in the 2015 Provincial Rotary Music Festival.

Other trophy winners at the Stephenville Rotary Music Festival included: Stephenville Elementary Grade 5 Choir for best choral; James Benoit, best instrumental; Stephenville Middle School, Grade 6, best band; Cody O'Quinn, best dramatic speech; and Marigold Benoit, best vocal.

Mr. Speaker, I ask all hon. members in this hon. House of Assembly to join with me in congratulating the Stephenville Rotary Club Music Festival Committee, the award winners, and all the participants for their dedication, commitment, and talent.

Félicitations et merci!

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

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

**MR. FLYNN:** Mr. Speaker, I rise in this hon. House today to speak with a great deal of pride about a relatively new initiative in my District of Humber East. A little more than a year ago the Open Door was launched as a free, healthy lunch program held every Monday at the Anglican Cathedral of St. John the Evangelist.

Sponsored by the Anglican churches of the Humber Deanery, over 3,000 lunches have been

served by over 1,000 volunteers. In addition, these volunteers have distributed hundreds of coats, books and school supplies, mitts, socks and hats, and served a complete Christmas dinner.

This is an outreach program that is truly an open door to all, but especially to those who are hungry and lonely. It is a festival atmosphere with piano music, a warm welcome, and a departing gift of fresh fruit and necessary toiletries. I have personally served and eaten at the Open Door, and would recommend it to all other hon. members who are interested in knowing the struggles of some of our most vulnerable.

I ask all hon. members to join me in congratulating the Anglican Cathedral of St. John the Evangelist in this important outreach program.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Baie Verte – Springdale.

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

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

It is a delight in this hon. House today to convey accolades to the 50 Plus Encouragement Club. Comprised of three friendly communities, namely, Burlington, Smith's Harbour, and Middle Arm, the club motivates seniors to engage in a healthy, active lifestyle.

President Gerald Burton and his dedicated executive are to be applauded for their visionary leadership in organizing this particular club.

From the first public organizational meeting in 2011, momentum kept building to the point where today all three communities are well-served and everyone looks forward to the special events or activities. With hard work, their dream became a reality. Their vision was to create safe, secure age-friendly communities, not only by promoting intergenerational activities but also to acknowledge the tremendous

contribution that seniors have made to our communities.

From all accounts, the Encouragement Club is a positive initiative that is embraced by the people in the region. Instead of staying in their homes and feeling isolated, the club offers activities that inspire seniors to become involved in their community.

Please join me in applauding the 50 Plus Encouragement Club for their outstanding work in honouring and valuing the social and economic contributions of seniors.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Before we go to Statements by Members, I would like to now welcome the students from MSB Regional Academy, along with their bus driver, Mr. Charlie Bursey, and four teachers: Mr. Paul Bartlett, Ms Chantelle Bowers, Ms Renee Moss, and Mr. Ken Robinson.

Welcome to the House of Assembly.

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

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

#### Statements by Ministers

**MR. SPEAKER:** The hon. the Minister of Justice and Public Safety.

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

**MR. KING:** Thank you.

Mr. Speaker, I am pleased to stand and acknowledge National Police Week in Canada which runs from May 10 to 16. Since the first Police Week in 1970, this significant occasion has allowed all Canadians to recognize the important work that police officers do to make our communities as safe as possible for our residents.

This year's special week was kicked off with a cake cutting ceremony at St. Mary's Elementary School here in St. John's. There are many

activities planned across the Province by the Royal Canadian Mounted Police and the Royal Newfoundland Constabulary and I encourage residents to come out and participate wherever possible.

Mr. Speaker, one important event that has become a regular part of National Police Week in Newfoundland and Labrador is the International Police and Peace Officer Memorial Service that was held this morning at the Seventh Day Adventist Church in St. John's. This service provides an opportunity to remember those police and peace officers who have lost their lives in the line of duty and to acknowledge the sacrifice they made to improve the quality of life every day for Newfoundlanders and Labradorians.

While reflecting on the nineteen officers who have paid the ultimate sacrifice in this Province, you cannot help but think about the devastating impact that their deaths must have had on their children, their families, and their friends.

Mr. Speaker, the police and peace officers of our Province often face difficult and dangerous situations in carrying out their duties and the Government of Newfoundland and Labrador continues to provide significant support to assist them in that important work. Since 2004, we have invested more than \$1 billion in policing in the Province and those investments continued this year with additional funding for the RCMP to upgrade rural detachments and for the RNC to hire additional recruits.

We have also fostered strong working relationships with both police forces; a relationship that has led to the launch of successful initiatives that have had direct and positive impacts on reducing crime in Newfoundland and Labrador. This includes the creation of the Combined Forces Special Enforcement Unit, which on Monday announced details of its latest investigation into illegal drug trafficking.

Mr. Speaker, the Royal Canadian Mounted Police and the Royal Newfoundland Constabulary have proud histories of providing policing services to Newfoundland and Labrador and I commend them for the part they play in

making this Province one of the greatest places in which to live.

Thank you very much.

**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 an advance copy of his statement. We, too, in the Official Opposition would like to acknowledge National Police Week in this country and this Province, an opportunity to recognize and thank our peace officers and law enforcement officials for the work they do year-round.

I was pleased to be able to attend the seventeenth annual Memorial Service at Seventh Day Adventist, a very powerful and moving ceremony, as it is every year. It is a dangerous line of work. We are unfortunately reminded of this all too often, whether it is the tragedy in Moncton, or the loss of a fisheries officer just two years ago right here in this Province. We all appreciate government's announcements of their investment in policing, unfortunately, the announcements about the other aspects of justice such as prisons and courthouses are just that, announcements and nothing more.

In closing, we would again like to thank our officers, their support staff, and their families for their hard work, their dedication, and their sacrifice.

Thank you.

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

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

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

I thank the minister for an advance copy of his statement. I was honoured to attend the Police and Peace Officer Memorial today. It is a reminder of how complex and sometimes dangerous this work is, and the great sacrifice and service our uniformed and civilian policing

personnel provide to our people. I thank them profoundly for their commitment.

The RNC and the RCMP have been doing incredible work in partnership with the community, including increasing the number of women recruits, providing mental health first aid training, creating awareness around LGBTQ issues, and domestic violence intervention.

Thank you once again for your passion and compassion in serving the people of Newfoundland and Labrador. Bravo to our police services.

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.

I am pleased to stand today to inform my hon. colleagues that the provincial government is rolling out a substantial road construction and summer maintenance program again this year. Some tenders have already been called, and others will be called and awarded during the next several weeks.

Over \$68 million has been allocated for the Provincial Roads Program this year, an increase in funding over last year. This is certainly an indication of the value we place on improving our roads and encouraging activities that helps stimulate local economies.

In addition, over \$20 million is allocated this year for summer maintenance work. The program encompasses important projects such as annual equipment inspections, line painting, pothole and asphalt repairs, excavating ditches, upgrading road shoulders, repairing culverts, and installing and repairing guide rails and signs.

We are also focused on grading gravel roads, which normally need attention following the winter months, as well as continuing our brush clearing and dust suppression programs. These

activities all improve driving and safety conditions for motorists.

Key multi-year projects for the construction season include work on the Heart's Content Barrens, the Trans-Labrador Highway, the Bay d'Espoir highway, the Baie Verte/La Scie road, and the Southeast Placentia road, along with upgrades to various other roads in regions across the Province. These projects were tendered over two years, Mr. Speaker, to ensure an early start to work this year.

Our crews work diligently throughout the summer, Mr. Speaker, and investments of over \$400 million in recent years have helped maintain, upgrade and enhance hundreds kilometres of roads, as well as repair or replace over twenty-five bridges. This construction season is no different, and we remain committed to providing a safe and reliable transportation network throughout Newfoundland and Labrador.

Thank you, Mr. Speaker.

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

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

**MR. OSBORNE:** Mr. Speaker, as we have seen in Estimates, even with the early tendering calls last year, there was lots of roadwork that was left over and did not get completed; but not to worry, that will be done this year. For example, through the Canada-Newfoundland infrastructure agreement, \$15.5 million of work was budgeted last year; only \$169,000 spent. Not to worry, that will be done this year; it is an election year.

Mr. Speaker, under the Canada strategic infrastructure program, \$8.7 million of highway was budgeted last year; \$480,000 spent. Not to worry, it is an election year; it is going to be done this year. The Trans-Labrador Highway, just over half of the \$60 million budgeted last year was done. Not to worry, it is an election year; that will be done this year too.

Mr. Speaker, the minister said there was an increase in the budget this year over last year – surprise, surprise; it is an election year. There is

politics in pavement, especially during election years, there is no doubt about it, and the proof is in the pavement.

**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, since 1997 there has been almost \$3 billion in gasoline taxes collected. This year this government is projecting to collect \$185 million in transportation taxes and fuel taxes. It is supposed to go into roads, Mr. Speaker, and what do we get? We get \$68 million.

Mr. Speaker, I also have to comment on twenty-five bridges. We know what the Auditor General said how much this government is behind on road and bridge construction: almost \$900 million, Mr. Speaker. It is shameful. I would hate to be a driver on bridge 26 when it gives out.

Thank you very much.

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

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

Oral Questions.

### Oral Questions

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

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

Budget 2015 cuts almost \$21 million from Memorial University.

I ask the Premier: What discussions have you had with the university on the impacts of these cuts?

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

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

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

As all members of the House are quite aware, and the people of Newfoundland and Labrador are quite aware, we had some very difficult and challenging fiscal decisions to make this year as we went through our Budget process. We wanted to find a balance in delivering services. We want a continuation of services. We want to continue our strong economy that we currently have in Newfoundland and Labrador, Mr. Speaker. We certainly did not want to make a shock to any systems by massive layoffs, like the members opposite have done in the past.

We also expect agencies and boards and commissions extended from government as well

–

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

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

**PREMIER DAVIS:** – to tighten their belts and to look at ways to reduce their funds that are received from government for their operations. We have done that with Memorial University as we have done with agencies and boards as well, Mr. Speaker. We asked the Board of Regents who is in charge of those responsibilities to make proper and right decisions that are in the best interests of their students.

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

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

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

Well, I remind the Premier maybe he should just read his own Budget documents because the strong economy that he was just referring to is actually shrinking and there are all kinds of projections that he has in his own documents to support what I am saying.

My question was: What discussions specifically have you had with Memorial University surrounding the impact of this cut?

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

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

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

The member opposite raised the matter of the economy and the status of this economy. I remind the Leader of the Opposition of 2008-2009 when globally, in Canada, we saw tremendous pressures on the economy of provinces. Newfoundland and Labrador, Mr. Speaker, was the first province to pull out of that recessionary period, the strongest one to pull out.

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

**PREMIER DAVIS:** That is a testament to the decisions that we made as a government. We know members opposite are going to make massive layoffs if they ever take over government –

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

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

**PREMIER DAVIS:** We know they are going to do that. They have said they are going to do that, Mr. Speaker. We have taken a different plan. We are taking an approach that is fair and balanced for all Newfoundlanders and Labradorians.

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

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

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

The hon. Premier should know that back in 2008-2009 the rebound in this economy had nothing to do with the actions of this government. It was plain and simple; it was oil royalties.

Mr. Speaker, this week when I questioned the outrageous \$1.4 million in marketing spent by Nalcor the minister said this: Nalcor operates as a separate entity. Last fall, when talking about Nalcor, the Premier said something quite different. He said: As I have said already, and I will say again, we will hold them – speaking of Nalcor – accountable.

I ask the Premier: What is it? Is Nalcor a separate entity as your minister suggests, or will you, as Premier, hold them accountable where your minister is saying they do not have to be?

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

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

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

Both statements are accurate. They are an independent organization. They are a Crown corporation of government. Their only shareholder is the people of Newfoundland and Labrador. The people of Newfoundland and Labrador are the ones who own Nalcor. They will benefit from Nalcor for decades to come because of the good planning and investments that we are making in the future of Newfoundland and Labrador.

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

**PREMIER DAVIS:** Mr. Speaker, on behalf of the people of the Province, I said last fall and I say here again today, yes, I will hold Nalcor accountable. I hold all agencies and boards, all departments accountable for the decisions they make and the impact that they have on Newfoundlanders and Labradorians. We will hold them accountable and we do hold them accountable.

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

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

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

Maybe the Premier should just march down and tell his minister the same story because obviously it was quite different yesterday.

At a time when the Province is running a billion-dollar deficit and during a freeze in government discretionary spending, Nalcor spent as much on marketing as twelve government departments combined.

I ask the Premier: Since you are holding Nalcor accountable, do you find this spending acceptable?



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

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

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

Nalcor does their operational – their day-to-day operations are done independent from government. I do not have an office over at Nalcor where I sit and watch their day-to-day operations, Mr. Speaker.

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

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

**PREMIER DAVIS:** Yet, we hold them accountable. I can explain that to the Leader of the Opposition further if he does not understand it. I would be quite happy to do that. The minister has oversight, has a strong relationship with Nalcor, and has regular communications and discussions with him.

Yes, Mr. Speaker, as we have done with other organizations, we have asked them to tighten their belt and spend wisely. Members opposite get up here in the House every day and ask for millions, tens of millions, hundreds of millions. Last week they asked for over a billion dollars right here in the House of Assembly. It is a good thing they are not in charge because spending would be right out of control.

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

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

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

The Premier obviously has dodged – he does not like this question for some reason.

I will ask the Premier one more time, Mr. Speaker, the \$1.4 million in marketing spent by Nalcor last year, does the Premier find this spending acceptable? Yes or no.

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

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

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

Members opposite have come to this House of Assembly asking for Nalcor to increase communications. They have asked them to do more in communications. They asked them to do a better job and have a bigger role in notifying Newfoundlanders and Labradorians the status of the company, their day-to-day operations of what is taking place.

As well, Mr. Speaker, as a government we expect Nalcor to continue to look for opportunities that are going to benefit Newfoundlanders and Labradorians for years to come. They are a company that operates worldwide in having partnerships with companies from all over the globe. They continue to have communications here at home. They continue to provide communications around the globe. They continue to make investments.

Yes, we will hold their feet to the fire on how they spend and what they spend. As I have said this week, as well, I will take a very close look at their expenditures on marketing and I am in the process of doing that.

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

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

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

I am assuming by the Premier's comment that he had no idea that they were spending \$446,000 on a marketing campaign trying to tell the people of Newfoundland that they were ready when they obviously were not ready.

I ask the Premier: Do you support \$446,000 in a marketing campaign by Nalcor saying that they were ready when they clearly were not?

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

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

The hon. the Minister of Natural Resources.

**MR. DALLEY:** It is no surprise, Mr. Speaker, to hear the Leader of the Opposition tearing strips off Nalcor once again. You do not hear the one next to him tearing strips off Nalcor, Mr.

Speaker. You hear the Leader tearing strips off, but let's lay it out.

Nalcor has built for the people of the Province six lines of business: Churchill Falls, Muskrat Falls, Hydro, Energy Marketing, Bull Arm, oil and gas. They are a global company where we are making strategic investments, Mr. Speaker –

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

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

**MR. DALLEY:** – and when we invest we will get a return for the people of the Province. You have to acknowledge, yes, \$440,000 is a lot of money and they were ready, Mr. Speaker. I challenge the member opposite to go to another Province and tell me where they never had a power outage this year.

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

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

The hon. the Leader of the Official Opposition.

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

I challenge the minister to clearly point out – tell the people of this Province who experienced a number of outages, that they were ready on the money that was spent, I say, Mr. Speaker.

In 2012 – speaking of spending money – the Auditor General reviewed public tendering exemptions. He made nine recommendations and four of them have not been implemented.

I ask the Premier: Why are you ignoring the AG's recommendations and why aren't you ensuring that public money is not being wasted?

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

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

**MR. KENT:** Mr. Speaker, we take all recommendations from the Auditor General very seriously, particularly when it comes to public tendering. There are times when there are exemptions to the Public Tender Act, that is quite normal. Reports on that are regularly

provided to the House of Assembly. In fact, just over the last week or two there was a report tabled in that regard.

We have actioned 93 per cent of the Auditor General's recent recommendations. We continue to act on them. There is always room for improvement and we continue to improve, Mr. Speaker.

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

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

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

In 2012 – while you were taking those concerns very seriously, and sometimes you are even concerned – government departments and agencies made 1,500 tender exemptions and spent \$102 million on these goods and services. In 2014, government made another 1,500 exemptions and spent \$123 million of taxpayers' money.

I ask the Premier: Why is your government continuing to spend millions and millions of taxpayers' money without going through a public tendering process?

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

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

**PREMIER DAVIS:** Mr. Speaker, the Auditor General's work is important to Newfoundland and Labrador. We learn a lot from what the Auditor General does. He plays an important role in the functions of government.

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

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

**PREMIER DAVIS:** He plays an important role in the functions of government, and makes recommendations.

As the Minister of Health and Community Services just advised, 93 per cent of recommendations, since 2009, have been actioned. Many have been fully implemented, Mr. Speaker.

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

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

**PREMIER DAVIS:** Some have been fully implemented, Mr. Speaker, and others are being actioned.

If you want to start looking at individual recommendations from the Auditor General, the Auditor General also recommended that government should consider partnering with private business to promote specific industry growth in our Province, but the Opposition members are against that, 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.

What the Premier is talking about are partnerships that people understand what the savings are. To date, the Premier has not shown the people of Newfoundland any of that because he has gotten none of it done, I say.

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

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

**MR. BALL:** In the first nine months of the fiscal year 2014, government spent \$84 million without going through the public tendering process. In the same nine months, in fiscal year 2015, they spent over \$130 million. That is a 55 per cent increase in tender exemptions.

I ask the Premier: Why is there such a drastic increase in the tendering exemptions?

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

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

**MR. KENT:** Mr. Speaker, there are lots of people in our communities in our Province who understand relationships with the private sector and how important they are.

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

**MR. KENT:** When it comes to business, the folks opposite this morning announced they are going to plan to come up with a plan, Mr. Speaker.

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

**MR. KENT:** In terms of public tenders, the process is open and accountable.

In terms of the 2012 report that the Leader of the Opposition refers to, the exceptions account for less than 2 per cent of total annual expenditures. Mr. Speaker, it is important to look at the big picture; 98 per cent of purchases are being acquired through public tenders. The process is working. Exceptions are being reported to the House regularly and that will continue.

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

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

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

Well, some of the tender exemptions are certainly questionable. For example, the liquor corporation spent \$11,000 on a four-month gym membership that was given to a vendor because they were the only ones able to provide a discounted member rate.

I ask the Premier: How confident are you that this is the best use of taxpayers' money?

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

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

**MR. KENT:** Mr. Speaker, exceptions happen from time to time and they account for less than 2 per cent of total annual expenditures. There are strict conditions in the Public Tender Act around exceptions. The vast majority of exceptions are either due to sole source –

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

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

**MR. KENT:** – where there is only one source to purchase that good or service, or there is a pressing emergency. So that could be repairs after a hurricane, emergency road repairs, ferry breakdowns –

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

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

**MR. KENT:** – purchasing of textbooks for schools. If the members have any specific questions about specific exceptions, then the Government Purchasing Agency would be happy to provide more detail, Mr. Speaker.

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

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

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

**MR. MITCHELMORE:** Mr. Speaker, the federal government continues to cut vital services in our Province without much push back from this government. The St. John's Coast Guard Radio has already been shut down, and in August the St. Anthony Coast Guard Radio is scheduled to close.

I ask the minister: What is government's plan to prevent the closure of this vital marine communications service for mariners that is so important on the Northeast Coast?

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

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

**MR. KENT:** Mr. Speaker, beyond the work of intergovernmental affairs within our government where we are constantly advocating, constantly challenging the federal government, working with other jurisdictions to solve issues like the ones the member raises, each and every minister in the Premier's Cabinet is actively involved in advocating on behalf of Newfoundland and Labrador.

Whenever there are services that are jeopardized or impacted because of cuts happening federally or elsewhere, that is of great concern to us, Mr.

Speaker. We are constantly advocating to make sure that Newfoundland and Labrador maintains good federal presence, receives good services, and that the federal government honours its commitments to Newfoundland and Labrador.

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

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

**MR. MITCHELMORE:** Mr. Speaker, the Deputy Premier and the Attorney General both committed to action in response to past questions that I have made in the House of Assembly.

I ask the minister: Have you even spoken to the feds? Would you please table any proposal advanced to prevent Ottawa from taking away another service that our people and our mariners depend on for safety?

**MR. SPEAKER:** The hon. the Minister of Justice and Public Safety.

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

**MR. KING:** Mr. Speaker, the member in his previous question referenced search and rescue. Our government has been very clear on the decision that the federal government has made on search and rescue in this Province. It is absolutely ridiculous, and I do not mind standing here and saying it. The Conservative government let this Province down and we have been fighting at every opportunity possible.

What I would say to the member opposite is he ought to encourage his federal colleagues to join the fight with us to see if we can get the federal government back onside. As my colleague, the Minister of Health and Community Services has just said, very strongly here, every minister in this government is working hard with the federal government to reverse some of the terrible decisions that have been made that have had a negative impact on this Province, and we will continue to do so. Unlike the other members, we are not playing politics; we are standing up for the people of Newfoundland and Labrador.

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

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

**MR. LANE:** Mr. Speaker, we are seeing a disturbing trend in the number of privacy breaches that are occurring within government and its agencies. Access to information records show there have been over 170 privacy breaches in the last four years. That does not count the most recent example of the patient's lab results faxed to – get this – a dairy farmer, and the breaches in the mail outs of the big game licences.

I ask the minister: What assurances do the people of the Province have that all steps are being taken to protect their privacy?

**MR. SPEAKER:** The hon. the Minister Responsible for the Office of Public Engagement.

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

**MR. KENT:** Mr. Speaker, any privacy breach is serious. Whether it is major or minor, there are steps being taken to ensure that we learn from those breaches, and that steps are taken to ensure that those breaches do not reoccur.

In the incident that recently involved Central Health, I was in direct contact with the regional health authority. We want a full investigation conducted. We want to ensure the policies and procedures are reviewed. If somebody willingly and knowingly discloses personal information, somebody knowingly breaches a person's privacy, then there have to be consequences for that, Mr. Speaker.

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

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

**MR. LANE:** Mr. Speaker, Central Health has confirmed that the policy was not adhered to in the case where a fax containing patient information was sent to the dairy farmer. So, while the policy is in place, compliance to the policy was not.

So I ask the minister: Why wasn't policy followed, and what steps will you take to ensure

that policy is adhered to, not just in this case, but by all health professionals in the Province?

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

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

**MR. KENT:** Mr. Speaker, when we are talking about personal health information, we are talking about one of the most sensitive forms of personal information. A well-functioning health environment requires patient privacy to always be a priority.

Health care is human-driven by its very nature. It is subject to human nature. There are times when a document is faxed to the wrong place, when there is an error that occurs due to human error. That is still serious. We need to make sure that the folks involved learn from those mistakes, and that steps are taken to ensure they do not reoccur. If there is a deliberate breach of privacy, then there are very serious consequences, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Bay of Islands.

**MR. JOYCE:** Mr. Speaker, yesterday the minister accused me of playing politics with 911, and I was the only person with concerns. Your own Premier stated that he also has concerns after delays in response times in Cox's Cove and Pasadena were raised in this House.

I ask the minister: Will you tap the Premier on the shoulder and tell him he is playing politics with 911, or agree with me and the Premier who stated that these time delays are not acceptable when it comes to human lives?

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

**MR. SPEAKER:** The hon. the Minister Responsible for Fire and Emergency Services.

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

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

As I said yesterday, I acknowledged to the Leader of the Opposition the seriousness of any delay in response to 911 calls. I am not sure of the wording exactly what I said to the member; but, clearly, in my view, the member is playing politics. Yesterday his rant in the House was that we are not providing the information at all and that it was a very non-transparent organization. Nothing could be further from the truth.

As I outlined very clearly yesterday, Mr. Speaker, in response to his question, what we are seeing in the Province is that the Member for Bay of Islands and the Liberal Party are articulating one policy on 911 for Corner Brook and region and a different policy for places like St. Anthony and Lamaline and other parts of the Province, and that is not where this government stands. We have a policy in place based on standard operating procedures consistent with other jurisdictions.

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

**MR. SPEAKER:** The hon. the Member for Bay of Islands.

**MR. JOYCE:** Mr. Speaker, I say to the minister, I knew you did not have the courage to tell the Premier he is playing politics, and Corner Brook do have a dispatch system.

I ask the minister: With the dispatch system in Corner Brook, why should you drag Western Newfoundland down? Why don't you bring the rest of the Province up to their level? Mr. Speaker, this is about saving lives and having the proper emergency response in place.

I ask the minister: Now that your Premier has publicly expressed concerns, will you commit to having an open and transparent dialogue on 911 and implement a dispatch system like Nova Scotia, as reported on page 9, of the POMAX report? This is very serious, Premier.

**MR. SPEAKER:** The hon. the Minister Responsible for Fire and Emergency Services.

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

**MR. KING:** Very serious indeed, Mr. Speaker. The member stands there every single day and

talks about no information available and government not being transparent. Well, Mr. Speaker, here is the final POMAX report. I will table it. It is available on the website.

Mr. Speaker, on October 20, the member opposite wrote the Minister of Public Safety. On October 21, the letter was responded to. October 22, he wrote; November 5, he was responded to. December 21, he wrote –

**MR. SPEAKER:** I ask the member not to use props, please.

**MR. KING:** – January 21, he was responded to, Mr. Speaker. On February 17, he wrote; on February 26, he had a response. On February 24, he was briefed; and on March 9, there was a detailed response.

I am prepared to table it all if members of the media want to take it and report on it. We are being as open and transparent as possible. The problem here is that he gets the answers, but he does not like the answers, Mr. Speaker.

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

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

The hon. the Member for Bay of Islands.

**MR. JOYCE:** Mr. Speaker, I acknowledge I got the reports but, obviously, there is no decision made to put in the dispatch. Even the Premier of this Province here stated publicly that there are problems with it. So just because you put it in writing, that does not mean that you are going to save lives by changing the system.

I ask the Premier: Will you take this as a serious matter and order an investigation into the 911 system, like Nova Scotia, before someone dies in this Province?

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

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

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

**PREMIER DAVIS:** Mr. Speaker, it is most unfortunate that members sometimes are a little bit over the top in their fear mongering and the

comments they make. I appreciate the passion of the member opposite, I certainly do, and he is well known for it.

What I have said, and I will say here again in the House, we want to find ways to have the best services for the people of the Province. We want to make sure that we get the best responses. Mr. Speaker, 911 is universally known throughout Canada, throughout the United States. We have hundreds of thousands of people who visit us, we have people move from community to community, and 911 is the right system.

We know that what we started on the system is a ground system. It is a basic system that we have started here in the Province that is now available to residents and visitors alike. We are going to grow on that because we are all interested and very much want the best services for the people of the Province.

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

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

**MR. EDMUNDS:** Mr. Speaker, the minister responsible for housing said in Estimates yesterday that he is discussing with the Member for Lake Melville and the Department of Health the future of the Paddon Home in Happy Valley-Goose Bay. The Minister of Health said this same thing in 2011. Since its closure, \$840,000 has been spent in repairs.

I ask the minister: This has been discussed for four years; what options for the Paddon Home are you discussing with the MHA and the Department of Health? Anybody –

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

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

**MR. KENT:** I thank the member for his question. I can assure you that at several points since becoming Minister of Health and Community Services I have been actively working on the Paddon Home issue with folks in Happy Valley-Goose Bay and, in particular, with Labrador-Grenfell Health. The Minister

Responsible for Labrador and Aboriginal Affairs has been very involved in those discussions and has been an advocate for the cause.

I have toured the Paddon Home facility personally. We are currently working with the community. We are working with various stakeholders. We are working very closely with Labrador-Grenfell Health to assess what options are available.

We have studied it. We are considering housing options. I will be working closely with my colleague the Minister Responsible for Newfoundland and Labrador Housing Corporation as we continue that work.

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

**MR. SPEAKER:** The hon. the Member for Torngat Mountains has time for a quick question.

**MR. EDMUNDS:** Mr. Speaker, a unit was bought to replace the Newman's Boarding House which closed at a cost of \$825 million.

I ask the minister: Why would you spend over \$1.6 million to add to your portfolio when vacant buildings like the Paddon Home sit idle?

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

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

**MR. KENT:** Mr. Speaker, just because the building is currently empty does not mean it should not be maintained. We see a future for that facility in Happy Valley-Goose Bay. It is important to Labrador-Grenfell Health, it is important to the people of Lake Melville district, and it is something that we are going to continue to explore from a housing perspective, from a health perspective, and from a community services perspective. We will continue to do that.

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

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

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

Government is pressuring Memorial University to hike annual student resident fees by \$1,000, which will be hard on rural students who must leave home to further their education.

I ask the Premier: Why is government directing MUN to find savings on the backs of the rural students of this Province?

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

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

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

First of all, Mr. Speaker, I would like to say that we have been providing great support to Memorial University in the last decade to ensure that they have the best tuition rates anywhere, anywhere in the country, and we have done that.

This year, we have had a difficult Budget year. We have had a difficult financial year, as members are all aware, and I referred to earlier in Question Period. We have asked all organizations, including Memorial, to tighten their belts and find better ways to do this, to find better ways to do their operations.

Mr. Speaker, the member opposite should also remember that in the last decade we have invested over \$300 million, about \$337 million, in tuition freezes for this Province. That is money that we spent as a government so that students did not have to spend it.

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

**PREMIER DAVIS:** Also, in the conversion of loans to grants, Mr. Speaker, we have spent almost \$13 million so that students – starting in 2016, there will be no more loans for students.

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

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

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

I ask the Premier: Why does government get the credit when they freeze the tuitions and other fees but the university gets the blame when they have to be lifted?

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

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

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

I just provided that information. I will be glad to provide it again, Mr. Speaker. It is because we gave Memorial \$337 million to do so. That is why we get the credit for doing it, because we gave them the funding to do it. They initiated the process, they managed the process, but we gave them the funding to allow them to do that.

This year, we have had a difficult Budget. We have challenging fiscal times. We cannot be everything to everybody all the time, Mr. Speaker. We have asked Memorial University, as we have government departments and all agencies, boards and commissions, to look at how they do their operations to find a better way so we can alleviate the pressures on taxpayers.

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

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

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

So then he is accepting the blame. When we say they are pressuring Memorial, they are pressuring Memorial, Mr. Speaker.

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

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

**MS MICHAEL:** I ask the Premier: Why are they imposing increases because of their cuts that fly in the face of government's youth retention strategy because our young graduates are not going to get jobs?

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

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



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

We have asked Memorial, and all our agencies, boards and commissions, to take a hard look at how they do their operations. As I have said, we cannot be everything to everybody at all times. We have asked them to do that.

Are we pressuring to do that? I do not know if I would use that term, pressuring to do that, but we have asked people to do the right thing. Yes, if pressuring is the word and asking them to manage and encourage them to streamline their operations, I think that is the right thing for us to do as a government. To eliminate wastage, to reduce their costs, while finding efficiencies and better ways to operate so they can provide good services and programs, in this case, to the students, Mr. Speaker.

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

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

**PREMIER DAVIS:** I will stand here, and I am sure most members in the House will agree, that our students attending Memorial University in Newfoundland and Labrador get an education that is second to none.

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

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

**MS ROGERS:** Mr. Speaker, the Mayor of Botwood has had enough. After numerous incidents with the government's secretive, privatized, emergency placement, group home, the mayor has told them to leave town.

I ask the Premier: The privatized care of our most vulnerable people was created under your watch, what is going on?

**MR. SPEAKER:** The hon. the Minister of Child, Youth and Family Services.

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

**MR. S. COLLINS:** Mr. Speaker, it is important to recognize, the folks who are housed in these accommodations are very vulnerable. They are at risk youth and children, and we want to make

sure that the proper services are provided. Knowing, obviously, that sometimes there are going to be issues arise, but the contractors are quite willing to work with the communities involved to arrive at a place.

We have to be very sensitive around this because, again, the folks we are dealing with here need the help, they need the service, and they need to be able to be integrated into a community. That is what we working towards, to have a system that does just that.

Thank you.

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

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

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

For decades the Province's group homes operated quietly in rural communities run by non-profit boards who hired highly trained public employees. It is clear the Premier's privatization plan is failing.

I ask the Premier: Will he implement an investigation into the operation of Blue sky homes, particularly in the area of staff qualifications and training?

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

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

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

Mr. Speaker, I think it is a sad and unfortunate commentary by the member opposite, to be perfectly honest with you.

Mr. Speaker, in days gone by we had facilities in this Province that were full. Facilities such as Whitbourne, and we had other facilities. We saw circumstances where we had foster children being housed in hotels. We have moved away from that. We developed a plan and we are executing that plan to move them out in the community, to put them in homes.

Is the member opposite suggesting that maybe we put them back in hotel rooms? Is that what she is suggesting? Is she suggesting that we put them in homes where nobody else lives and put them in remote areas so they cannot interact in communities?

We want the best for these young people. They deserve a chance, Mr. Speaker, and we are going to try and give it to them.

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

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

The hon. the Member for St. John's Centre has time for a very quick question.

**MS ROGERS:** Mr. Speaker, I ask the Premier: Will his legacy be the death of professional services by ill thought out privatization schemes?

**MR. SPEAKER:** The hon. the Premier has time for a quick response.

**PREMIER DAVIS:** Absolutely terrible, Mr. Speaker. It is absolutely terrible to suggest that these young people and these children are not being afforded professional services. They absolutely are, Mr. Speaker. These are very difficult, challenging cases that we have. They are a small number. They are the most difficult and challenging cases of young people in Newfoundland and Labrador.

For the member to bring this as a political issue about privatization services, it is absolutely ridiculous. These children are well cared for and they have professional services that are looking after them, Mr. Speaker.

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

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

The time for Question Period has expired.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

Answers to Questions for which Notice has been Given.

Petitions.

### Petitions

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

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

We, the citizens serviced by Curtis Hospital located in St. Anthony, Newfoundland and Labrador, petition the Government of Newfoundland and Labrador and Labrador Grenfell Health to retain the midwives and allow them to continue to perform all of their duties at Curtis Hospital.

Our midwives offer services that cannot be duplicated and which cannot be replaced. The level of care they offer and the knowledge and training they have in the area of obstetrics is immense. It will be a great disservice to the people of this area if our midwives are no longer available to care for the people here. Privatizing midwifery or waiting five to seven years for regulation, as stated by government, is unacceptable. We have an operational model of midwifery here in St. Anthony that has been delivering outstanding care for over ninety years.

We implore upon the House of Assembly to urge the Government of Newfoundland and Labrador and Labrador Grenfell Health to preserve midwifery services at Curtis Hospital.

Mr. Speaker, these are signed by residents of Sandy Cove, Anchor Point, Bear Cove, Main Brook, Nameless Cove, St. Lunaire-Griquet, Green Island Brook, Savage Cove, St. Anthony, a number of communities in my constituency. I want to point out that government, when they made this announcement well over a year ago, their focus was going to be on privatizing this service when they had a well working system in a public system for over ninety years.

If we look at a very public baby that was delivered, Princess Charlotte I believe, Kate Middleton, when she delivered her child, the

princess, it was delivered by two midwives, not the physicians who were there on standby in case it was a more high-risk birth. That is generally a way of which you can deliver more efficient service and provide good care is through use of midwives. They deal with the long-term continuity of care and through the whole prenatal and postnatal process, the relationship that is built, and that sense of trust.

There are cost savings as well in the delivery and utilization of midwifery. It is happening in other jurisdictions like Ontario. It is well utilized in the UK, as I just mentioned. I think it is something that we really need to focus on here in this Province. It was working for ninety years, but under this government they cut the service.

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

**MR. J. BENNETT:** 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 humbly sheweth:

WHEREAS there is no cellphone service in the Town of Trout River, which is an enclave community in Gros Morne National Park; and

WHEREAS visitors to Gros Morne National Park, more than 100,000 annually, expect to communicate by cellphone when they visit the park; and

WHEREAS cellphone service has become a very important aspect of everyday living for residents; and

WHEREAS cellphone service is an essential safety tool for visitors and residents; and

WHEREAS cellphone service is essential for business development;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to call on the Government of Newfoundland and Labrador to partner with the private sector to extend cellphone coverage

throughout Gros Morne National Park and the enclave community of Trout River.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, this weekend in Gros Morne National Park the festival Trails Tales Tunes will kick off on Friday evening. I am certain there will be government members there. I intend on attending on behalf of the Official Opposition.

People who are going to Trails Tales Tunes this year, by the time they get a few kilometres past Deer Lake they are going to run out of cellphone service. There will be spotty coverage occasionally between there and until the time they reach Norris Point where TTT is held.

Throughout the park, cellphone coverage will be very poor. So again we will have an opportunity to showcase to the world some of the talent of Gros Morne National Park and some of the highlights, but we will not have cellphone service.

Mr. Speaker, this is again the petition of primarily people from Trout River, but generally people from throughout the park seeking for government to partner with the private sector to move forward on cellphone service.

Thank you, Mr. Speaker.

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

### Orders of the Day

#### Private Members' Day

**MR. SPEAKER:** This being Private Members' Day, it being 3:00 p.m., I go to the Member for Bonavista North to begin debate on his private member's motion.

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

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

BE IT RESOLVED that this hon. House supports the Province's new arrangement with municipalities, which provides sustainable

sources of funding to further ensure a strong future for our municipalities.

This motion refers to the new arrangement that was announced a few short weeks ago whereby the minister announced the sustainable plan for municipalities for Newfoundland and Labrador as a reaction to the fiscal framework document that MNL had presented to the government.

The spirit of this resolution, Mr. Speaker, is a wish that this House would support the government's activities along this vein and it would probably ensure to all of our smaller communities and larger communities and towns around the Province that this House and this government supports a sustainable relationship with them.

In coming together to think about the PMR for today, we are reacting to many comments from mayors and councillors over the last few months and weeks – especially since the announcement – and drawing on our own recollections, because the speakers who are speaking to this as government members today all have a history of being members of community or town councils.

We have an affinity or a feeling for the responsibilities that small towns, medium towns, larger towns, and cities have in our Province. We recognize that each of them, from the local service districts who have – in my district, Mr. Speaker, there are local service districts with approximately 100 people. There is a local service district with over 350 people in it. There is a town council that has a – there are a couple of the municipalities that are actually smaller than some of the local service districts. So, some of these choices of delivering of services to the smaller regions of our Province have been local choices over the years, and the type of government they have there.

In thinking of this over the last few days, we also requested an extra briefing with the Department of Municipal and Intergovernmental Affairs to make sure that we have the real understanding of the arrangement, the sustainability plan for support for municipal governments.

So the members today for Kilbride, Baie Verte – Springdale, Fortune Bay – Cape La Hune, and

myself will be highlighting some of the specific aspects of that agreement or that announcement.

I can remember, historically, thinking back to when I was involved in municipal council, that every town, based on the MOG and the arrangements with the provincial government towards funding for projects – most of the smaller communities when we would go to – I think the letters were NLMF back when I was a mayor. MNL rolls of the tongue a little easier, but there were the same concerns, Mr. Speaker.

We would get together for conferences and our conventions and we would be talking about how in smaller communities the MOGs were not the appropriate form of funding. Because we were smaller – we were not the regional hubs. We did not have the business base. We did not have the tax base that some of the larger communities which, in recent times, the top seven or the L7, or the largest seven in the Province, are now in a different category. Because they are the regional hubs, they have a different tax base.

Most of their interest, Mr. Speaker, is in infrastructure. They are thinking more that the challenge that they have is to adequately deliver infrastructure needs to the citizens. There is enough of a tax base that they can handle the operating based on their taxes.

As we look forward through the 1990s and into early 2000s, Mr. Speaker, many of the projects that towns would apply for were really out of reach of most of the communities. With a 50-50 arrangement, most of the smaller communities just could not come up with their 50 per cent. Most of the towns were strapped and they could not get a chance to look forward.

As we move into, I think it was 2006, the program for the real smaller communities, the 90-10 funding, really opened up the door for smaller towns and areas of our Province; even some local service districts who could finance the 10 per cent themselves could apply for projects. Now, all of a sudden, some of these smaller communities could actually invest some of their own money, but being supported by a 90 per cent part from government would end up being able to do some of these projects. The larger towns still pay up to 30 per cent of projects that they would want.

So part of the history that we are looking at here, and I am referring to this only because I want to bring into context up to when – we are still always saying: the arrangement was not right. The arrangement was not the best. There is something better. There is something more sustainable that is necessary for the future success of local governments, to encourage people to want to be a part of a local town council or a local service district or city councillor.

To attract the right type of people you want to make sure that the arrangements and the relationships with government were such that it would encourage people to want to be a part of it. It just would not be a fighting battle all the time and that is all you do, is you are waging battle. You are not getting very far forward.

So we move forward to 2013, and I guess into the mandate of current MNL President Churence Rogers, who just happens to be from Bonavista North, which is my district at this point in time.

**AN HON. MEMBER:** The right man.

**MR. CROSS:** Thank you. I understand you think I am the right man.

It was when the President of MNL met with – I will call him minister Gander right now, for the want of a better name. An agreement was made that in two years a reaction to this municipal fiscal framework document they were coming up with would be met. The commitment was that in two years – now it would take two years to do the adequate comprehensive review, to consult with MNL, and to do the back and forth that was there and the research that we need, but the expectation was that by 2015 this would be delivered.

If I look at what MNL was looking for – when they developed their fiscal framework document last November, I think it was, from Corner Brook at the MNL convention, they brought this forward. There were two or three pillars of what they were looking for. At this time, the current minister and the department accepted the document and did the necessary work that a reaction came. That reaction came in April of this year.

The pillars that were there is that there must be an incremental increase in municipal revenue such that it would be sustainable and predictable. These are two factors that the government agreed to, sustainability and predictability. It is very important. One or two of my colleagues in the next few minutes, when they stand to speak, will talk about the sustainability and the predictability aspect of this as it deals with finances and revenue.

It also reflects that limited local tax base has to be factored in for many of the smaller communities because they lack capacity. Therefore, we have to look at what capacity is necessary for our smaller towns, especially, to be able to continue and what impact might it have.

MNL also presented with this three different groups of priorities. Priority group one talked about provincial tax rebates; provincial gas tax transfers; business and municipal utilities taxes; municipal operating grant reform, we call them MOG for short; and regionalization. These were the five main, priority group one, asks from MNL. There were many others in priority group two and three, but they will be addressed too as we go through this afternoon.

Mr. Speaker, when the minister and the Chair of MNL met and had a press release downstairs in the press room, not only were priority group one activities responded to and reacted to, there were also several, six, seven or eight, of the extra priority group two and priority group three requests were actually addressed as well.

If I can remember what Mr. Rogers comment was: four out of the five priority group one requests were addressed to some satisfaction. He said four out of five, not too bad. He was very impressed with the reaction there of how this government has tackled this problem and come back with a very, very adequate answer at this time.

Some of the communities asked, well, how are these four pillars, the four priority one group items, how are they going to impact for my community? Well, the community sustainability partnership with the HST rebate will see a rebate for HST expenditures that the town would make

for purchases they would use, come back to the town over a three-year, phase-in period.

Just to give an analysis here for three communities in my district. Community A is the Town of Greenspond, population 300. Over the three-year period, based on the 2013 spending of that community and the rebate they would have received, they would see in 2015-2016, \$1,855 based on 2013 spending. Again, this would change depending on what the spending and the rebate that they would request would be. It sounds like a small amount but that is at 25 per cent.

In the second year as it is phased in, it is almost \$10,000; it is \$9,806, Mr. Speaker. In the third year, 2017-2018, fully implemented, it would be just short of \$17,000. Then it is going to be annualized. So that amount, approximately each year for a small town of 300 people, really helps with the town's budget.

When you look at the sharing of the gas tax for that town of 300 people, in the first year at 0.5 cents per litre, the second year it is 0.75 cents per litre, and the third year it is one cent per litre, Mr. Speaker. In the third year it would get to about \$15,000 and then that would be annualized, again based on spending.

So a small community of 300 people would have an extra revenue of \$32,000. That is new revenue, Mr. Speaker, that they would have to help with some of the needs of the town. It is not going to be said, oh, we will drop our taxes because now we have some extra money coming from government. This is supposed to be new funding.

We have to be accountable for the funds we take in and the requests we make. We must know that in order for any town – they have to invest this in priority areas of funding. They are not going to lower any rates of taxes that they might have at the present time. They must also have a plan in place to recoup any receivables they have on their ledger from town citizens. It is going to need to be something that will be clear and accountable as we go through.

Now there are a couple of other communities I will get into. I will probably look at one other now, a town of about 2,000 people. I will not go

through all of the small specifics, Mr. Speaker. In the third year, a town with 2,200 people would have about \$85,000, based on the HST rebates and spending patterns they would have had for 2013. Then extra revenue from the sharing of the gas tax would add an extra \$30,000. Really, that town would have just short of \$116,000 new dollars to be able to invest in projects or services for their community.

It does not take long when you stand on your feet for fifteen minutes to expire. My other colleagues will stand in a few moments, Mr. Speaker, to speak about this. I encourage members from the Opposition and Third Party to support this motion as well. I look forward to coming back at 4:45 o'clock to close debate.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The hon. the Member for Bay of Islands.

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

The member said they hope the Opposition and the other parties will support it. I suppose we will; we put most of the recommendations in it, Mr. Speaker. We have been pushing it for years.

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

**MR. JOYCE:** Finally government came to see the light on this Community Sustainable Partnership fund. So, of course, we will be supporting this.

Mr. Speaker, I just want to –

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

**MR. JOYCE:** There are some people here, Mr. Speaker, who want –

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

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

The hon. the Member for Bay of Islands.

**MR. JOYCE:** I know, Mr. Speaker, they get pretty rowdy, even when you stand up and try to

support an initiative through the government. That just shows how low and desperate they are.

Mr. Speaker, there are some people I would like to just acknowledge because this has been ongoing. I know the Member for Gander, the former minister, pushed that for years. I know; I was with him and had many meetings with him on it. I know he is not a minister now, but he pushed this for years, and I just have to recognize that.

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

**MR. JOYCE:** I will tell you another person who does not get a lot of credit for this here – because this helps a lot of our towns, all of us. Anything that is going to help towns in Newfoundland and Labrador we have to work together and we have to try to provide support.

Another person who put a lot to it – and you could ask Churence Rogers, Mr. Speaker – is the Deputy Minister of Municipal and Intergovernmental Affairs. She worked diligently on this. You can ask the people that she dealt with; she kept this together. So I just want to acknowledge the work that she did also on this.

Mr. Speaker, Churence Rogers and his staff worked hard for all the municipalities in Newfoundland and Labrador. Also I have to recognize Churence and the staff at MNL for their dedication, and the current minister who worked at this. This is going to help all of us in Newfoundland and Labrador. I just want to make sure that we recognize the people who put time into it.

The good thing about all of this, Mr. Speaker, is a lot of those proposals that we put in, we stood up in this House, we asked questions about it, and we even made proposals to the government on how to improve the towns in Newfoundland and Labrador. I am proud – and this is how democracy works – that the government took a lot of those initiatives. I am proud that we stood shoulder to shoulder with MNL and worked with government to get these initiatives.

There are times that we had to stand up and we had to raise the concerns, and we did, as an Opposition. I know I spoke to a lot of the

towns; there is a lot of work left to do. I made the statement at the press conference that this is a first step, but we will build on it. The Liberal Opposition, if we are lucky enough to form government, we will build on this, Mr. Speaker.

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

**MR. JOYCE:** We are not just going to sit down and rest on our laurels. We will find ways to build and make our towns stronger, make our communities stronger, and give some incentives to people to put forth names for elected positions in municipalities in Newfoundland and Labrador.

Mr. Speaker, I would be absolutely remiss if I did not bring up that Wednesday I stood up down there and I said yes, I support this. Yes, Mr. Speaker, I think it is a good initiative. We will build on it. At no time did I know – but I know the members opposite, or at least the Cabinet, knew that there was a going to be a 2 per cent increase in the HST. At no time did we know that. When we stood up – and I went up to the symposium Thursday night and Friday, a lot of municipalities were very upset that on one hand, Wednesday, we were given this amount for the first year; the next day, it is just all taken back, without any knowledge.

Mr. Speaker, that just shows why you have to keep this government's feet to the fire. That just shows why. I can look at some of the issues of what they can do with the funds. I use the 911, for example, in the municipalities. What can you use the money for? Mr. Speaker, 911. A lot of people want their systems, so now they might be able to use the funds to build a better pager system or some way for a dispatch system in their municipalities. I mean, that is one of the ways they can spend this extra fund.

Mr. Speaker, there are a lot of ways that they can use the money and there are a lot of opportunities for it. I am just going to go through a few highlights of this agreement. There are going to be rebates on the provincial portion of the HST; 25 per cent beginning in 2016, increasing 57.1 per cent in January 2017. That is up to \$1.9 million in 2015. This is well-used money for the municipalities. They are going to be able to do a few things; they are

going to be able to maintain some of the systems that they have.

Mr. Speaker, revenues from the gas tax, also we can go through that – but then again they are going to get a portion of that. I agree with the member who just spoke and just said that they got four out of the five priorities. They actually did. There is one more – I think it is taxes on utilities; utility tax is the fifth one that they could not get done.

Mr. Speaker, they were pleased. This here is a good first step for the municipalities of Newfoundland. It took long enough to come. I am definitely not going to make any accusations because I am just glad that it is done. It may be an election year – we asked for this three or four years ago. It was promised back in 2008-2009, but it took five years to do it. It may be an election year, but who cares. If you want to make the municipalities strong – people see through it, Mr. Speaker, but we have to work through this now and make sure that we build on it. Do not say this is the end all, be all and we have to wait now another four years before we do anything else with it.

Mr. Speaker, the Municipal Operating Grants will remain at \$22 million over three years. The member also mentioned about having a bit of predictability. That is a good thing. That is a good thing for the towns in the Province of Newfoundland and Labrador. Instead of each year waiting for this list to come out – sometimes their budget is done by the time they get it, and then they have to go back and make changes to their budget, Mr. Speaker. so this three-year predictability is good. I know many towns that support this, Mr. Speaker, so at least they know for three years what they have to work with. That is a good initiative.

Mr. Speaker, one of the concerns that I have in this here is the \$1 million for the water quality. Here is the point; there are 215 boil orders in this Province. Do I think for one minute – and I would not put anybody on the opposite side, in government, in position to say that they are going to be able to solve all of the boil-order advisories in the Province. I would not say that because I know if we are lucky enough to form government I cannot stand up, or anybody on our side even be able to stand and say we can

solve all of those issues. I cannot say that; I would not expect anybody in government to be able to stand up and accuse anybody of saying that they should be able to do it. It is a difficult situation; it is. Because of surface water in Newfoundland and Labrador, it is difficult.

Mr. Speaker, the problem I have with this is that there is \$1 million, they are going to go through three sites, but there is going to be testing until 2019. It is going to begin October 1, 2015 to March 31, 2019 to provide funding for three regional service boards to engage regional water and waste water operators.

Mr. Speaker, I think it is a good initiative to help solve the boil-order advisories, but I think we could do it quicker. I think we have to find some way to do it quicker. All of the municipalities out there that are expecting some assistance for their boil-order advisories, just to let them know that this pilot project, the results will not be made – the absolute earliest is 2019, Mr. Speaker. That is a long ways away to ask people to wait.

I encourage government, is there any way you can speed this up? Is there any way we can expand this program? Safe drinking water is one of the essential parts of living in Newfoundland and living in the world. We need safe water, Mr. Speaker. It is essential. We need it.

When you come up with this here, Mr. Speaker, it is just too long to be waiting to come up with a pilot project and only going to do it in three sites. I urge the government to see if there is any way they can build on this here and not wait until 2019. See if there is some way we can do it now.

If we are going to make safe drinking water in Newfoundland and Labrador, I know the Official Opposition will do whatever we can to support the government on this through the municipalities. It is a major issue brought up to me on a regular basis, Mr. Speaker.

Mr. Speaker, here is another initiative, “To access municipal operating grants and the provincial gas tax revenues, each municipality must submit a summary of its taxes receivable balances to the Department of Municipal and



Intergovernmental Affairs ...” I agree with that. I will just try to put it down in the terms if I was talking to myself, who, a lot of times in municipalities, I was never a municipal councillor.

When I am talking to myself, I ask people to put it down so I can understand it. What I can understand in the municipalities is that you cannot take the money that is coming in now, the extra revenue, and lower your taxes. I agree with that. I am not saying a lot of municipalities will, but if they find a crunch what they would do is take this extra money that is coming into the gas tax, they would lower their current tax level, and subsidize what they are already spending.

That is a good safeguard to ensure that municipalities cannot lower their taxes. You have to keep your level tax base and the money you get; it will be extra to build on your services. That is a good thing. That is definitely a good thing, Mr. Speaker.

Mr. Speaker, another issue that we brought up – and I know the Liberal Opposition made a request – is Crown lands. Crown lands, I know there is some mention in it. We heard here about the volatility of oil in this House. One way that we can generate revenue, one way we can have economic stimulation in around the Province of Newfoundland and Labrador is through Crown lands. We have to make the Crown lands in municipalities – we have to make them available to the towns. Let them do the economic development. We have been preaching that for years.

We made a presentation and in comes some form. They could not put in exactly what we put in. They could not do that (inaudible) just take it from when we made a presentation. They just could not do it. They had to put it in some form, but they did not go far enough, Mr. Speaker. They did not go far enough. The government did not go far enough because the towns have been saying for years, and maybe because they got rid of the RED Boards. Maybe they do not believe in economic development out in rural Newfoundland and Labrador, maybe they do not.

Once they cut the RED Boards, they do not believe in economic development. Maybe they do not have confidence in the towns. Maybe they do not have it, Mr. Speaker, confidence in the towns to ensure they are given Crown lands somehow, to sell it at a price, to stimulate the economy in a lot of those towns. Maybe they do not have the confidence. That is why, Mr. Speaker, they could not go any further.

Mr. Speaker, another initiative the Liberal Opposition has brought up, and this comes right from our leader, the Leader of the Opposition, is that he is going to have a yearly – every year he will sit down and have a symposium with all municipalities in Newfoundland and Labrador. Mr. Speaker, this is a commitment this Premier made.

This is how important our leader views the municipalities in Newfoundland and Labrador, he will not fly in on a Saturday at 2:00 o'clock, speak at 3:00 o'clock, and gone by 4:00 o'clock. Our leader has committed on a yearly basis to sit down with MNL, sit down with all the mayors of municipalities all across Newfoundland and Labrador, sit down once a year to hear their concerns – not fly in, sit down and have your dinner, and walk on out through the door. That is leadership, Mr. Speaker.

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

**MR. JOYCE:** That is one of the major issues with Municipalities Newfoundland and Labrador, they said over the years. Do you know what they always said? It is hard to be listened to. I am glad of the pressure that this government has been brought into, and I am definitely not going to bring it up because it is in an election year that it was done. I would not bring that up, Mr. Speaker, but it is coincidental I say.

Mr. Speaker, I see my time is near. Once again, if this government is going to bring anything in that is going to support our municipalities in Newfoundland and Labrador, I will support it. I know the Liberal Opposition will support it because we are here for the people of Newfoundland and Labrador. We are here to build our communities in Newfoundland and Labrador.

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

**MR. JOYCE:** Above all, Mr. Speaker, none of us can forget, what we are here for is to serve the people of Newfoundland and Labrador.

Thank you, Mr. Speaker.

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

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

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

**MR. DINN:** Mr. Speaker, yesterday when I spoke in the House of Assembly in Budget discussions, I mentioned that our government is dealing with issues. One of the biggest issues that I did not mention yesterday was this issue of a new fiscal arrangement with the municipalities. I did not mention it yesterday because I knew this was going to be debated today in a private member's motion, so I did not do it then. I deliberately left it out.

This issue of new community partnership and new municipal fiscal arrangement has resulted from two years of significant research, analysis, and consultation. Our government committed to reviewing the previous framework in 2013, and two years later we delivered.

I want to take a few minutes now and mention and give credit to some people who did a lot of work on this. My colleague, the Member for Gander, was mentioned already by the Member for Bay of Islands. He should get a lot of credit for this because he was the man who, I would say, spent the most time at this. He spearheaded it, and he did a tremendous job. Not making this a paid political announcement, but he would be a great federal member when he runs.

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

**MR. DINN:** I would also like to mention the other ministers who worked on this. Our present minister, my colleague and friend from Ferryland, and also I would like to mention the people from Municipalities Newfoundland and Labrador who also did a great job on this. They stuck with it and they came up with a plan.

Municipalities in this Province have always had challenges dealing with every day service delivery and infrastructure needs. It seems there is never enough money to do what is needed. Tax revenues – Mr. Speaker, I find it very difficult to talk when there are people talking.

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

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

**MR. DINN:** It comes from my teaching background. When I was teaching I did not want youngsters carrying on a big racket. If they did, I had the class after class. Anyway I find it difficult, so could I have your protection?

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

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

The hon. the Member for Kilbride.

**MR. DINN:** I just mentioned that municipalities always had difficulty getting enough revenue to do services and also to do infrastructure needs. Tax revenues and the collection of tax revenues was always a problem. There are municipalities here in this Province that have a lot of outstanding taxes that are due to them. It is very difficult to collect those taxes.

I want to mention St. John's as an example now. Some of you might think St. John's is a poor example, being the largest centre here in the Province. St. John's is probably better positioned than most other municipalities in this Province. There are others in a similar position, but St. John's has a large tax base. It has the staff and the people working there who are able to send out tax bills, they are able to collect the taxes, and if you do not pay your taxes not long after you get a letter, a standard letter, saying we are going to cut your water off.

I also remember a man had a piece of land down by Third Pond – he lived in Vancouver –

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

**MR. DINN:** Third Pond is down by the racetrack in the Goulds.

The city sent him a letter one time that they were going to cut off his water. His water service was about five miles away from him, so they would have had a job to cut that off, I think.

Anyway, the City of St. John's has the people in place to collect their taxes to make sure that they get enough money to carry out these services. They also have money to carry out snow clearing, garbage collection, water and waste water treatment and whatever else has to be done. Remember, St. John's is an old city. There are parts of St. John's that are hundreds of years old. It has aging infrastructure.

Actually, when I was at City Council for twelve-and-one-half years I can remember one of the engineers saying to me one time that there are water pipes in the ground in St. John's that are actually so fragile that the only thing that the water is actually going through is the gravel that is around them. If somebody disturbed that gravel, the water would just come up. Probably that might be the reason why they have so many water breaks in the city at times.

St. John's also has areas that do not have services. Some of you may not realize it but there are parts of Kilbride, parts of the Goulds, other parts of St. John's that do not have water and sewer. I live in the Goulds. I used to be on a well for the longest time. I have water now, but I do not have sewer services. There are people on the Back Line in the Goulds on Petty Harbour Road, a lot of people who do not have any services at all.

I have to tell you this, I do not get many calls about it. People do not phone and say we want water and sewer because there is a reason why they do not call any more. St. John's has an assessment policy which states that if the services go by your door – and I guess a lot of municipalities have this – you have to pay a certain amount. People have found out that it is cheaper to fix your septic problems and your water problems than to get services passed by your door.

There are areas – parts of Brookfield Road does not have services; Ruby Line does not have services; the Back Line do not have it; Blackhead, which is a part of St. John's, does not have services. There are many parts of St.

John's that do not have services. So, there are hundreds of people in St. John's without water and sewer services. St. John's would need a lot of money to put the services into these areas today at the price of servicing. Also, it would need a lot of money to fix the old infrastructure problems that they have.

So what I am getting at is this: St. John's is not unlike other municipalities in Newfoundland and Labrador. St. John's needs funding. They need it as much as any other place, if not more, in this Province. They are ready to take any money that comes available from the provincial government, the federal government, or wherever else they can get it, because they need it. I think I heard one time that St. John's could need as much as half a billion dollars to put in the infrastructure that they need.

This new fiscal arrangement that we are talking about here today is going to give St. John's some more money it needs. St. John's will get \$6 million or \$7 million in the next three years when this is being phased in.

In 2008, our government revised the municipal capital works cost-sharing framework. Small communities with less than 3,000 people were given a 90-10 arrangement. Communities with 3,000 to 7,000 were given an 80-20 arrangement. Populations over 7,000 were given a 70-30 arrangement. Our government is now paying 90 per cent, 80 per cent, or 70 per cent of a lot of the municipal projects that are taking place in this Province.

Since 2008, St. John's has taken the money that the Province has given and rather than using the 70 per cent ratio, St. John's is matching every dollar it gets, dollar per dollar, fifty cents – or every dollar, they put another dollar in. They are doing much more work than they normally would have done. The projects that St. John's is doing are usually under multi-year capital programs, not the regular provincial capital works program – but they are getting a lot more done.

Prior to 2008, the municipal capital works cost-sharing framework was 50-50. Many municipalities, especially the smaller ones, could not even afford the 50 per cent, as we all know. Many of them did not even apply. Today, with

the 10 per cent and 20 per cent, capital works are much more attainable, and many projects have been done since 2008.

Now, with the announcement recently made by our government, municipalities will have even more revenue. They will receive a portion, or a rebate, a partial rebate of the provincial portion of the HST, and a share of the provincial government's gas tax revenues.

It also contains a commitment to leave the Municipal Operating Grants at its present level of \$22 million for the next three years. The 2008 capital works funding arrangement also stays in place. So we did not take that arrangement away. That still exists with the new agreement that we have.

Municipal Operating Grants – I want to speak about them for a minute. Municipal Operating Grants are obviously meant for operations. It was determined in 2013 that the seven largest communities in Newfoundland and Labrador had enough tax bases to do their operations so they were taken off the MOG list. The \$6 million that they were getting from the Province was then not just taken and kept in the coffers of the Province, it was added to the MOGs that the other smaller communities were getting so that the MOG total became \$22 million. We are going to keep it at that.

Since the largest seven communities were mostly in need of infrastructure money, large communities, the seven largest in the Province, their biggest need is infrastructure money, not operating money. What we did when we took them off the list for MOGs we gave – in 2013, a \$25 million infrastructure fund was set up for these seven communities. This was equal to four years of MOGs or Municipal Operating Grants. So something was given to them.

In 2014, a year ago, another \$250 million multi-year capital works program or infrastructure program was announced. The biggest portion of this money is going to and started to go to those seven larger municipalities. Under the new fiscal arrangement, rebates will be provided to municipalities and local districts of 25 per cent of the provincial portion of the HST beginning in January 2016. It will increase to 57.14 per cent in 2017. This will provide \$1.9 million in

new revenue this year. It will provide \$10 million in 2016-2017, and over \$17 million annually every year after that.

Government will implement sharing of provincial revenue for gasoline tax with municipalities based on a per capita basis. In the first year, this year, it is going to be half a cent a litre. This will equate to \$3.6 million in new revenue for this year. Next year, in 2016-2017 that is going to go to three-quarters of a cent per litre which will mean that they will have \$5.3 million. In 2017-2018 and after that, every year it will be \$7.1 million. That is a lot of money for municipalities, especially the smaller ones. I should mention here too that under the HST rebate, the partial rebate on that, the ones who will benefit most from that would be the larger municipalities. The smaller ones will get a bit more from the share of the gasoline tax.

These new initiatives are on top of everything else. We did not bring in these new programs and take away from others. For instance, we did not take the \$22 million in Municipal Operating Grants, eliminate them, and take that money and apply it to the new programs. All of this other stuff stays in place.

This new community sustainability package contains other aspects as well, as other members have said. There is a million dollars invested in the next three-and-a-half years to provide funding for the three regional service boards to engage regional water and waste water operators. These operators will work with a pilot group of communities to address their water and waste water infrastructure operations and monitoring challenges.

To further assist communities in the area of clean and safe drinking water, a consultant will be engaged to focus exclusively on solutions to reduce the approximately 200 boil-water advisories. Now, that has been a problem for years. We heard about this now a number of years. This government has taken steps now to try to solve those problems, eliminate that number and bring it down as much as we can. Because I am sure some of those boil-water advisories are due to operational issues, issues that might be around some equipment that is not used or not used properly.

I think when this consultant gets involved, he will focus on these areas and they will find out if things are being done right or not. You will probably see that these 200 or so boil-water advisories will be reduced down. Now, there may be some, like was mentioned before, that might be more serious and then you can focus on them also.

I will conclude by saying that this new fiscal arrangement is another one of our government's ways of dealing with issues. Our Premier saw this as an issue and he is dealing with it. This is a plan that the municipalities want and are in favour of. This is not just something we are bringing in. This is something that the municipalities want. They are very much in favor of it and you can see what their reactions have been in the last week or so.

What I am going to do to conclude, I will encourage all of the Members of the House of Assembly to support our private member's motion today and say yes.

Thank you.

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

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

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

I am happy to stand here on a Wednesday afternoon on behalf of the lovely people of Cartwright – L'Anse au Clair who elected me and speak to the PMR this afternoon on the Community Sustainability Partnership plan.

Mr. Speaker, I do not think anyone on our side here is going to find the overarching – we are going to find fault with that, but I will identify a number of concerns that we have. My background, coming from a small community with lots of issues, with many people living on a fixed income, seniors, only so much to pay, only so much you can take back from the taxes, so I do bring a fair bit of knowledge I feel to this PMR today.

In addition to being the deputy mayor in my community for a number of years and heavily involved there, I was also very pleased for a

period of time to represent all of the communities in Labrador on the provincial municipalities board. I certainly have a great rapport there. My colleague for Bay of Islands talked Churence Rogers. We could talk about Craig Pollett there and all the valuable work that they do. They are the experts.

Mr. Speaker, here in the House we have a little knowledge on all the different things, but when you have somebody who works only in that area, they are the experts, they work day in and day out to find solutions, how we can possibly sustain communities, help keep them viable and alive; these are the people, when they put forward recommendations, that we need to be listening to, Mr. Speaker.

MNL wanted this for a long, long, time this community sustainability plan. Mr. Speaker, what we are talking about is something that was promised back since 2008. We are well into 2015. So yes, election year – it was said already here earlier – is not always a bad thing. I can tell you as a leader in my community when we knew an election year was coming up, we went after things. So it is not necessarily a bad thing. We see some of that here again today, Mr. Speaker.

I have to mention the Member for Gander here in the House today because I worked with the Member for Gander and we were successful on a number of projects. I know that he did some great work around the Municipal Operating Grants. In the community that I was in at the time, we had a number of larger projects come through and you have to credit where credit is due, and I certainly appreciated that.

Mr. Speaker, the motion, the PMR community sustainability: "BE IT RESOLVED that this Honourable House supports the Province's new arrangement with municipalities, which provides sustainable sources of funding to further ensure a strong future for our municipalities."

I am sure we all want that. We need to give more onus to municipalities. Mr. Speaker, so much of our Province is rural and sometimes I feel that using the rural NL concept to attract tourist to the region, sometimes I feel that we may have to stop that because there will be no rural left if we do not reach out and support.

Just to put it into context here, when we are supporting rural communities, we are talking about people who volunteer. The people who are here in the House of Assembly representing their districts, they are paid for the things that we have to put up with, for the things that we deal with every single day, but in those small communities we have people who volunteer. Many who get recognized through awards at MNL who have given ten years, who have given one decade, two decades.

Mr. Speaker, I have three communities in my district right now that are dealing with emergencies, people who are called out in the middle of the night – waterlines break. We are talking about when they put together their budget. A lot of times they only have so much revenue to put together their budget with. Things like this happen throughout the year that they are not prepared for. That is why many times I go on their behalf to the department and say: There are roads washed out, waterlines broke. Do you have an extra \$10,000? Do you have an extra \$15,000 to give those towns to help them? That would go a long, long way in supporting those communities.

What really, really saddens me is when we sit here day after day and we hear about millions, hundreds of millions, in wastage like we heard about today in Question Period. I think about these small communities and just how far a small amount of money could go for these small rural municipalities in particular.

So we see here on April 29 the Government of Newfoundland and Labrador and Municipalities Newfoundland and Labrador released the details of its new Community Sustainability Partnership plan, something we had been pushing, advocating, and lobbying for here in the Opposition – promised since 2008, Mr. Speaker.

So we were very excited that rebates on the provincial portion of the HST would be provided to municipalities and local service districts; 25 per cent beginning in January 2016. What happened, Mr. Speaker? What the government gave on Wednesday to a very large degree, they took back on Thursday.

We got excited. We were very happy, Mr. Speaker, to see that support, that revenue that is

desperately needed to be used in the community, to enhance communities. The picture changed significantly within a twenty-four hour period, Mr. Speaker. We see the community sustainability plan was released on Wednesday, the day before Budget 2015. Then the Budget came down.

Mr. Speaker, following the release of the Budget where we saw the HST increase to 15 per cent, the net gain to municipalities was significantly reduced. I heard from a number of mayors and municipalities after that. They had gotten all excited, thought they were going to have a little bit of extra money now to work with and we see the net gain was significantly reduced.

Mr. Speaker, the 25 per cent rebate for the first year effective January 1, 2016, based on 8 per cent provincial portion of the HST would have seen 2 per cent rebated to municipalities. It would have seen 2 per cent. Once the HST is raised to 10 per cent for the provincial portion, the 25 per cent rebate means that municipalities will now pay 7.5 per cent PST compared to the 8 per cent today.

So what are we left with? What are we left with for municipalities that we had a big hoopla about the day before the Budget? The net gain for year one now becomes 0.5 per cent. Half a per cent is the net gain. These municipalities that are struggling – wonderful people in these small towns doing everything they can to contribute, to keep the place they call home alive and functioning, Mr. Speaker, and we see the net gain is now half a per cent. It is much less than they had anticipated the day of the announcement.

The other thing, Mr. Speaker, in addition to how things change from what they gave on Wednesday to what they took back on Thursday, is it is going to take three years. Municipalities that are out there struggling now, it is now going to take three years to fully realize the benefit. That is a concern.

In year two, we know effective January 1, 2017, the rebate on the PST increases to 57.14 per cent, but as I said, the full impact of the rebate will not be realized until year three. This means municipalities will continue to pay approximately 4.3 per cent on all purchases once

the rebate is fully implemented – Mr. Speaker, 4.3 per cent on all purchases once the rebate is fully implemented.

Mr. Speaker, we come to the gas tax. I am not going to dig in and find fault with the gas tax revenue. It would be difficult to find fault with a municipality getting a share of the provincial gas tax. One criticism I would have would be the amount of the rebate. Again, I have issue, and I have heard from many municipalities that have issue with this phase-in of over a three-year period when the need among municipalities is there right now. The distribution mechanism does appear fair, which would see 50 per cent of the monies distributed evenly among the 276 incorporated municipalities and the remaining 50 per cent on a per capita basis. This is much the same as the federal gas tax revenue.

When we talk about regional water and waste water, it looks great. Three pilot projects, they are going to put a million dollars in to see what we can do around that. I think it is 215 boil-order advisories. A million dollars is not a small chunk of change.

We just debated Bill 1 here in the House, Bill 1. That was just to clean up the mess from Bill 29. So, if we are talking about waste water, we can also – when I hear the word, waste, I just think of how much wastage happens here that could go and be stretched far and wide to benefit small municipalities that contribute so much in this Province into the small communities. It is very, very sad.

We see the total amount of the MOG will remain at the \$22 million for the next three years, and that is essential. If we are not going to provide support to these people who are out volunteering in the small communities, we are not prepared for the extra mess that we would have to take on our hands. We have to offer support.

Mr. Speaker, these volunteers, they sit at little council chamber tables and they have to make decisions on mill rates. I have communities in my district, the mill rate is up to nine, charging nine. There is only so far you can go with the taxes. They have to have support from government. There is only so much revenue, there is only so much tax base in these small communities, and they have to balance books.

These same people, Mr. Speaker, go out on Saturday evening in their little community and they line up in grocery stores and get their groceries from the same people they might have had to cut off their water from that week. It is not easy decisions. That is why it is important that as a government we provide support. We provide all the support we can to those municipalities.

**MR. SLADE:** First level of government.

**MS DEMPSTER:** First level of government. My colleague for Carbonear – Harbour Grace is very familiar with this, Mr. Speaker. He came from a background in municipal politics, like me. They are the front line, often doing very, very difficult things.

In the community where I come from, Charlottetown, we have the only shrimp processing facility in Labrador. You might think, well, there is a wonderful agreement. Charlottetown must have lots of money to pass around. I just share that as an example. We are on a gas chlorine system. It is very expensive to run. So, no, I can speak from experience when I say that community does not have any extra money to put into making the road around their community driveable.

In mentioning the shrimp plant, I want to say on the bigger picture that is why government needs to be doing all they can to support LIFO. They need to be beating down the doors in Ottawa, because it is the plants in our community that are helping to keep the communities viable. So, when we look at a bigger picture we can see how it all fits together.

The CSP, Mr. Speaker, allows for three pilot projects in the Province that would see three certified water operators being hired on a regional basis, Western, Central and Eastern. Again, a very long time frame. It was already said here in the House today, we are going to see three pilot projects that are going to drag out until 2019.

Water issues; too many people today in Newfoundland and Labrador cannot go and take a nice clean glass of water, a basic essential which we need to keep us alive, cannot go and have a clean drink of water, like I just did.

Aging demographics; a population of just over 500,000 people and 93,000 seniors. I know we are getting a number, we are getting a couple in my district now, of those POU/POE water treatment places. There is one in Mary's Harbour working well. Now there is going to be one coming to Cartwright and Charlottetown, but when you have older people in their homes, Mr. Speaker, it is hard to get out and get your buckets and go and get your drinking water. You have to depend on other people to do that. I do not know if there is any particular reason why the time frame was put in there to drag this study up until 2019. How effective the pilot project will be, well it remains to be seen.

All we know, Mr. Speaker, is that this government has been in power since 2003, twelve years. They have had twelve years to do something. MNL have been asking and asking. It was promised since 2008. They have had twelve years to do something and now, finally, they are going to make a move.

All we are hearing, Mr. Speaker, basically since we came back into the House this spring is we did not do things right over the last twelve, but stick with us because we are going to do this in the next three years or in the next five years. We now have a plan. That is what they are telling the people of the Province and people see through it. They do, and I am hearing it everywhere I go around the Province.

Mr. Speaker, on this side, I can speak for my colleagues, we are very happy to support the PMR. I have tried to identify here through my few minutes of standing some of the shortfalls in the partnership, especially around the HST, and in this first year municipalities only collecting back 0.5 per cent.

Crown lands; they are going to give some autonomy now to the towns for Crown land at fair market value with over five years to pay it off, but that is not exactly what MNL was recommending to this government. MNL was recommending that the towns be able to access lands at less than fair market value. I believe we need to revisit that. Government needs to go back and take a look at that. We need to do all we can to support the municipalities in Newfoundland and Labrador.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for Baie Verte – Springdale.

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

First of all, I just want to say how privileged and honoured I am again today to stand in this House of Assembly to represent the people of the District of Baie Verte – Springdale. It is always a humbling experience. No matter how many months, years, or days you spend in here it is truly an honour, Mr. Speaker. Also, I would like to thank my colleague, the Member for Bonavista North for bringing in this motion which I suspect all of us will support today.

My voice is a little bit raspy, Mr. Speaker. I do not think I am going through puberty.

Mr. Speaker, before I begin I certainly want to acknowledge the outstanding work, the stellar work that was done by former ministers and mayors as well. As you know, about two years ago we embarked upon a new Fiscal Framework Review. I am happy to report today, two years hence, we have delivered on that promise.

I just want to say a great big thank you to all the stakeholders out there, MNL, all the towns and stakeholders, and of course the former ministers for partnering. They have all come together with one common goal to help communities to be more sustainable, Mr. Speaker.

As a former mayor, as I mentioned last week; four years with the town of Springdale and seven years total experience at the municipal level, it is a very interesting level, Mr. Speaker, as you would know and many colleagues in this House. I look at the Member for Cape St. Francis and several others, the Member for Carbonear – Harbour Grace over here, who have experienced a lot at the municipal level. It is a very challenging job but it is rewarding, I must say.

In the midst of a shrinking tax base and aging infrastructure – and, of course, we have high expectations among the people as well, Mr. Speaker, to expect quality services and quality



programs. So, they should. The people should expect good, quality services these days.

As a former mayor I understand, I sympathize, and I empathize. I know where small towns are coming from, I know where medium-sized towns are coming from, and I know where large communities are coming from. There were a lot of interactions around the Province during my seven years' experience at the municipal level.

Mr. Speaker, so we welcome at the municipal level – I am sure every mayor, and I have talked to a lot of them in my district, over thirty-four communities thus far, welcome these new streams of revenue that we just announced as part of the Community Sustainability Partnership. It is over \$46 million over three years and that is nothing to sneeze at. That is super.

That was good timing, Mr. Speaker. Somebody sneezed.

Before I go off this topic, Mr. Speaker, with respect to the revenue, the sharing of a portion of the HST rebate, and the sharing of the gas tax, just let me tell you again a couple of examples: King's Point over a three-year period, rough figures, will receive \$53,000; Middle Arm, \$36,000; Westport, \$39,000; Smith's Harbour, \$3,152; Fleur de Lys, \$42,000; La Scie, \$82,000; Springdale over \$180,000; and, Beachside \$34,000, almost \$40,000. That is huge and every municipality does appreciate that. That is a new revenue stream.

I must also emphasize too that this Budget as well, Budget 2015, kept the MOGs intact as I think it was over \$22 million. There are no decreases in towns receiving MOGs. About a couple of years ago we made increases. I believe if I am not mistaken, over 80 per cent of communities received increases in their MOGs. They were ecstatic, they were thrilled to hear that and see that. That is intact as well, Mr. Speaker, and that is good to know.

When we are dealing with municipalities and trying to keep municipalities vibrant and economically sustainable, we are not only talking about revenue streams, which are very important, Mr. Speaker, but we also like to talk about the kind of supports, capacity building that

we can wrap around small communities, medium-sized communities, and mayors out there. It is so important to them.

I might add, Mr. Speaker, I so appreciate the work of mayors, councillors, and the staff out there. They do a stellar job in moving their communities forward. It is a lot of heavy work. It is grunt work. It is right at the beginning, the first level of government, the municipal level. It is very difficult because there are times when you have to make decisions that probably even go against your mother or your friend. You always try to make decisions as a mayor or as a council in the best interests of the whole community to make sure your community goes forward and grows together, and becomes more economically vibrant, as you would know, because you were a mayor of Bay Roberts, I think.

With respect to some new initiatives in this Budget 2015 pertaining to the Community Sustainability Plan, CSP, I would call it, Crown lands is a good example, Mr. Speaker. As a government, we will utilize provisions in the Lands Act regarding the creation of reserves so that we could help municipalities in acquiring Crown lands at fair market value in a phased-in approach so it could be developed.

The conditions of the Crown lands reserve, Mr. Speaker, will allow that community to purchase parcels of Crown land at a market value within the reserve areas and phased over a five-year period, which is very important, as finances warrant, or as the demand warrants. This will further the municipality's ability to avail of economic and social development, as you would know, and to grow their communities in that area. What is the importance of that step? Well, it offers the community more flexibility and a more affordable approach so that communities would remain sustainable and economically vibrant.

Another initiative or phase of the Community Sustainability Partnership, CSP, I would call it for short, is all about infrastructure as well, Mr. Speaker. As you all know, most of our communities in the Province have aging infrastructure. We do have an aging infrastructure or an infrastructure deficit right across the nation of Canada, as you would know.

In our communities no matter where you go, Springdale, Baie Verte, wherever you go all across the Province, we have aging infrastructure, fifty or sixty years old underground. It is causing some challenges for small communities and big communities alike.

So we want to have some kind of an overall plan. What we are endeavouring to do here is we have infrastructure planning for our municipal sector which is very, very important. Consequently, the Department of Municipal and Intergovernmental Affairs will begin development of a provincial-municipal asset management framework that provides further details on the current state of the municipal infrastructure in the Province, or in our districts right across the Province. The department will consult with the existing Joint Infrastructure Committee that we have, which will have representation from MNL, of course, and other stakeholders across the Province for the development of this framework, Mr. Speaker.

Another aspect to this CSP is some accountability measures. As you know, Mr. Speaker, three levels of government, federal, provincial, and municipal, will have some responsibility to play. We have a large role to play in making communities sustainable and economically vibrant far into the future.

In order for communities to access the MOGs and the new provincial gas tax revenues we are just asking each town, each municipality, out there to submit a summary of their tax receivable balances to the department along with a plan to show how they can recover the taxes that is owed to them. We feel that municipalities can improve their own financial health by collecting taxes that is owed to them. We could assist them by probably offering them a template, Mr. Speaker, in reporting this information.

These measures are intended to ensure that these new revenues will not displace or replace the existing revenue that communities right across this great Province avail of. These new revenues are over and above, it is additional revenue, and we want to ensure that the communities and towns out there will avail of this overall revenue. They will increase their revenue; they will not

make a weak effort in trying to recover their taxes.

We hope that they will try to recover their taxes owed to them and try to take advantage of these additional revenue streams as well so that the quality of services that we offer for our residents can be enhanced and continued, and so that we can meet the expectations of the people in the communities because that is what the people expect, they expect good quality services and programs from their tax dollars.

I think, Mr. Speaker, I have to applaud again the communities out there. A lot of hard-working mayors and councillors out there, and town staff, they go over and above the call of duty. I have seen it in the times of floods, in the times of something that happened in their community, even the past three or four weeks ago when we had some excessive flooding in my district on the Northeast Coast. Especially on the Baie Verte Peninsula in the Springdale area, Mr. Speaker, the mayors were out there, they were on the ground, they were in the trenches so to speak, and they were working because they love their communities. They were willing to go above and beyond the call of duty.

As a government we do appreciate that, we tip our hats to the tremendous stellar, stupendous job that the mayors and councillors do on a daily basis to move their towns forward and make their towns economically vibrant and sustainable. A lot of times, Mr. Speaker, they go unnoticed. Probably the general public sometimes will not even say thank you, but that is part of life. Overall, as a government, every MHA in this House knows the significance and the importance of the work of councils, mayors, and their staff in bringing their communities to a high level of vibrancy and sustainability.

My time is running down, Mr. Speaker. There are other aspects to this plan, by the way. The other aspect to this would be the water issues as well. As a government we do put safe drinking water at a high priority as well and that is no exception. If I can recall, the Town of Baie Verte in the last, I believe, six or seven years – as a government we pumped \$6 million or \$7 million to address the water issues in their community, take them off a boil order. Now they have safe, cleaning drinking water. That is

huge. Safe, clean drinking water is very, very important to this government.

I would also like to point out as well, before I sit down, that the previous speaker just mentioned something about the first time we have done something for our towns in the last twelve years. I respectfully say, Mr. Speaker, that the cost-shared ratio that we have implemented the last four or five years or more, you would go around any Province – or in this Province any district, any community, mayors and deputy mayors, they will tell you that they are ecstatic about the cost-shared ratios that we came up with.

It enhances the small towns out there to come up with their 10 per cent to get their little project that they could not afford before. First it was 50-50, sometimes it was 60-40, but every community in my district has a 90-10 cost-shared ratio. In other words, that is cheap money. That is very important to the –

**MS DEMPSTER:** A point of order.

**MR. SPEAKER:** A point of order, the hon. the Member for Cartwright – L'Anse au Clair.

**MS DEMPSTER:** Mr. Speaker, I just wanted to clarify. I did not say it is the first time this government has done something for towns. I said they have been here twelve years and finally after something that was promised since 2008, finally they are doing something.

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

**MR. SPEAKER:** There is no point of order.

The hon. the Member for Baie Verte – Springdale.

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

The time is running down. I consider it a privilege to stand here, every opportunity I can get to stand on my feet to represent the people of the Baie Verte – Springdale district. I am expecting unanimous support today on this motion.

Thank you, Mr. Speaker.

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

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

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

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

It is a pleasure to rise in my place today and speak to this particular motion.

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

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

The hon. the Member for St. John's East.

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

I also have to add that in a search for changes in the municipal funding formula and in the pursuit of finding that information, we went back as far as the early 1970s when this became an issue. This is not just twelve years, Mr. Speaker; this circumvents a lot of previous Administrations. There is no sense just pointing back to this government but point back to previous governments as well. We are gone back as far as the early 1970s with this.

In some ways, some people might say that when this announcement was made it was kind of historic because some people who are councillors right now can never remember it ever happening. That is why this particular issue is of such importance to municipalities.

Mr. Speaker, we feel sometimes that the Community Sustainability Partnership has come about simply because government had no other choice – they had no other choice but to respond to what was happening in municipalities, particularly in rural Newfoundland and Labrador. I will address that first off. While this is good, and we will be supporting it, we feel the government could have gone a heck of a lot further with it than what they actually did.

We have to be thankful for the challenges that rural Newfoundland and Labrador faces right now: declining population, aging citizenry, and problems go on with aging infrastructure. So, government was forced – their hand was forced. They had no other choice but to give municipalities a share so that they can meet the

challenges of the issues that municipalities were having. It was obvious that municipalities, if they are to survive, needed that financial hand to do it.

Again, Mr. Speaker, we will be supporting the motion. I want to address some of the things that could have been done – not the ones that were done; I will address the ones that were done too and let them know what they could have expounded on a little bit, but expanding the gas tax transfer, that is the first thing of course.

It starts with half a cent a litre in year one – and I keep thinking, Mr. Speaker, I come back to the announcement one day for the increase in funding to municipalities on one day and then on the Budget, of course we heard the HST was actually going to go up. So it kind of took the money back from municipalities as well.

What it also did, the increase in the HST also increased the government's share, what is coming out of my pocket, what is coming out of consumers' pockets, what is coming out of the pockets of the people who are in the District of St. John's East. I have to be concerned about those people too.

I will give them a good example of that. While the government is only giving half a cent of gasoline taxation to municipalities, they are taking 2.5 cents from you starting in January. So government, while their commitment is there for half a cent, it is 2.5 cents on every dollar at the pump. They are going to be taking 2.5 cents. Two cents will probably go into government's general revenue, the half a cent is going to go to municipalities. So they are going to give them a tiny little cut. If the price of gas goes up, government's cut goes up, but the cut for municipalities does not go up. There is an important component here that has been overlooked. It is a little bit different when you look at it that way.

Here is something else they could have done, too. When it comes to Municipal Operating Grants fixed at \$22 million for the next three years, it has been \$22 million for the last little while. I will say to the hon. member who footed this and to the government as well who put this proposal forward, they did not gauge it to

inflation. This \$22 million number has been fixed for the last couple of years.

Inflation, of course, goes on. The inflation rate, I think as of late, has been up around 1.6 per cent or 1.7 per cent. That \$22 million can shrink pretty quickly, but they did not gauge it for inflation a couple of years ago. They should have gauged that to inflation, at the same time, just to sustain the need amongst the L7, as my hon. friend said earlier. I think he referred to them as the L7, the largest seven municipalities in the Province. They did not gauge it to inflation.

Mr. Speaker, we know every single municipality in this Province is dealing with inflation, too. We cannot find in here where there would be a proper gauge for inflation as well. Local service districts or municipalities are still going to have to contend with the issue of inflation, and government still has not addressed it.

Now, mine you, Mr. Speaker, they do make some projections for oil prices, for example, to increase in the next couple of years too. The return to somewhere around \$90 a barrel, but the take from municipalities goes from half a cent to three-quarters of a cent, to one cent over three years. Prices would be expected to increase along with that. The HST as well. The cost to municipalities as well is going to be going up because of the HST. They did not give them a full break on the HST either, even though they got a part credit there.

We feel this should be more reflective of the percentage of tax revenue that municipalities take in, that are generated within the boundaries of any municipality. I think that is only fair. That is only fair that they get a proper cutback based on what their population is.

At the same time, you also have to ask yourself if they ever explored the simple fact of why they are taxing municipalities in the first place. Why didn't they just leave the municipalities tax free and let them keep the money? I think that is a pretty good question, too.

Some of the municipalities right now, particularly the smaller ones, are getting together and they are going out and doing mass purchases for things like tires for their vehicles and for

fuel, no doubt, and they still have to absorb the costs that around that as well. So why not just let them keep it? Why put the hand in the pocket of a municipality and let them go on with it?

We have to recognize there is a good way of giving municipalities money. At the same time, government could be making this part of their red tape reduction, because in some cases government would want a municipality to show some positive numbers on the books, and in some cases run their municipalities just like a business so that it is not going to be in the hole, for lack of a better term.

So, the increase, Mr. Speaker, of the 2 per cent on the HST is going to cost municipalities in the long run. The revenue paid out by municipalities actually contributes to them via this formula. Again, I will go back to the old (inaudible) why would you bother to do it if you could save yourself a lot of hassle at the same time and save yourself the expense of even trying to regulate that?

Some people would argue, too, for example – and I would hope that government would look at this a little bit further, but I think Wade Locke came out with a report several years ago about the possibility of making municipal taxation a little bit more fair. I know a lot of municipalities think the days of taxing somebody's piece of property, based on property value, is going to disappear one of these days.

I would hope that government is seriously going to take a look at the possibility of looking at the income tax, the household income tax, for example, the household income and taxing based on income, and making that a little bit more affordable, for example, for homeowners or for business owners at the same time, looking at the base revenue. I would hope that they would look at that. I think Wade Locke had some interesting comments about that a couple of years ago.

What they are seeing right now, Mr. Speaker, with the cut in this Budget – and this is something that is very important for municipalities, too – is the added incentive for municipalities to have revenue generated. You see, as of late, because of the Budget and

because of the harsh situation the Province is in right now, there is a sharp reduction in infrastructure spending.

We are seeing government giving out the money, but at the same time, we are not seeing a big dollar amount going back into roads and bridges that are centered mainly through municipalities. There is less work happening. That means less revenue from job creation and that sort of thing. So it is an opportunity lost here that I think government should be addressing.

The spend from municipalities is going to be high for the next ten years. We look at federal waste water regulations. In the next couple of years, the federal government has pretty much put their foot down and said, well, whatever you are going to be doing with waste water, boy, you better clean it up. I think that to some degree they really have a point. We have not looked out for what we have been dumping into our harbours and such. We have been doing a lot of environmental damage, so we have no other choice but to clean up after ourselves. That is only the right thing to do.

Mr. Speaker, what they are talking about in the next little while, they are talking about municipalities having to come out with approximately \$3 billion in operations and \$3 billion in infrastructure over the next ten years. That is huge. This issue of funding for municipalities still is not going to be fully addressed, I do not feel.

Mr. Speaker, when it comes down to water, source water protection legislation is something perhaps they can consider when it comes to the protection of water. You have to legislate the protection of water so that you are not going to have any issues with it at times, and as other regions of this country have. They should be looking at source water protection to prevent it from being polluted in the first place, in some cases. Whenever we see environmental damage done, the protection of water.

The main thing we have out there when it comes to boil water issues, Mr. Speaker, when you are talking of a list of about 215, 220 municipalities right now on the list, you have staffing costs, you have material costs, and repair costs mainly

to the systems out there because they do not have the revenue in the first place. I would hope government would have the right number when it comes to addressing some of the issues when it comes to the cost for municipalities here.

They say \$420,000, Mr. Speaker, in year one that would be spent in three different regions in the Province. I would like to certainly get a break down of these regions they are talking about. They described them as East, Central, and West when they are talking of the \$420,000 spent, but I do not hear Labrador in there.

In Labrador, Mr. Speaker, there are a lot of issues there. Perhaps the hon. member, in the summation of this piece of the private member's motion, can get up and probably inform the House exactly what they mean by the Western region and where Labrador is going to be included in this because I still have a couple of questions about that.

Mr. Speaker, I still do not feel that \$420,000 for the first year of operation for three operators in a Province as huge as our, and with the water issues that we have is going to be enough. That actually declines in years two and three down to \$415,000.

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

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

The hon. the Member for St. John's East.

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

I appreciate the protection. I know it gets a little bit loud in here at times.

Mr. Speaker, just to sum up, because I do have a couple of other issues that I want to get in here too that I feel the Province has to do, they have to look at it anyway. The first thing that we have here in this Province is a declining population and an aging population. Addressing that part of the equation can do a lot of things and here is how.

If you have a growing population, Mr. Speaker, our per capita share, for example, of things like the Building Canada Fund increases. Right now, over the last couple of years we lost a good

share of federal funding when it comes to the Building Canada Fund simply because we had a population decline. It declined to about 1.5 per cent, I think it is now, per capita share from about 1.7 per cent a couple of years ago. That is several million dollars that the Province lost and that municipalities lost when it came to municipal infrastructure projects particularly. That is an important point to note, that the provincial government should be addressing more when it comes to population.

Mr. Speaker, the last point that I have down here is to address the situation that they cancelled in the Budget a couple of years ago and that is RED Boards, Regional Economic Development Boards. They are talking about going out to the public basically and doing some consulting on the possibility of regional governments and everything.

The foundation for that – I think for that discussion to happen, not only do you share the services that you have, but if you are going to build an economy you have to talk about a reinstatement of the Regional Economic Development Boards. It is best to be talking to municipalities particularly when it comes to economic union, I would say in this particular case, as well as it would be in the political one if you are talking about the possibilities of regional government.

Mr. Speaker, that is about all I have time for to address this particular point. I think there is a whole lot more that we could be talking about when it comes to infrastructure projects. We heard from the Minister of Transportation and Works earlier about how much money they are putting into roads this year. It is almost laughable when it comes to the comparison of how much consumers are actually putting into the fund.

I still feel and I think that this side still feels that an ongoing discussion should be happening when it comes to the allocation of this money for municipalities. Perhaps government, one of these days, may come together with both Opposition parties and form an all-party committee so that we can probably get together and best decide on how to finance municipalities in the future.

With that, Mr. Speaker, I see my time is up. I thank you very much for the time.

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

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

It is certainly a privilege for me to rise in this House today and add my support to this very valuable private member's bill, Mr. Speaker. I am quite proud to support the sustainable community's initiative of the Department of Municipal and Intergovernmental Affairs, the Progressive Conservative Government of Newfoundland and Labrador, and Municipalities Newfoundland and Labrador.

Some great discussion has happened here this afternoon. We have talked a bit about what the financial impacts of this \$46 million agreement over three years will be, and we have talked about the capacity supports and accountability.

When I speak, Mr. Speaker, I am going to talk about some of the additional initiatives that are contained within this sustainability initiative. As part of what this three-year agreement is going to do in this fund, the municipalities are going to work through an advisory committee. Municipalities and government are going to work together to examine whether a regional governance model exists that would further improve sustainability and enhance, not detract, from current local governments.

Coming from my previous life, I worked very closely with municipalities. In fact, I worked very closely with the current Chair of Municipalities Newfoundland and Labrador in establishing the very first ever joint councils for the Coast of Bays region.

Mr. Speaker, it was an experience that taught me an incredible amount about what happens at the grassroots in communities, and just how much work our very valuable councillors do within their respective towns. In a rural remote area like mine you see even more the importance of working together, sharing resources, and strengthening your ability to undertake things like economic development, local governance, regional services, and building capacity that will

make our governments stronger and more sustainable.

This advisory committee is going to be established in the coming months. It is going to provide advice on the principles and main components of what a new governance model for regional development could look like, Mr. Speaker. Then, informed by the work of this advisory committee, our provincial government will conduct consultations with the public, the municipal sector, communities, and other stakeholders beginning in late 2015, early 2016.

It is a very exciting time, I think, to be a part of municipal government and provincial government in Newfoundland and Labrador. I have to say we have a new leader now in Premier Davis and his vision for this Province, I think, is absolutely exemplary. I have never felt as energized and as enthusiastic about the types of initiatives he is undertaking as the leader for the people of Newfoundland and Labrador. I strongly believe, by working together over the next few years, he is really going to make a continued improvement and mark for the better in Newfoundland and Labrador. We have created a new partnership that is going to benefit communities throughout our Province and the people who call these communities home.

Mr. Speaker, in addition to the new Community Sustainability Partnership, and as the member who just spoke alluded to, we have been making – he alluded to infrastructure. While no doubt we all admit infrastructure needs remain great, we have come a long way in the last ten or twelve years to trying to meet the needs of our Province and our municipalities.

Through the Municipal Capital Works Program, Mr. Speaker, key priority areas that have been the focus of our government included, first of all, improved drinking water and wastewater systems. That of course was followed by roads and then community and recreational infrastructure.

Just again looking to my region alone in terms of how much has been done; I remember when I started out as an MHA back in 2007, every year when the Municipal Operating Grants would come out, I would be so dismayed because the needs in my region were humongous. There was

always between a \$10 million and \$15 million ask for improvements to water systems, in particular in my region, Mr. Speaker, and of course roadwork and various recreational facilities.

I have to say that I am so pleased this year, and I know that we have come a long way because there were only two applications, Mr. Speaker, to the Municipal Capital Works Program. Just two towns in my region of the fourteen had a need to apply to that fund this year.

We have new water systems in Belleoram. We have new water systems in Hermitage and Harbour Breton. We are working on the water systems in St. Alban's, Mr. Speaker. We have new recreational facilities in the region. We have portable water dispensing units in every community that has required one.

I am certainly very pleased with the support of the Coast of Bays region and communities throughout Newfoundland and Labrador, as evidenced by – I am sure municipalities in Newfoundland and Labrador will support us when we say a lot has been done throughout every nook and cranny of Newfoundland and Labrador. We will work together to ensure that we reach our target of getting it all done.

Another story, Mr. Speaker, that makes me feel very proud and that brings a smile to my face, is when I speak to the mayors of the region and how happy they are. Their jobs are so challenging, the mayors and councillors, but the ability to have additional resources like they have been afforded over the last two and three years, through the increased operating grants and MOGs, have really made a difference to their ability to do their job.

One mayor in particular who I spoke to who resigned prior to the last round of municipal elections, when he saw the continued increases in Municipal Operating Grants called me one day to say: My gosh, I do not think I should have retired. Life has never been so good for municipalities. Thank you so much to the minister and the Government of Newfoundland and Labrador for recognizing and listening to the fact that we need more money.

I tell you, Mr. Speaker, I say, again, this initiative, this Community Sustainability Partnership, speaks clearly to our new Premier and his willingness to listen to the people of Newfoundland and Labrador. He is not just saying it. He is doing it. I am so very proud to be a part of this government as we continue to do the things that need to be done with the people of Newfoundland and Labrador, the intelligent people of Newfoundland and Labrador, Mr. Speaker, who understand what needs to be done, and we are happy to be working with them.

Our government introduced the new cost-shared ratios in 2008 for municipal infrastructure projects. Those cost-shared ratios have made such a difference in our ability to pursue infrastructure. Again, for communities like mine, populations range from as small as ninety to as large as 2,000. On a 50-50 basis, when you have to go to the bank to borrow 50 per cent of the money you needed to undertake a water project or to purchase a new piece of equipment, it was very much a challenge, especially when we have such small tax bases. The debt burden it would put on municipalities was really something that they found too difficult to bear. In turn, their infrastructure continued to erode.

Because of our new cost-shared ratios, the 90-10, the 80-20, the 70-30, based on population and tax base available to a various community, we have made a real difference and we have made infrastructure far more affordable for our communities, Mr. Speaker. Again, I am proud to say that the debt load on most of my municipalities have decreased and their financial ratios have improved significantly since our government has been leading the way and working with them.

We are maintaining these cost-sharing budgets in Budget 2015. We are also providing for provincial investment of approximately \$119 million in municipal infrastructure to complete new and ongoing projects. So, again, something we are very proud of, Mr. Speaker.

Our government is committed to \$175 million investment in new projects for the period 2017-2018 to 2019-2020. This is in addition to the funding that would be coming to the funding



that will be coming to our Province and leveraged under the new Building Canada Fund.

So, lots of dollars, Mr. Speaker, will continue to be made available to municipalities over the next three to five years because we recognize the importance of these municipalities. We recognize the hard work of the mayors and the councillors. We recognize that our communities need to be safe communities for our families and they need to be a place where our families can enjoy all benefits of life, not just the basics of food and shelter but recreational amenities as well. We want healthy communities, and this initiative is helping us get there.

Our government is at the table, and we are willing to invest and work with municipal leaders, and we are very committed to achieving improved services and improved infrastructure within these towns, Mr. Speaker.

To look at, in particular, I am going to drill down again in my region, with respect to some of the actual, real dollars of what this means for our communities. Again, looking at my communities, back before we raised the Municipal Operating Grants, they could barely make ends meet. There was a real challenge with being able to retain your core staff, let alone specialized staff such as economic development officers or water treatment specialists. It was very much a challenge. They do not have the same degree of challenge in that regard today, Mr. Speaker, and their operating budgets are now something that they can afford to do the things that they want to do as municipalities.

Looking at my municipalities alone – and I have fourteen, as I just said – the HST rebate over the next three years is going to put an extra \$152,000 back into the communities of rural Newfoundland and Labrador. In terms of sharing the gas tax, Mr. Speaker, it is going to put an additional \$187,425 back into the rural communities of Newfoundland and Labrador. In terms of the overall revenue impact, \$340,000 overall will be the new increase that our communities will have – \$340,000 small rural towns is a lot of money. It is a lot of staff. It is a lot of infrastructure. It is a lot of programs. It is a lot of support to volunteers. Every bit helps.

So I am going to close out what I have to say by saying how very proud I am of Municipalities Newfoundland and Labrador for their commitment to pursue the priorities of their memberships, and for our minister and our Premier for listening to the priorities of our communities throughout Newfoundland and Labrador.

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

**MS PERRY:** He is a man with a vision. He is a man who is willing to sit down at the table, roll up his sleeves with the rest of us, and do the hard work that needs to be done. So I certainly am proud to stand here in this House of Assembly today and support this motion, and I trust that all members in the House will support an additional \$46 million through the Community Sustainability Partnership for all municipalities in Newfoundland and Labrador.

Thank you so much to everyone who played a role in making this happen.

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

**MR. SPEAKER (Verge):** The hon. the Member for Bay of Islands.

**MR. JOYCE:** I did not want to interrupt the speaker, but the numbers that she gave like \$150,000 for municipalities; I know it is a lot more than that, so I do not want municipalities to be nervous out there. I just ask – that may be for your district, but it is not for the Province; it is much higher than that.

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

Is the Member for Fortune Bay – Cape La Hune standing on a point of order?

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

**MR. SPEAKER:** The Member for Bay of Islands, you stood on a point of order?

**MR. JOYCE:** Yes.

**MR. SPEAKER:** All right, my apologies.

There is no point of order.

The Member for Fortune Bay – Cape La Hune, to continue.

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

I do not think the Member for Bay of Islands was listening because when I started out and said that it means \$152,000 I said I will refer again to my District of Fortune Bay – Cape La Hune, Mr. Speaker. I am sure that most people in the Province are quite capable of understanding that and when they listen to the tapes we will see that I have qualified it.

We are so very happy, Mr. Speaker, I will say again to benefit from these additional funds through the Community Sustainability Partnership, through the increased MOGs, and through the new ratios that we have introduced as a government.

Thank you once again very much, Mr. Speaker.

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

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

The hon. the Member for Bonavista North.

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

I would like to thank all hon. members who stood on this resolution today. I just want to sort of thank them personally for a few of their comments. The Member for Bay of Islands, I think when he stood he said there is a lot of work left to do and I do not think at any point when I talked about this Community Sustainability Partnership we were creating that all of the answers were all there already. I alluded to many of the documents that said that some things were partially completed and others we still had to address, and there are going to be committees, meetings, and activities that would further this through as we go along. So I thank him for his point of view and I am sure we will get there.

One other thing, sometimes when we deal with biological studies and we look at the fact that we have started this pilot project now for three-and-a-half years on water study, sometimes you have to have the time so as that your conclusions or the results you get back are reliable. You cannot

just push all these things through because it does take some time, so I suggest that – I am not a biologist, but I would think that some of these activities are going to take a little longer than just you think them and, bang, they are done. You have to, Mr. Speaker, let the time takes it course.

The Member for Kilbride, I thank him for his contribution towards financial aspects of this. I left that part for him to explain when we got together, and I think he did a great job of that. His background with the City Council, as a councillor in St. John's, is immense. He talked about the tax challenges of the large city and he also talked about one of the myths that we might have thought about that because it is St. John's, our capital city, everybody has all the services, but I guess from his talk today we found out that is not necessarily true.

The Member for Cartwright – L'Anse au Clair, again, support, but concerns. I think in looking at the HST rebate, if you only take the first year which is a partial rebate and stack that up against the 2 per cent, then it does diminish or whatever. I agree with that part of what she said but if you look at the value in the dollars over the second year and the third year, and then what is there in the third year is sustainable and continued on, then you see that this is a major gain. At the end of the three years, this is a major gain.

We are not going to build Rome overnight, we are not going to build everything overnight, but over the third year of this, it is major gains for all municipalities in our Province.

The Member for Baie Verte – Springdale talked about the capacity supports and some of the projects that were on the go. I know he suffered through his voice attack. He did not have his huge vim and vigor going today but even with his lay-down, casual approach today we appreciate his philosophy and insight towards what he presented here.

The Member for St. John's East, I thank you, Sir, for your concerns. I just have to address one of them a little bit here. You talked about the government being forced to make choices or the only one choice is forcing them, backed in a corner sort of, but really the government still has many choices to make. I think what we have to

remember at this point in time is that the choices that we make as a government must be affordable and they must be sustainable, both for government and for the taxpayers.

We cannot have expectations that we have all of the answers all of the time. It is a load that has to be shared and that is part of what this is. When you hit rough economic times, the load is shared by all. Government supports the towns and municipalities through this, but also there are certain expectations that each individual resident in the Province has to step up to the plate and be a support in this realm.

The Member for Fortune Bay – Cape La Hune, I thank her for speaking about the extra initiatives that we have on the go. She got very excited because she is excited about these initiatives and what they can do.

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

**MR. CROSS:** She talked about some governance models and we go there.

There is one common thread, and I would be really, really remiss – because I know the Member for Gander, his head must be swollen up; his hat size is gone to nine-and-a-half this afternoon. Almost every single member who stood up here today sort of gave him some sort of applause for initiating this process in 2013.

Many of us probably agree that this should have been started years before maybe, but it had to start somewhere. It started through his office when he was at the helm. It has continued on into the current member of the day.

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

**MR. CROSS:** We believe that we give him credit for agreeing with that initiative from MNL.

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

**MR. CROSS:** We also have to realize that again part of the accolade for this – and as the Member for Fortune Bay – Cape La Hune alluded as well, that part of the appreciation for getting this to this stage is the leadership of MNL. They came with a program or a –

**AN HON. MEMBER:** A part of the solution they were.

**MR. CROSS:** They were a part of the solution, yes, but it came with a deal that was going to be a hard, hard process to come to some resolution on that could be real, attainable, and sustainable. It is credit that goes for the negotiations back and forth that we get to a pretty sensible Municipal Fiscal Framework document coming out in the fall from municipalities, and then the reaction from the government at this point in time. It is the same time. It is the give and take of that which gets us to this point.

We need to appreciate the leadership on both sides here to make this real. We are not going to claim that we have all the answers, or that it is only because this government has all the answers that this got to this point. We know that this is a partnership and the partnership has to continue into the future.

The main cut and thrust of this is that all of the activity we want, we want to be sustainable, we want it to be affordable, and we want it to be able to be put in place so it lasts forever. If we can get this in we are going to have to tweak it. We are going to have to adjust some of the concerns that the members of the Opposition brought up today. We are going to have other concerns from this side, but again it is a growing, living document. It is a growing, living partnership.

Through that partnership we just push forward and keep moving forward but at this point today I will repeat my resolution: BE IT RESOLVED that this hon. House supports the Province's new arrangement with municipalities, which provides sustainable sources of funding to further ensure a strong future for our municipalities. We are all here for that; let's vote together.

Thank you, Mr. Speaker.

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

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

Is the House ready for the question?

All those in support of the resolution?

**SOME HON. MEMBERS:** Aye.

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

The resolution is carried.

On motion, resolution carried.

**MR. SPEAKER:** This being Wednesday, Private Members' Day and the business of the House concluded, I would like to remind members of the Management Commission that the in camera session will begin at 5:15 p.m. in the Speaker's Boardroom, followed by a public session here in the Chamber.

I understand the hon. Government House Leader has an announcement.

**MR. KING:** I do; thank you, Mr. Speaker.

Just a reminder that tomorrow, May 14, the Resource Committee will meet in the House of Assembly here at 9:00 a.m. to review the Estimates of the Department of Natural Resources.

Thank you.

**MR. SPEAKER:** This House now stands adjourned until tomorrow, Thursday, at 1:30 o'clock.