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*Speaker: Honourable Tom Osborne, MHA*

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The House met at 1:30 p.m.

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

We'd like to welcome to the public gallery today the mayor of Conche, Mayor Doris Carroll, and the deputy mayor, Charlene Kearney.

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

**Statements by Members**

**MR. SPEAKER:** Today for Members' statements we have Virginia Waters – Pleasantville, Cape St. Francis, Fogo Island – Cape Freels, Mount Pearl North, Conception Bay East – Bell Island and St. George's – Humber.

I recognize the hon. the Member for Virginia Waters – Pleasantville.

**MR. B. DAVIS:** Mr. Speaker, I rise in this hon. House today to recognize the students at Vanier Elementary school for a pair of outstanding achievements.

Firstly, I'd like to recognize the artistic talents of Vince Burton. Vince won the Cupids Museum Award of Excellence in 2016 for the Junior Division for the museum's Design a Stamp Competition. Vince designed an 85-cent stamp depicting volunteers serving food at a soup kitchen.

Next I have to recognize the Vanier Elementary school Chess Club, who won the gold medal at the Provincial Chess Tournament, which was recently held at Mary Queen of Peace. The winning team members were Jonathan Adamson, Jacob McGrath, Joshua Keyte, Jacob Brockerville, Ethan Pittman, Harrison Hefferton and Tanish Bhatt. These impressive accomplishments are a credit to the teaching excellence at Vanier Elementary.

I ask all Members in this hon. House to join me in celebrating the recent accomplishments of Vince Burton and the Vanier Elementary Chess team.

Thank you.

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

**MR. SPEAKER:** The Member for Cape St. Francis.

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

**MR. K. PARSONS:** Mr. Speaker, I rise in this hon. House today to congratulate The Concert Crowd, a group from Logy Bay-Middle Cove-Outer Cove. They started in 1968. March 5 marked their 48th year of performing.

This group consists of 40 amateur actors, singers, dancers and musicians with most of them hailing from the local community. They have welcomed a few members from outside.

The Concert Crowd had a humble beginning in a school, using desktops for their stage. They have now expanded to the Arts and Culture Centre to sold-out shows. The Concert Crowd performs at conventions, festivals, the RNC seniors' party and more.

The Concert Crowd donates its proceeds to charities like the Red Cross, Canadian Cancer Society, Kidney Foundation, Rainbow Riders, Community Food Sharing Association, VOXM Cares Foundation, Day Break Lunch Association, CNIB, medical emergency support, the town museum, St. Francis of Assisi Parish Cemetery and many more. To date this group has donated \$150,000.

I ask all Members to join with me in congratulating this dedicated group of individuals for the time and effort they put in to helping others.

Thank you very much.

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

**MR. SPEAKER:** The Member for the District of Fogo Island – Cape Freels.

**MR. BRAGG:** Mr. Speaker, I rise in this hon. House to recognize the Badger's Quay Lions Club, which celebrated its 60th anniversary on April 15.

Founded in 1956 by a sponsorship from the Gambo Lions Club, the Badger's Quay chapter has grown into a major part of the community. Over its 60 years of existence, the club has

raised more than a million dollars; funds have gone to support local causes and charitable acts around the world.

Other worthy initiatives the Badger's Quay Lions Club participates in include an eyeglass recycling program that brings the gift of sight to residents in impoverished countries, and training service dogs for their friends and neighbours with medical needs.

Another project that's worthy of recognition is their commitment to the Local Polar Bears. The Lions Club donates their building to the Special Olympians on Thursday nights, promoting empowerment through participation in sport.

Under current president Tracy Stagg, the Lions Club's 21 members continue to demonstrate a commitment to community volunteerism that has endured for the club's 60 years of existence.

I ask all Members of this hon. House to join me in recognizing the Badger's Quay Lions Club for this significant role.

Thank you.

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

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

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

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

I rise in this hon. House today to congratulate and recognize two individuals who live in my district, Ron and Ethel MacNeil. Ron and Ethel currently reside in Masonic Park and are greatly involved in the community and the seniors' programs at Masonic Park.

Mr. Speaker, I would like to honour both of them on being outstanding artists and pursuing their talents. Ethel didn't realize that she had the ability to paint until her late 60s. Since then, she continues to paint and has a passion for it. In fact, one of her prints hangs in my house proudly. Ron, on the other hand, has always been aware of his talent. Ron started knitting at a very young age and hasn't stopped since.

Recently, one of Ron's cross-stitch pieces of the Battery was noticed and is now hanging in Government House here in St. John's. I encourage anyone who is visiting Government House to take a look.

Mr. Speaker, I ask all Members of this House to join me in congratulating Ron and Ethel MacNeil on their accomplishments to date, and wish them all the best in continuing to do what they love.

Thank you.

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

**MR. SPEAKER:** The hon. the Member for Conception Bay East – Bell Island.

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

I stand today to acknowledge the Portugal Cove-St. Philip's community awards ceremonies held this past Monday. I had the privilege of bringing greetings and presenting awards. The gala was a very classy event, with long-time Portugal Cove-St. Philip's resident VOXM personality Fred Hutton serving as master of ceremonies.

Awards were presented in the categories of Youth, Volunteer, Athletics and Business. We were entertained by former Portugal Cove-St. Philip's resident, International Long-Distance Runner and Coach Ray Will, as guest speaker. All categories had recipients who excelled locally, provincially, nationally and internationally.

I would like to acknowledge the following awards recipients: Youth Award, Nathan Chaulk; Seniors Award, Rebecca Tucker; Service Award, Women's Institute; Volunteer Award, Janet Martin; Male Athlete Award, Kyle Williams; Female Athlete Award, Jessica Greeley; Coach Award, Neil Penney; Team Award, the Royal Canadian Legion national dart champions; Employee Award, Everett Sacrey; New Business, Beachy Cove Café; Developer Award, Mike O'Leary; and Business Award, Country Convenience Store.

The gala ended with a passionate and entertaining reception acceptance speech by the Business of the Year recipient, Ron Sullivan of

Country Convenience. Ron, an 80-year-old resident recovering from a stroke, had us all in stitches and tears about the pride he has as a business owner in Portugal Cove-St. Philip's.

I ask all Members to join me in congratulating all recipients.

Thank you, Mr. Speaker.

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

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

**MR. REID:** Mr. Speaker, recently a Start-up Weekend, which involved entrepreneurs pitching their business ideas to potential investors and mentors, was held at Grenfell Campus of Memorial University. This event was hosted by the Grenfell Office of Engagement's Navigate Entrepreneurship Centre, in partnership with Start-up Newfoundland and Labrador.

Start-up Newfoundland and Labrador was built on the belief that entrepreneurs helping entrepreneurs is the best formula for start-up success. With this in mind, Start-up Weeks are an effort to give value to the community by bringing together existing start-ups and those who want to create one.

Through working with the Grenfell Office of Engagement and other groups in the community, Start-up Newfoundland and Labrador is working to provide a strong network of support and help people to begin the journey from idea to company. At the event in Corner Brook, 14 pitches were made and seven were selected for further work throughout the event.

I want to congratulate the entrepreneurs who came forward to participate in the weekend and wish them well in their ventures. I also recognize the work of the organizations and volunteers who made this weekend such a success.

Thank you, Mr. Speaker.

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

### **The Commemoration of the First World War and the Battle of Beaumont-Hamel**

**MR. SPEAKER:** Today for Honour 100 we have the Member for Fogo Island – Cape Freels.

**MR. BRAGG:** I will now read into the record the following 40 names of those who lost their lives in the First World War in the Royal Newfoundland Regiment, the Royal Newfoundland Naval Reserve or the Newfoundland Mercantile Marine. This will be followed by a moment of silence.

Lest we forget: Michael Joseph Jackman, Thomas Jackson, Frederick James Jacobs, Harold G. Jacobs, Walter Jacobs, John James, Albert Evelyn Janes, Charles Janes, Dercie H. Janes, Frederick Janes, George Janes, George Robert Janes, Maxwell Janes, Stephen Janes, William Janes, Richard Jarvis, John Allan Jeans, Silas Jeffers, Frank Jerrett, Levi Jerrett, Leo Francis Jesso, Alfred Johnson, George Johnson, John Joseph Johnson, Arthur Jones, James Jones, Nathaniel Jones, William Jones, Edward Joy, William Joyce, Clifford Henry Oliver Jupp, George Kane, Edward Kavanagh, John James Kavanagh, Thomas Joseph Kavanagh, Edgar Kean, Thomas Joseph Kean, Wallace Kean, Walter Arthur Keane and Eber Kearley.

(Moment of silence.)

**MR. SPEAKER:** Please be seated.

Statements by Ministers.

### **Statements by Ministers**

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

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

I rise in this hon. House today to recognize the commemoration of an historic event, the Battle of the Atlantic.

Each year, on the first Sunday in May, we remember those who were lost in this Battle during World War II.

Mr. Speaker, the Battle of the Atlantic was bravely fought by the Royal Canadian Navy, the Royal Canadian Air Force and the Merchant

Navy, as they protected the shipping lanes on the North Atlantic Ocean.

Newfoundland and Labrador played a significant role in this battle. St. John's was vital to the supply and maintenance of the trans-Atlantic escorts that facilitated the critical convoys feeding the Allied war effort in Europe.

Unfortunately, the Royal Canadian Navy had approximately 2,000 fatalities and lost 24 warships. The Royal Canadian Air Force lost over 900 aircrews and the Merchant Navy had over 1,700 fatalities and lost more than 70 ships.

Mr. Speaker, I ask all Members to join me in honouring all the men and women of our armed forces both past and present for their tremendous contributions.

Thank you.

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

First of all, I'd like to thank the Premier for an advance copy of his statement today. The Battle of the Atlantic is known to many historians as the longest, continuous, military campaign of the Second World War lasting from September 1939 until defeat of Germany in 1945. During those six years, German U-boats and warships, Italian submarines battled against allied forces who were trying to bring military supplies and equipment across the Atlantic to the European front.

Mr. Speaker, each May we know we commemorate this as a significant event for Newfoundlanders and Labradorians and we also join with the government in recognizing the contribution of many Newfoundlanders, all those who served in the war, those who lost their lives, were injured and especially served in the Battle of the Atlantic.

Thank you, Mr. Speaker.

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

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

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

I, too, thank the Premier for the advance copy of his statement. I think it is important to remember the brave men and women who risked their lives ensuring the vital Atlantic supply route stayed open. All experienced long days and harrowing nights at sea dreading German submarines, such as the one that sank ships in broad daylight in the Bell Island tickle. There was a generation who faced adversity and overcame it, certainly an inspiration for us today.

Thank you, Mr. Speaker.

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

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

The hon. the Minister of Health and Community Services.

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

I rise today to recognize May 2 to 8 as Mental Health Week. On Thursday past, I joined members of the Newfoundland and Labrador Division of the Canadian Mental Health Association to officially proclaim this week.

All week long, Confederation Building will be lit green to raise awareness and build support for mental health.

This year's theme, GET LOUD, encourages people to stand up, speak out and join the conversation to help end the discrimination and stigma that exists around mental health. This week is an opportunity to take action for those who struggle. For someone at work; for someone at school; a family member; or, for ourselves.

I want to highlight *Bridge the gAPP* – a free online mental health app accessible from a computer, tablet or phone that connects youth and adults with guidance and support for mental health. The app is available for free download on the Apple App Store or through Google Play or

at [bridgethegapp.ca](http://bridgethegapp.ca). *Bridge the gAPP* also connects individuals to the BreathingRoom – an online self-management program that assists people in managing stress, depression and anxiety. I encourage everyone to try these tools for themselves.

On behalf of the Government of Newfoundland and Labrador, I commend the many groups and individuals throughout our province who continue to advocate for mental health throughout the year.

We are pleased to be part of the All-Party Committee on Mental Health and Addictions and are eager to move towards the development of recommendations that will be brought forward in this House on how to improve overall programs and services in Newfoundland and Labrador. We aim to have this completed by the end of June.

I encourage all residents to raise their voices and GET LOUD for mental health.

Thank you, Mr. Speaker.

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

I thank the minister as well for a copy of his statement today. Mr. Speaker, Members on this side of the House, we've always held mental health as a priority for us. It's very unfortunate right now for the people of the province, especially those who struggle with mental health, that while our current government promised everything back in November, they brought down a budget that provides nothing for people who need it most.

Also, we know that the budget is going to create higher levels of anxiety and stress in our population than we have seen before. So more than ever before, we know that people are going to need support and assistance.

We recognize Mental Health Week and hope to see the people of the province GET LOUD for

mental health and have faith that things will get better in the future.

Thank you, Mr. Speaker.

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

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

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

I thank the minister for an advance copy of his statement. GET LOUD – the people have been very loud; government isn't listening. Of course we support mental health initiatives, but we need more than apps and slogans from this government. There is important work to be done and this government has cut deeper into an already inadequate mental health system.

Two million in cuts to mental health and addiction services including closing the Rowan Centre; 10-bed unit at the Waterford Hospital gone; wait-lists for psychologists up to 18 months – the people are getting louder, but will government listen?

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

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

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

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

The hon. the Minister of Seniors, Wellness and Social Development.

**MS. GAMBIN-WALSH:** Mr. Speaker, I rise to congratulate the Newfoundland and Labrador Association for Community Living on 60 years of working with and on behalf of persons with intellectual disabilities and their families to promote inclusion and support a person's right to full citizenship within society.

The provincial government was happy to support this association's 60th anniversary conference and I was pleased to have the opportunity to address participants on Friday along with my colleagues the Minister of Justice

and Public Safety and Education and Early Childhood Development.

Budget 2016 investments support inclusion through such things as inclusion resources and training, improving accessibility, helping individuals and the taxi industry acquire or adapt vehicles for accessibility, support recreation and sport development initiatives for person with disabilities, as well as educational and employment supports.

As minister, I will continue working with advocacy groups and community stakeholders to promote a more inclusive province and review existing legislation and regulations with the goal of enacting a new inclusion-based *Disabilities Act*.

With 50 per cent of our population impacted by disability, personally or through a family member, we must continue to work with organizations such as this one to advance inclusion throughout our province.

Please join me in congratulating the Newfoundland and Labrador Association for Community Living on 60 years of successes and wishing them many, many more.

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

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

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

I thank the minister for the advance copy of her statement today. We, too, want to congratulate the Association for Community Living on 60 years of service that they've provided to the people of the province.

The mission of the Association for Community Living is to work with and on behalf of individuals with an intellectual disability and their families. For 60 years, they have not only delivered results to the community, but they have enriched the lives of so many people in our province. They are to be celebrated and commended.

I know the minister is a former executive director. I congratulate her for her time with the association as well.

Mr. Speaker, we look forward to the new disabilities act that the minister referenced; however, when talking about this budget, there are no new investments in this budget to support inclusion or the advancement of the association's work. I have no doubt in the strength and vitality of the group.

I offer my sincere congratulations to the Newfoundland and Labrador Association for Community Living on their 60 years of service to this province.

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 her statement. Congratulations to the Newfoundland and Labrador Association for Community Living on their absolutely essential work.

The minister talks about investments, but Budget 2016 made panic cuts, making the work of disability and inclusion organizations more difficult. Government cut home support hours and put a two-hour cap on home making hours, a program that helps people live independently. Government also reduced capacity and inclusion funding by \$150,000, money these groups need for community development and ensuring inclusion across the board.

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

**MS. ROGERS:** Bravo.

Thank you, Mr. Speaker.

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

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

The Minister of Service NL.

**MR. JOYCE:** Mr. Speaker, I rise in this hon. House today to recognize May 1 to 7 as North American Occupational Safety and Health Week, also called NAOSH Week.

NAOSH Week highlights the importance of controlling workplace hazards and reminds employers and workers of their shared responsibility to promote a strong safety culture.

Today, I participated in a flag raising organized by the Canadian Society of Safety Engineers to mark this occasion. I want to recognize Donald Ross, vice-president of Atlantic Canada, Canadian Society of Safety Engineers, who's in the gallery who flew down from Halifax for this event; and also Barry Fitzgerald, who is also chair of the Newfoundland chapter for organizing the event today.

I was joined by the officials from WorkplaceNL, and representatives from safety groups and the employer and labour sectors.

I want to thank each of them for their participation, and for the important role they play in promoting safe workplaces.

Mr. Speaker, the provincial government's role is regulatory, and I want to note that our Occupational Health and Safety Branch is very active.

In 2015, there were almost 5,000 inspections conducted in the province, resulting in almost 13,000 directives being issued, 725 of which were stop-work orders.

Our government will continue to fulfill its role, in partnership with employers and the workers, to promote a stronger safety culture in the province.

I will conclude by thanking the Canadian Society of Safety Engineers for making NAOSH Week a priority every year.

May we always remember to promote safety in both our professional and personal lives.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The hon. the Member for Cape St. Francis.

**MR. K. PARSONS:** Thank you very much, Mr. Speaker.

I want to thank the minister for the advance copy of his statement. We, as the Official Opposition, do recognize May 1 to May 7 as Occupational Safety and Health Week. I, too, want to thank the organizers of this event today for the great job that they did. It was so nice to be there with so many people from the industry and people that are in the workplace that realize that over the last number of years we've come a long way.

Today, in some of the statements that were made, people were looking at statistics. If you look at the statistics, Newfoundland and Labrador is heading in the right direction. Any industry or any industry in Newfoundland and Labrador that there is an injury, we want to eliminate it as best we can. But there are little things that we can do to make sure our workplace is safe. Those little things are to make sure that everybody is educated and everybody understands that workplace safety is so important to our families that everyone goes home –

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

**MR. K. PARSONS:** – safe and sound.

Mr. Speaker, I'd like to congratulate –

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

The Member's time for speaking has expired.

The hon. the Member for St. John's East – Quidi Vidi.

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

I, too, thank the minister for the advance copy of his statement. Last year, more than 3,500 workers lost time from injuries and work-related illnesses and 24 lost their lives. I commend the OHS officers in the province who do a great job uncovering violations and working with employers to make workplaces safe.



I note, though, it is time for us to follow the practice in other provinces and post online the names of employers who receive stop-work orders, just like we do restaurant violations to protect workers and consumers.

Thank you very much, Mr. Speaker.

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

**MR. SPEAKER:** Oral Questions.

### Oral Questions

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

Well, it's another day and it's another day of Liberal appalling decisions. At a time when the Premier has stated that every dollar counts and people of the province have been dealt a devastating blow with this Liberal budget, this weekend we learned – from the media, not from government – that the Liberals have retained outside legal counsel for labour negotiations.

I ask the Premier to clarify why outside legal counsel has been hired. What message does this send to our public servants?

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

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

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

Our provincial government is committed to ensuring a sustainable public service and having a fair and effective bargaining process. The engagement of the firm that will support our collective bargaining efforts, which are led by the very talented officials in the Human Resource Secretariat and supported by the Department of Justice, is being supplemented. The last collective bargaining period, there were 14 individuals who were working on collective bargaining. This time, there are eight individuals inside core government working on collective bargaining.

For the Member opposite, I would remind him during the pension negotiations last year, both union and government engaged law firms, Mr. Speaker.

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

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

As the minister mentioned, she has her own division of collective bargaining. There are 85 or 90 or more lawyers in the Department of Justice. They've decided to use hard-earned money, levy money, no doubt, that they've collected from Newfoundlanders and Labradorians to go outside.

I ask the Premier this: What's the rate you will pay McInnes Cooper? Is there a cap on that billing? Premier, can you answer that, please?

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

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

**MS. C. BENNETT:** Mr. Speaker, salaries and benefits represent \$3.8 billion of the program spending of the provincial government. In order to make sure that the interests of the people of the province are well represented, it is important we make sure we have the resources.

As I mentioned in the earlier answer, in prior collective bargaining, there were 14 individuals that were available throughout core government to be able to be used for the bargaining. This time, we have eight very talented individuals who will be supporting the bargaining. We will be supplementing that with outside help.

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

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

**MS. C. BENNETT:** Members opposite would be very familiar with the use of law firms as additional support, particularly when government, I believe, last time used two law

firms during the negotiations on pensions. The unions also used a law firm, Mr. Speaker.

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

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

**MR. P. DAVIS:** Mr. Speaker, the question was very simple. The question was: What is the rate that McInnes Cooper will be paid? I'm sure the minister must know that.

The Premier won't answer, so I'll ask the minister now: What is the rate they're being paid and, also, what is the cap on billing for McInnes Cooper? A very simple question.

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

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

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

The rate of the contract that we have in place with McInnes Cooper is \$350 an hour for the legal support. And for the Member opposite, I can let him know as well that since McInnes Cooper has been engaged to support there's been \$14,000 worth of billing to March 28.

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

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

So they've already got this process underway.

I'll ask the Premier: With a full Department of Justice, a full department of lawyers – I think I counted last night in the salaries about 87 solicitors in the Department of Justice, 87 solicitors and who else knows how many in the department. We have a full division of collective bargaining that are responsible for bargaining and negotiating, and a full contingent of communications professionals throughout government. Have you lost confidence in these public servants?

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

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

**MS. C. BENNETT:** Mr. Speaker, I have extreme confidence in the public service and their desire to serve the best interest of the people of the province.

Mr. Speaker, I also know, and the Member opposite would know, that collective bargaining is conducted in private and is confidential. All matters surrounding collective bargaining, the process is confidential for both sides. Just like we are not aware of what the unions are planning, it is up to us to make sure that we prepare our plans to represent the peoples interest.

When we are at the table we will have discussions that are in the best interest of the people of the province. Most importantly, we will get at those tables and bargain in good faith, and we will not bargain in public.

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

The minister still hasn't advised if there's a cap on billing.

So I ask her once again: Is there a cap on billings for McInnes Cooper, and, if so, what is the amount?

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

**MS. C. BENNETT:** Mr. Speaker, I can assure the people of the province that this government, unlike the former administration, is going to be extremely frugal and make sure that the decisions we make are financially in the best interest of the province, not leaving billions and billions of dollars of debt left for future generations.

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

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

So either the minister doesn't know or there is no cap. At this point in time she knows her part well so we'll have to take it from her answer that there is no cap.

I'll ask the Minister of Justice, who leads the Department of Justice and Public Safety and the dozens and dozens of lawyers that we have working in the department: Have you lost confidence in the officials in your department?

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

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

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

I'm happy to answer this question from the Member opposite who should be aware that while we have a number of lawyers, they all have different areas of expertise. Certainly, you wouldn't engage somebody that handles agricultural law to lead our labour negotiations.

In this case I think, as the Minister of Finance has indicated, we actually have less individuals handling negotiations than the government that was in place had previously and have engaged outside council as has been done by many provinces, unions and the previous government.

Thank you, Mr. Speaker.

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

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

The minister hasn't answered the question.

I'll ask the Minister of Finance, who has a full division of collective bargaining, now she says

there's only eight there now – well, she can answer why. It may be a decision she's made to only have eight that are involved with collective bargaining and negotiating, but she has a full division of collective bargaining and negotiating team within her department.

Do you still have confidence in those officials, Minister?

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

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

**MS. C. BENNETT:** Mr. Speaker, I can assure the people of the province and this hon. House that I have tremendous confidence in the officials that are working in the Department of the Human Resource Secretariat that will also be supported by the legal team in the Department of Justice.

Collective bargaining happens not every year and as a result, because there is a peak in the amount of work that is undertaken, it is important that that peak be managed and supported so that the officials who work for the people of the province can be best supported to get the job done to make sure, number one, we bargain in good faith; and, number two, that we represent the interest of the people of the province, Mr. Speaker. I have every confidence in our officials to do that, supplemented with the support from outside council.

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

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

**MR. P. DAVIS:** So, Mr. Speaker, the Liberals have increased taxes and fees. They've introduced a fee just to live right here in Newfoundland and Labrador. They're closing schools, they're closing libraries, they're closing long-term care beds and the list goes on; however, they have the money to hire external communication support and, more importantly, a Liberal insider with ties back to the Tobin and Grimes era and, most recently, ties to the election in the fall of 2015.

I ask the Premier: How can you justify spending hundreds of thousands of dollars? It could be millions, because we don't know at this point time. How could you justify spending that amount of money unnecessarily and how does this take the politics out of appointments?

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

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

**MS. C. BENNETT:** Mr. Speaker, the Member opposite might like to add zeros to things that he doesn't understand but I did not say in this House that this consulting would cost millions. If he wants to continue to mislead the province by making up fabrications, Mr. Speaker, I will let him use his time to do that.

McInnes Cooper has been engaged to provide support for the department of the Human Resource Secretariat and the Department of Justice. They have suggested and recommended that they have other experts available. That was a decision that was made during that process.

Mr. Speaker, we will not be spending, as the Member opposite is suggesting, millions and millions of dollars to negotiate with our valuable public service. But I can tell you the one thing we won't do; we won't make mistakes in collective bargaining that create these billions of dollars of debt that the other governments have made.

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

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

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

**MR. P. DAVIS:** The minister doesn't believe we should have provided the salaries and benefits to public servants that they have been provided with – very interesting.

She also made a comment that we don't understand, Mr. Speaker. It's interesting that the minister likes to stand up and say I don't understand. Well, it's obvious to her, if she paid attention, the people of the province don't understand either, Minister.

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

**MR. P. DAVIS:** Your own caucus does not understand your budget, Minister. As well, not only that, the media doesn't understand your budget, I say to the minister. So it's not only the people of the province who are not getting your budget, Minister. Maybe what is common here is you, Minister. You should think about that. Maybe it's common for you.

**MR. SPEAKER:** I ask the Member to get to his question.

**MR. P. DAVIS:** Mr. Speaker, I'm going to ask the Premier another question. He doesn't want to answer today, but I'm going to ask him: What process was used to select McInnes Cooper? Was this a sole-sourced contract?

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

**MS. C. BENNETT:** Mr. Speaker, as the former premier of the province would know, the Department of Justice has the ability to engage with legal counsel when it feels necessary, and in this case that's exactly what happened. If the Member opposite wants to create falsehoods and continue to present falsehoods, that's entirely up to him, but the day of reckoning is going to come, Mr. Speaker.

Let me be clear, every single dollar that is spent on valuable public services is important. What I argued about with the Member opposite a couple of minutes ago were the decisions that government made when they were in power that wasted money, that didn't put money away for a rainy day and have us in this province, Mr. Speaker, with the highest debt per capita of any province in Canada.

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

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

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

**MR. P. DAVIS:** Mr. Speaker, I asked the Premier what the cap was. The minister got up to answer and the minister won't say what the cap is. So if she won't provide the information

to the people, then it puts us in a bit of a difficult situation, and also the people of the province.

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

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

The hon. the Leader of the Opposition.

**MR. P. DAVIS:** Thank you, Mr. Speaker.

When they won't tell us what the cap is or what the amount is, then it puts us at that disadvantage. Not only that, but the people of the province want to know. Because of the dozens of phone calls and messages that we continued to receive over the weekend, especially on this matter, people want to know, Mr. Speaker.

On the campaign trail last year, the Liberals had said trust us. That's what they said. In a December 22 news release the Liberals stated: "Departments and ABCs are to review plans to hire consultants and assess whether the work can be deferred or performed using internal staff resources."

I ask the Premier: Can you inform the House why he's hired external legal counsel and communications for work that can be done internally?

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

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

**MS. C. BENNETT:** Mr. Speaker, as I said in an earlier question, bargaining with our valuable public sector employees is a very important undertaking for a government. That collective bargaining will take place this year.

We have some 27 collective agreements that will expire in 2016, 11 NAPE contracts, six CUPE contracts. We also have agreements with the nurses, the Association of Allied Health Professionals, as well as teachers. It is important for us to make sure that as we assess about ability to get the valuable work done of collective bargaining, with the talents we have inside government, that we also make the decisions about how to best supplement that in

what will be a peak period of activity, Mr. Speaker.

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

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

I will ask the Premier this: Was Mr. John Green, a former partner with McInnes Cooper and current interim Chair of Nalcor, part of any conversations about hiring McInnes Cooper?

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

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

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

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

As the former premier would know, Mr. Green – who was appointed by his administration to one of the affiliated boards of Nalcor – actually made himself available in this particular case while we're waiting for the Independent Appointments Commission. Mr. Green is in an unpaid position as Chair of Nalcor right now. We thank him for the volunteer work he's doing on behalf of the province right now.

As the Member has just identified, the contract with McInnes Cooper is one that is there to support the negotiations that will be beginning with the valuable workers who are already part of this bargaining process. Using McInnes Cooper, bringing their advice to the table is important for all Newfoundlanders and Labradorians.

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

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

**MR. KENT:** Mr. Speaker, its National Mental Health Week but here in Newfoundland and Labrador the Liberal government has just cut resources for mental health programs and services.

I ask the Premier: If mental health is a priority – as he stated in the fall – why are you removing resources from the system that we all know is under-resourced?

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

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

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

I'm glad to have the opportunity to state quite clearly for the House, there have been no reductions in community services to mental health. There have been some reallocations of staff from areas of severe underutilization to best support those areas which are more overworked. So I would refute the Member opposite's premise in the first place.

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

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

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

**MR. KENT:** Mr. Speaker, instead of reallocating resources they're taking a couple of million dollars out of the system, and those dollars are much needed. The Liberal government talked a lot about mental health during the fall election campaign and the minister talks about our all-party committee but there's not a single dollar in the recent budget to support the implementation of anything that the all-party committee might recommend this year. In fact, there are less resources in this budget overall for mental health services.

How can people believe you're sincere about making things better when your budget clearly suggests otherwise?

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

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

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

As the Member opposite who sits on the all-party committee on mental health would know, until that report is generated it's not possible to know what resources are necessary. That's the purpose of the mental health all-party committee.

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

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

**MR. KENT:** Mr. Speaker, the MHA for St. George's – Humber wants library closures revisited and another Liberal MHA says it's a terrible budget. The MHA for Bonavista says he'll fight against budget cuts; yet, they will all stand when it counts and vote for the budget instead of voting with their constituents.

I ask the Premier: Why are so many of your MHAs following your lead and saying one thing but then doing another?

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

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

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

Well, as we listen to the question, I can guarantee you there is one thing that the Member opposite got right, that this is a tough budget. It is a tough budget, though, because the former administration didn't plan for today, they didn't manage for today and the choices are very clear, there was absolutely no choice I would say, Mr. Speaker, \$2.7 billion in a deficit this year –

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

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

**PREMIER BALL:** – nearly tripling the per capita debt in our province in just seven years. That was your responsibility to plan for where we are today. You failed to do it. Our Members have a chance to speak out. I wish you had spoken up earlier when you recognized the financial position you had put this province in.

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

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

**MR. KENT:** Mr. Speaker, the Premier is clearly angry today. If I had Cabinet leaks after only five months in office, I'd be angry too.

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

**MR. KENT:** Speaking of which, in a recent Cabinet meeting before budget the Minister of Municipal Affairs and the Minister of Advanced Education and Skills both spoke against the Liberal levy. The Finance Minister said the levy won't be included in her budget calculator tool that isn't done yet. So now we're hearing from several sources that the Liberals will be cancelling the levy.

I ask the Premier: When will you announce the cancelation of the Liberal levy?

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

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

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

As soon as we can get the fiscal house of this province in shape, that's what we will do.

The Member opposite just completely ignores the great program that we have put in place, the investment in low-income families in our province, our seniors –

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

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

**PREMIER BALL:** – people with disabilities.

Why will you not talk about the \$76.4 million that we've invested in the income support supplement program? Right now, we have just less than 40 per cent of Newfoundlanders and Labradorians that will not pay a temporary levy. It's a temporary levy and as soon as we can get this province back in shape – earlier than you guys did, I will guarantee you – this levy will go because that's what it's meant to do.

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

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

Before I recognize the Member for Mount Pearl North, I will ask all Members to respect the individual that I've identified to take the floor and speak.

The hon. the Member for Mount Pearl North.

**MR. KENT:** Mr. Speaker, the Premier isn't listening to his Cabinet. He isn't listening to his caucus. He isn't listening to the people of the province.

So I'll ask again: Premier, will you cancel the Liberal levy, yes or no?

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

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

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

We are going to be very happy to cancel this temporary levy. First and foremost, we've got a lot of work to do because of the big mess that you left this province in.

Mr. Speaker, I wonder if the Member opposite is just simply ignoring that in seven years, based on their plan, that the former premier said in the media this week they had a plan – well, their plan would have been \$53,000 in just seven years per capita debt to the people of our province; second would have been Quebec at \$22,000.

Mr. Speaker, those numbers are stark. They had an opportunity with \$25 billion in oil money and royalties. Where is that gone? Four billion dollars in tax decreases – tax decreases, I would say, to higher income earners in our province. That's who you gave your tax decreases to.

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

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

**MR. KENT:** Mr. Speaker, the MHA for Harbour Grace – Port de Grave claimed that she had no input into the budget and last week upon hearing about library cuts, the MHA for Terra

Nova said it was news to him. But the Premier maintains that everyone had input.

I ask the Premier: Will you finally listen and make changes to the budget, or will you allow your MHAs to vote with their constituents?

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

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

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

Members on this side of the House, we are actively engaged with all of them about the difficult decisions that will have to be made in this budget. It is definitely unprecedented, Mr. Speaker. It's been widely known. We've seen people look at the mess that we've inherited from this previous government and they've looked at it and they all know that there were very few choices that we had to make.

Mr. Speaker, our job right now is to secure the fiscal future of our province, and that's what we're about to do. This budget is the first step in doing that, and we'll be happy to work with Newfoundlanders and Labradorians on alternate measures that we can put in place. Things like the temporary levy that's in place right now, we will be drawing that back. As a matter of fact, Mr. Speaker, in the budget documents that has already been presented, there is a plan to do just that. When you look at the forecast over the next seven years, there is a process in place to get rid of that temporary levy.

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

**MR. SPEAKER:** The hon. the Member for Conception Bay East – Bell Island.

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

Many schools are starting to get the true picture of what Liberal choices will mean. Parents are outraged with the reality that classrooms will be combined with two grades in many schools throughout the province. Grade threes and fours will share a teacher and classrooms in many schools. The same goes for fives and sixes.

I ask the minister: How can you justify proceeding with full-day kindergarten at the

expense of older children who will now have to merge in combined classrooms?

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

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

**MR. KIRBY:** Thanks to the Member for the question.

Interesting that the Member didn't have a similar concern last year when they decided to remove 78 positions from the school system and also told the people of the province it would have absolutely no impact on the system at all – would not put any hardship.

The Member – we didn't hear a word from him back in 2013 when they reduced all matter of teaching positions, everything from school librarians to administration to specialized positions. They cut and they cut and they hacked and they cut. That member never stood up and said a single word. In fact, he stood in his place and talked about how great the budget was – cutting units.

We know this is going to cause additional strain on the school system. We admit that. We're in a difficult situation, Mr. Speaker.

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

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

Before I recognize the Member for Conception Bay East – Bell Island, I'd ask the Member for Cape St. Francis to please respect the identified individual to speak.

The Member for Conception Bay East – Bell Island.

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

It wasn't our administration who cut 219 teaching positions this past week. It wasn't this administration putting in blended classrooms.

While we support and believe in all-day kindergarten, I ask the minister: Will he now reconsider implementing the full-day kindergarten? How can we slash and cut



teachers and programs for grades one to 12 while spending approximately \$100 million over the next three years?

Tell me how we can do that and have better education in this province.

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

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

**MR. KIRBY:** Mr. Speaker, I think we've been pretty clear on the implementation of full-day kindergarten and the plan to go ahead in September because of the benefits it has for young children. I wish the Member opposite shared that interest in early learning. Everybody else across the country seems to get it. They don't seem to get it.

For the Member's information, this year was a net reduction of 73 teaching units. Unlike last year, when they decreased that by more, by 78, and stood here in the House of Assembly and talking about how great the budget was while they were cutting teaching positions.

We acknowledge the move to combine grades is going to cause teachers additional issues when it comes to classroom management and delivering on learning objectives, but the bulk of the research in this area shows a negligible impact on student achievement. Those are the facts. I encourage the Member to read up.

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

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

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

I don't think I've ever seen a Premier privatize his or her own job. We have no money for libraries and this government is socking it to low- and mid-income earners with the levy but we can pay \$350 an hour for high priced help to do the collective bargaining when we already have well qualified government employees to do it.

Mr. Speaker, I ask the Premier: How many lawyers, at \$350 an hour, are going to be used? What will be the estimated total cost of these services as well as that of the reported communications consulting services?

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

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

**MS. C. BENNETT:** Mr. Speaker, for the Member opposite, for clarity it's one lawyer at a rate of \$350 an hour. As Members of this House would be very familiar with, both sides of the House, when there are negotiations about complex bargaining issues, particularly like there was with pension bargaining and the changes in the pension plan last year, government of the day at that time had two law firms engaged and I believe the public sector unions also had a law firm engaged in that activity, Mr. Speaker.

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

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

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

So are we going to find out in Estimates how much money has been set aside for these services because they still haven't given us the total cost, Mr. Speaker.

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

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

**MS. MICHAEL:** Mr. Speaker, I ask the Premier: How many libraries could have been kept with the money government plans to spend on this unnecessary expenditure?

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

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

I went out and had a chat with the media this morning to just clarify some of the issues around the reorganization and the regionalization of the

library system. One of the things I wanted to reassure people, that there are 25 libraries associated in the municipal buildings that are not going to have any discontinuation of service until sometime about a year from now.

I spoke with the chair of the Libraries Board this morning. We've been in fairly consistent contact with the administration of the Libraries Board. They are going to be working on a transitional plan that respects all the unique situations in individual communities and work with groups at the local level to try and find solutions if they want to have services to continue beyond next year, Mr. Speaker.

Thanks.

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

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

**MS. ROGERS:** Mr. Speaker, in responding to the tax on books and the closing of 54 libraries, one of our best known authors, Kevin Major, said: this week I was humiliated by my government. Other prominent writers and performing artists have also spoken out, along with people across the province and country.

I ask the Premier: Will he end this national embarrassment and cancel the proposed tax on books and closure of libraries?

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

**MR. SPEAKER:** The hon. the Minister of Business, Tourism, Culture and Rural Development.

**MR. MITCHELMORE:** Thank you, Mr. Speaker, for the opportunity to answer the question.

I met with the Writers' Alliance and the book publishers earlier today, and I met with them prior to the budget as well. What I will say is that Budget 2016 certainly was filled with many difficult decisions. When you look at the HST on books, there is no change to the purchase of eBook services. They always had the HST.

If we look at school libraries, public libraries, and other institutions like post-secondary institutions that qualify for the federal tax credit, the rebate, they will still only pay the 5 per cent. They won't pay any more than what they are paying now. So there is no change for those to be able to access books at that affordable price.

In terms of the library changes, I'll certainly speak –

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

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

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

Obviously, he wasn't listening to the people he met with, particularly the publishers and people who care about libraries.

Mr. Speaker, the Department of Finance has a brand new line which adds \$20 million in grants and subsidies to that department which was not highlighted on budget day.

I ask the Premier: What exactly is that brand new line item of \$20 million designated for?

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

**MS. C. BENNETT:** Mr. Speaker, I'll certainly provide the information to the Member opposite. The Estimates book is significantly large and I look forward to her showing me the exact line item that she's referring to and we can provide some details.

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

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

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

**MS. ROGERS:** Mr. Speaker, the minister has put \$20 million into a special pot of funding to dole out instead of keeping much needed libraries, schools and dialysis units open.

Is the \$20 million a slush fund for the Minister of Finance to do with as she sees fit?

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

**MS. C. BENNETT:** Mr. Speaker, the Finance department Estimates haven't been done yet, so I understand why the Member opposite has questions. Certainly, I'll be able to provide her that information in Estimates and happy to bring that information into the House if she wants that tomorrow.

Thank you, Mr. Speaker.

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

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

#### Notices of Motion

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

**MR. A. PARSONS:** Yes, Mr. Speaker.

Pursuant to Standing Order 11, I give notice that the House do not adjourn on Tuesday, May 3, at 5:30 p.m.

Further to Standing Order 11, I also give notice that this House will not adjourn at 10 p.m. on Tuesday, May 3, 2016.

Thank you, Mr. Speaker.

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

Answers to Questions for Which Notice has been Given.

Petitions.

#### Petitions

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

**MR. P. DAVIS:** Thank you, Mr. Speaker.

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

WHEREAS emergency responders are at greater risk of post-traumatic stress disorder;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to enact legislation containing a presumptive clause with respect to PTSD for people employed in various front-line emergency response professions including firefighters, emergency medical services professionals, police officers, not already covered under the federal legislation.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, this week being a week where we acknowledge and we discuss and we understand the importance of mental health and having discussions about mental health, I believe this petition is very timely at this point in time.

**MR. JOYCE:** (Inaudible.)

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

The hon. the Leader of the Opposition.

**MR. P. DAVIS:** Thank you, Mr. Speaker.

Post-traumatic stress disorder, PTSD, is better understood today than it ever has been before in history. It's becoming better understood as time goes on. PTSD can affect front-line workers in many ways. It can be an illness and an impact related directly to the jobs they do in protecting the public in their various forms of emergency services that goes unnoticed for many, many years.

I know of a large number of cases where police officers, firefighters, medical emergency responders who, later in their career, are slowly and eventually figuring out that many of the illnesses they've endured during their lifetime, many of the experiences and the place they find themselves in that particular day is as a result of post-traumatic stress disorder. Being exposed to

chaotic and stressful, and quite often fatal circumstances, that quite often could be out of control and which they have to work at to bring under control and to provide those emergency responses.

We know now today, Mr. Speaker, as I said, better than ever before, how broadly and how ranging this is. Under today's legislation, workers' compensation has a very narrow view on who can be eligible for coverage under workers' compensation for PTSD. As a matter of fact, when a person gets diagnosed with PTSD, if they file for workers' compensation, they'll be told: Tell me what event caused your illness? What event caused the PTSD?

We also know better than we ever did before that quite often it's not a single event. It's an accumulation of events. It's that continuing mounting pressure and the stress on top of front responders, sometimes after months or years of being exposed to these chaotic situations, as I mentioned, some quite often fatal or multiple fatalities in a situation that it creates the PTSD.

This petition is to encourage our government to enact legislation containing a presumptive clause so that if a person is diagnosed with PTSD it would be presumed that it occurred in the workplace. Because, Mr. Speaker, quite often it is very difficult to prove otherwise but it's a presumption that happens in other places in Canada under other circumstances. What this petition is doing is asking government to consider doing the same thing.

Thank you, Mr. Speaker.

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

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

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

WHEREAS the deficit reduction levy is an extremely regressive surtax placing a higher tax burden on low and middle income taxpayers; and

WHEREAS surtaxes are typically levied on the highest income earners only as currently demonstrated in other provinces as well as Australia, Norway and other countries; and

WHEREAS government states in a 2016 provincial budget that the personal income tax schedule needs to be revised and promises to do so;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure that the deficit reduction levy be eliminated and any replacement measure be based on progressive taxation principles and that an independent view of the Newfoundland and Labrador provincial income tax system begin immediately to make it fairer to Newfoundlanders and Labradorians.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, I have submitted a number of these petitions over the last two weeks, as has my colleague from St. John's East – Quidi Vidi. People are so willing to sign this petition because they want to be heard about the levy. We know the people of the province know that the levy is regressive.

I believe that probably almost every single Member of the House of Assembly knows that this levy is regressive. I also believe that almost every Member of the government, every MHA in government knows that this levy is regressive. I believe that most people in this House regret that government has put forth this levy because, for instance, Mr. Speaker, it's so clear how unprogressive this is.

If you have two earners in one household each earning \$50,000, both those earners in that small household will each pay \$600 on the levy. So from that one small household, they will pay \$1,200. They've got a mortgage to pay. They've got extra insurance on their car, extra insurance on their house. They've got an extra HST by 2 per cent. They're going to be paying extra income tax. They're going to be paying \$1,200 for the levy just for that year.

Their next-door neighbour may be making \$350,000, one single earner in that house. That single household will pay only \$900, although they're making over three times what their next-door neighbour is. So their next-door neighbour with two income earners are making \$100,000 collectively, their levy will be \$1,200. The next-door neighbour who's making 3½ times what they're making will only pay \$900. Mr. Speaker, there's something totally out of whack and the people of Newfoundland and Labrador know.

Thank you very much, Mr. Speaker.

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

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

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

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

WHEREAS this Deficit Reduction Levy, as introduced in Budget 2016, unfairly targets the middle class; and

WHEREAS the Deficit Reduction Levy asks low-income earners to pay more than their fair share instead of increasing taxes to high-income earners;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to immediately stop the introduction of the temporary Deficit Reduction Levy.

And as in duty bound, your petitioners will ever pray.

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

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

**MR. PETTEN:** Mr. Speaker, as my colleague just spoke on a petition on the levy, I'd go a different angle with it. The levy, as we all know, has been well documented. It's been a very unpopular levy. We've all been bombarded with

emails. We understand the impact it's on middle-income earners.

When you take that in insolation, people are upset. When you put that in conjunction with the rest of the budget items of your added 15 per cent to your insurance, your income tax, your gas tax, all fee increases, the levy is patently unfair to middle-class earners.

Mr. Speaker, as we have said here, I could bring in a stack of petitions to back up my claim of the people's view on this levy. People have views. The levy is bad but altogether – the levy is just totally unpopular. It's the most regressive, unpopular tax I think that's ever been introduced. When you put it with everything else, this budget, in total, is just unbearable for most people.

I do call upon government to revisit the levy. Actually, as a matter of fact, I think they should revisit a lot, but start with the levy.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The hon. the Member for Cape St. Francis.

**MR. K. PARSONS:** Thank you very much, Mr. Speaker.

To the House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth;

WHEREAS policy regulations link snow crab harvesting quotas to vessel length; and

WHEREAS many harvesters own fishing vessels of various sizes but because of the policy regulations are restricted to using a smaller vessel, often putting their crews in danger;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to make representation to the federal government to encourage them to change the policy, thus ensuring the safety of those harvesting snow crab.

I believe the minister would agree with this, Mr. Speaker, because what's happening now today, we have an inshore, midshore and an offshore crab fishery. In a lot of cases the same fishermen are participating in all sectors of this fishery, both inshore – most with inshore and midshore. But the problem is and we have tragedy to show when we see a boat tied to the wharf and it is a 65 footer or 50 footer, and when someone has to go out in a 35-foot boat to harvest crab when they all have a bigger boat at the wharf. Last year, we just saw it in Arnold's Cove with a crew, with a long liner tied up at the wharf. They had to go out in a smaller boat and people lost their lives.

This is unfortunate; it is very unfortunate. I think all Members in the House of Assembly that are familiar with this fishery – I'm sure the minister is – this policy has to change. Our people are on the water every day and they take their lives in their own hands. It's a hard fishery. The fishery is done – I spoke to fishermen the other night and they were telling me they leaving at 12 o'clock tonight because there was a window there that the winds are not going to be as high as what they are. They could get out in three days and get back, so they went early because of the window.

Safety is a major issue in any fishery but in the crab fishery when fishermen, harvesters, have boats tied up to the wharf that would make their lives and make their health safer, and we have regulations in place that are forcing them in smaller boats, it's a huge issue. It's a huge issue in my district and I'm sure in most of the opposite Members' districts it is also an issue in theirs.

Mr. Speaker, the policy hasn't changed. The policy first came in so that we made sure that the inshore fishery was taken care of with the crab and gave them a quota. But today, you'll see most of the fishermen are involved and harvesters are involved in the midshore, offshore and inshore.

So it's time for this policy to change. I ask the Minister of Fisheries if he'd get his federal counterparts, talk to them about it because what we saw in Arnold's Cove last year I hope never happens again. When you see a large vessel tied

up at the wharf when they have to use a small vessel.

Thank you very much.

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

**MR. A. PARSONS:** Yes, Mr. Speaker, I move to Orders of the Day.

### Orders of the Day

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Health and Community Services, for leave to introduce a bill entitled, An Act To Amend The Hearing Aid Practitioners Act, Bill 25, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded by the hon. the Government House Leader that we shall have leave to introduce Bill 25 and that the said bill be now read a first time.

Is it the pleasure of the House to introduce Bill 25?

All in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Carried.

Motion, the hon. the Minister of Health and Community Services to introduce a bill, "An Act To Amend The Hearing Aid Practitioners Act," carried. (Bill 25)

**CLERK:** A bill, An Act To Amend The Hearing Aid Practitioners Act. (Bill 25)

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

When shall the said bill be read a second time?

Now? Tomorrow?

**MR. A. PARSONS:** Tomorrow.

**MR. SPEAKER:** Tomorrow.

On motion, Bill 25 read a first time, ordered read a second time on tomorrow.

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

**MR. A. PARSONS:** Yes, Mr. Speaker.

From the Order Paper I call Motion 1, the Budget Speech.

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

**MS. MICHAEL:** Thank you very much –

**MR. SPEAKER:** I'm sorry, the previous day the hon. the Minister of Transportation and Works adjourned debate.

I recognize the hon. the Minister of Transportation and Works.

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

It's certainly my pleasure to rise again today to speak with regard to the budget. Before I get into making some of the remarks that I had planned to make, Mr. Speaker, I'd just like to clarify a couple of points.

My hon. Member across the floor mentioned in Question Period about privatizing collective bargaining. I just want to make sure the people of Newfoundland and Labrador are fully aware that we have no intention of privatizing.

As you know, Mr. Speaker, it is not uncommon when we're in negotiations – previous governments have done it, governments throughout the country have done it. We've engaged other opportunities with law firms to engage in the discussions. That in no way says anything negative about the team we have. We have an excellent team and we will – certainly our talented team is in place. We will be negotiating in a fair and an open manner as we move forward.

The other item, Mr. Speaker, I wanted to just bring attention to – because I know the hon. Members opposite are passionate about the tax increases and levies. I know the Member opposite made mention that someone making

\$300,000 will be paying \$900. I also wanted to point out to the Member opposite that the person who's making \$300,000 in this new taxation year will actually be paying \$9,900 more dollars than they did last year.

So we sometimes forget there's actually a 3 per cent increase because we often say those in the higher income are not paying anything. That's not true because they are actually being taxed 3 per cent higher than they were last year.

Madam Speaker, sometimes in Question Period we never get the ample amount of time to really get into the details of some of the policy and some of the changes that we make. My hon. Member opposite talked last time about the Town of Grand Falls-Windsor and certainly the impact this budget had.

Madam Speaker, we are fully aware of that. As a matter of fact, MHA Dean and I met with the entire council of the Town of Grand Falls-Windsor; actually, we met probably for about two, maybe almost three hours. We went through the budget, went through some of the measures that's there, explained what happened and what measures we have to take.

Madam Speaker, while it's disappointing – I'm disappointed too. I was the mayor of Grand Falls-Windsor for six years and fought for having whatever resources we could. I am disappointed with some of the measures we've had to make. Obviously, very disappointed, but when we look at going forward, looking at the financial mess we're in, obviously there were some tough, tough choices that had to be made.

Not one single one of us on this side of the House has any pride in what we've had to do. I am relatively a compassionate person, Madam Speaker. I really do care about the people in this province. I understand fully some of the frustrations they're facing.

Madam Speaker, when I look at: What are our options? Where do we need to go? We had to make some tough decisions. I know some of the Members on the other side have been pontificating and standing and talking about how draconic this budget is. I encourage them to take a look in the mirror and say to themselves: What have I done to force this side of the House to

make the decisions we've had to make? I really encourage them to do that because the decisions we've had to make are tough decisions.

The Premier talked today about the fact that if we did nothing, if we continued the way in which it was going, in five years every man, woman and child in Newfoundland and Labrador would have a \$54,000 per capita tax on the debt. I mean, that is significant.

I think, Madam Speaker, if I remember correctly, if that happened, the Province of Quebec are looking at balanced budgets over the next number of years, if that happened the people in the Province of Quebec at the same time frame would be at \$22,000 per man, woman and child. That's absolutely, totally unsustainable and cannot happen. As a result of that, Madam Speaker, we had to –

**AN HON. MEMBER:** They are second.

**MR. HAWKINS:** – and they are second. We had to make some tough decisions in this budget.

Madam Speaker, I also wanted to reference the question that was asked with regard to the 24-hour snow clearing. Again, that's a measure that we will be putting in place next year. I want to assure the people of the Province of Newfoundland and Labrador that safety is important to us. We know that in the last number of years that actually the 24-hour snow clearing has been put in place and what has happened is we have a dedicated crew that will be there for the 24-hour snow clearing service.

Sometimes a dedicated crew, because of the conditions of the road, were not required to be out clearing the roads. So, Madam Speaker, when we have the 24-hour snow clearing removed next year, we will make sure that we are monitoring and we will make sure that the resources are in place so that anytime between 10:00 p.m. and 4:30 a.m. if there is an impending storm, if there is snow, we will make sure that our highways are cleared for the people that are going to be using it.

Madam Speaker, it is not a case of us making those rash decisions without giving any

consideration to what will happen. We will monitor that very carefully.

One of the other points I wanted to make, Madam Speaker, is the fact that I know the Members opposite have been talking about the fact that government has not been engaging our federal partners and they refer to them as our federal cousins. I could refer to them as our federal brothers because of the fact that they have done –

**AN HON. MEMBER:** And sisters.

**MR. HAWKINS:** And sisters because they have equality within their Cabinet. We have made significant measures moving forward, Madam Speaker, to engage our federal counterparts. Minister Sohi and I, on about four different occasions, have discussed the infrastructure. We've talked about some of the infrastructure criteria that were around the Building Canada Fund.

What has happened through our discussions and through our conversations, the minister has certainly listened to the people of Newfoundland and Labrador, realizing that some of the criteria that were in place previously by the previous federal government did not really apply to rural areas of the province. The minister has been very understanding of that and has subsequently sent a letter saying that some of the restrictions and the criteria that were surrounding the New Building Canada Fund have been lifted.

We will now have more of an opportunity to do other work in other parts of the province that previously would not qualify under the Building Canada Fund. Madam Speaker, we have made a significant number of engagement, discussions and success, I might add, with the federal government.

Madam Speaker, one of the other things that I wanted to reference is that this government has taken a lot of pride in Labrador. One of the things that we have done, I've worked with the federal government. In the previous government they had a cap of \$45 million on any work that was done on the Trans-Labrador Highway.

What we have done is we've worked with the federal government. They have removed that cap



and this year we have applied under the Building Canada Fund with the Trans-Labrador Highway. We have requested \$63 million, since that cap has been removed, to work on the Trans-Labrador Highway, which we are going to be doing. We're going to work on, particularly, Phase II and Phase III work.

We have really looked at Labrador as a very important area for us to maintain a network of transportation, particularly with the highway. I know, Madam Speaker, in your area as well in the South Coast, we have put a tremendous amount of effort into trying to access money through the Building Canada Fund for that. This year, we were able to maintain in our budget \$62 million for the provincial roadwork.

Now, \$62 million, if you put it in light of the request, I've had 1,500 requests for road repairs. There are areas in this province that the road conditions are deplorable – absolutely deplorable. I understand that, Madam Speaker. I get it, but I've got 1,500 requests for road repairs. I had my staff cost it out and it's somewhere in the vicinity of about a billion dollars to do all of the road requests that have come in.

Madam Speaker, that's going to be absolutely, totally impossible. The Minister of Business, Tourism, Culture and Rural Development and myself met with the mayor and deputy mayor from Conche just about a couple of hours ago. I was glad to see them in the House today. I, too, had to talk to them about the conditions of the road in that particular area. I understand fully that there are some pressures in that area with the school closing and now having to bus students over that road.

Madam Speaker, that's just one example of an area that we, and myself as a minister and my staff, have to address. We have to look at opportunities and ways in which we can accommodate these people that have all these requests. Even though this budget is a difficult budget in some areas, I was able to maintain \$62 million in work for roads and I will continue to do that.

Madam Speaker, I want to just also say that this is the first year in a long time that we've been able to get our tenders out for roadwork. The

first block of work that was announced back about a month ago, we are already getting tenders back and we're already awarding work for that. This is probably the earliest time we've been able to award tenders for roadwork. I think that's a very positive step that we, as a government, have taken. We've committed to that. We will continue to commit to that.

Madam Speaker, the other issue I want to talk about is the fact that we do have two blocks of funding out for roadwork now. Over the summer we're going to continue to work with our partners and our stakeholders and we're going to put together a five-year plan.

As I said, Madam Speaker, we do have 1,500 requests that we've got to work through. We're going to work through those requests using a screening model whereby we are scoring to determine what would be the highest priority for us. We will continue to work with that.

Over the next several months, Madam Speaker, that will be a responsibility that I will have to do. I need to look at all of these and determine how we want to move forward in five years. It will position the government, it will position us to be better prepared and to be able to avail of opportunities, resources and bundling, and being able to do more work for the limited amount of money we have.

I think it's a great approach that we have taken. I'm looking forward to working through that with our stakeholders to make sure we are able to position ourselves to be able to get more work done when it comes to roads.

Madam Speaker, the other thing I wanted to reference is – because I think infrastructure is important to us – this year this government, this budget, is allocating \$570 million in infrastructure spending. That includes some schools and hospitals and repairs. This is significant. That's a half a billion dollars that this government has committed to this year in our infrastructure spending. That will create employment. It will create an interest in people wanting to get out there and take advantage of the opportunities that are in this particular area. So that's a significant amount of money that we're doing.

Madam Speaker, one of the other areas that we want to look at is that this is not localized. We are looking at a provincial-wide in the province and on the Island and also, of course, in Labrador so we can get as much work as possible out this summer. We want to get it out early to take advantage of the construction season because we know in this province we have a very short window when we look at construction. We want to get those tenders out early and we want to make sure that people have an opportunity to work in this province in this coming construction season.

Madam Speaker, there are a lot of good things, even though this is a tough budget and we all understand that, we are fully aware of that –

**MADAM SPEAKER (Dempster):** Order, please!

I remind the hon. Member his time has expired.

**MR. HAWKINS:** – but we will work to make sure every area of the province is represented.

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

**MADAM SPEAKER:** The hon. the Member for St. John's East – Quidi Vidi.

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

I'm glad once again to have a chance to speak in the budget debate to set some facts straight. The government side keeps telling us that we don't know the facts. We even had the Minister of Finance stand here when she spoke, one of the times that she has spoken, and said that they want to make sure that people get the right facts and the correct facts and the real facts. That's quite a statement. She also talks about the fact that the Members opposite, meaning those of us on this side of the House, continue their habit of telling half stories and half-truths.

That's quite a statement that the minister made. I'm glad to stand again today and get some facts out there. I'd like to pick up on a couple of points made by the Minister of Transportation and Works. First of all, before going into one of the details, I want to pick up on language he used and language which the other side is using

constantly, and it's the difficult budget. It sounds like something that was laid in their lap, something that was given to them and they have to deal with this difficult budget.

No, the only ones who had something laid in their lap are the people of the province. Because these people chose the budget, they created the budget the way it is, and there were all kinds of choices they could have made. They made the choices that they made. So it's not a difficult budget for them; they're the ones who created the budget.

I need to make that statement because I'm getting so tired of hearing the other side of the House, the government, talking about this difficult budget as if somebody brought this package, laid it on the Premier's desk and on the desk of the Minister of Finance and said this is what you have to do. That's not what it is. They made the choices. They're the ones who have created what's in the budget, so I have to make that statement once again because I'm getting tired of hearing the phrase difficult budget.

The other thing I want to pick up on, the Minister of Transportation and Works picked up on the fact that I was talking about the levy and others of us over here were talking about the levy as well. However, he used, for example, the whole thing of the top bracket. As we all know, the top tax bracket, people earning over \$175,700, that top bracket will be paying only \$900 for a levy while somebody earning \$20,000 will be paying \$300. We don't have to do the math again. The ratio is very clear that it is most unfair and unjust to the lower income earner.

The Minister of Transportation and Works pointed out, reminding us in case we didn't know, that the top bracket is having their rate increase between the past year and the coming year by 1.5 per cent. That's true but so is the person who is earning \$20,000 having their rate increased too. Granted, it's 0.5 per cent but 0.5 per cent for them is a lot more than the 1.5 per cent for the top bracket. So it is still unfair.

He's trying to get us to point out to people that oh no, remember those poor people with \$300,000 – he's the one who used it – they've got to pay a lot more this year because of their

tax going up. I hope he's listening to what he's saying because he's comparing that to the person earning \$20,000 who doesn't have a cent from cheque to cheque, not a cent from cheque to cheque, having to come up with \$300 more on top of everything else. On top of the fact that their income tax has gone up, on top of the fact that our retail tax is going up by 2 per cent, on top of the fact that the gas tax is going up 16.5 per cent.

These are the realities and for them to protect high-earning people from having to pay a little bit too much money in their definition is just unconscionable. I can't believe it. It's the same way with the tax brackets when you look at the comparison between us and Atlantic Canada. The Minister of Finance has made reference to this. She keeps saying that we're ignoring the fact that by 2017 the top bracket will be up to 18.3 per cent. She insists on saying, in different ways, we are comparable to the rest of Atlantic Canada.

Well, I invite the Minister of Finance to get out a document we got from her department, a document which reminds us that in actual fact, right now at this moment, the top bracket earners in New Brunswick and Nova Scotia are paying 21 per cent as the rate for their income tax, which at this point in time really is different from ours. Because at this point in time, ours, for the top bracket, is 15.3 per cent. We're only going to be putting that up to 18.3. So it is really quite not the whole truth.

The Minister of Finance has said that we're saying half-truths. It's not the whole truth when she says we're comparable to Atlantic Canada when the other two provinces we most can compare with in Atlantic Canada are still paying – even in 2017, will be paying quite a bit more. It will be a 2.7 per cent higher income tax rate than our top bracket.

I wish they would tell the whole story. They say we're not telling it. What we end up doing is telling the part of the story they're not telling. That's what we have to do. I guess that's our job as Opposition. I'm happy to accept that as my job as Opposition, but don't say when we do that, that we're not telling the whole story. We're just adding the rest of the information.

Do you know what? I don't even have to add it for the people of the province to understand it because they're the ones who are saying it to me. The people of the province are doing their mathematics.

Again, the Minister of Finance has made reference that she's going to put this tool up on a website so people can figure it out. I've got news for her: they've got it figured out.

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

**MS. MICHAEL:** They know how to add it all up. They've added up the levy and the income tax and the increase in gas – which I bet is not going to be on her website – and every single expense they're going to have to pay. The fees they're going to have to pay.

That's why people who are doing the math – middle-income people who are doing the math are telling us they're going to have to pay between \$3,000 and \$6,000 more a year. They're not going to be able to do it. It's an insult. What an insult to the people of the province to say that you have this tool so you can figure it out. They've got it figured out.

One of the hundreds of emails – one I actually got today. I have my binder here; there's another binder being started. One of my emails today said for me to tell the government that if anybody knows how to figure out how much money they have to spend and how much more they might have to spend, it is lower income people because they spend their time counting every cent they spend, and they are counting the cents they don't have for things they need. I just really am flabbergasted by what I hear from the government side of this House.

Let me talk a bit more about facts. Let's look at the whole issue of the closing of libraries. I can't believe this government just seems to think there's nothing to it. I'm absolutely shocked they think that way.

The Minister of Education today stood in the media explaining – in case they didn't understand – only some of them are closing this year and 25 more will close next year. Just in case they didn't understand that and we didn't pick up on it. That was an insult as well.

We all know there's two blocks. That one group is going to be going this year and another group next year. The bottom line is 54 libraries in our rural communities are being closed. That's the bottom line.

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

**MS. MICHAEL:** That's the part they don't want to hear said.

I have an email from somebody from the District of Fogo Island – Cape Freels. He says there are 40 electoral districts in Newfoundland and Labrador and there were 54 libraries closed in the province. Our district, Fogo Island – Cape Freels has Centreville, Change Islands, Fogo, Greenspond, Hare Bay, Lumsden and Musgrave Harbour – seven of the 54 libraries. One district representing less than 2.5 per cent of the province is getting just shy of 13 per cent of the cuts. Now where is the justice in that?

He goes on and points out something that should be obvious to this government, although they don't seem to know what an island means. Two of those libraries are on separate islands that had their ferry shut down most of this past year with over an hour to another library, plus two-hour waits for ferries. So where's the 30 minutes in between getting from their community to a library.

It doesn't seem to matter because it's only 15 per cent of the population that isn't 30 minutes away. I mean this blows my mind, as was pointed out actually by the mayor from Lourdes. He points out something extremely significant. He said, while the government is maintaining more than 85 per cent of residents who are within a 30-minute drive to the nearest library, it's only because the bulk of the population in this province is on the Avalon Peninsula. That's the only reason.

It is so disingenuous for them to be pointing this 30 minutes out. I'll let my colleague for Bell Island, when he gets up, say this himself. I also want to point out Bell Island may look like it's 30 minutes away, but by the time you sit in the lineup of the ferry, get down there, line up – and you really have to get down early to line up then do your ferry run – you're talking more than 30

minutes. That's one that's just outside of St. John's. That's the reality.

They continue talking about us not knowing what we're talking about and telling people they don't know the facts. The people on the Port au Port Peninsula know the facts. They have no library. This is disgraceful. The MHAs from the government side out there know it's disgraceful and they're starting to say it. I can't believe this government doesn't get the implication.

The Minister of Education today, when speaking to the media, made comments that were very, very interesting. He talks about the libraries that are in the schools. For example, in Port au Port the library is in the school. He says they're going to remain open with school board resources and teachers, not just provincial libraries board employees.

What is he doing? The Minister of Education in that statement to the media today is downloading the cost of keeping the library open onto the backs of the community. Let's look at it. He's saying with school board resources and teachers. So the teachers now in Port au Port, they can't rely on the fact that the community library – because it's not a school library; it's a community library – is in their building.

They're going to be expected now, on top of all the other issues that they have to deal with, on top of full-day kindergarten which they didn't have before, on top of, I would suspect, multigrade classes, on top of those classes having children with specialities in the classroom and trying to make an inclusive classroom – on top of that they're now going to have to run the library. This is disgraceful. This downloading is absolutely disgraceful.

This is another point that the mayor of Port au Port takes up. He points out the fact that the government is downloading. He says "in relation to the town council or local service district taking up the slack, neither body is in a financial position to do anything about it." That's the reality.

Those people sitting opposite me, the majority of them are in rural communities. Surely they know the limits that are on the finances of the municipalities. We have former mayors sitting

across from me right now, several of them. They know the difficulties for a town council to maintain itself. So when the Mayor of Port au Port says that they do not have the fiscal capacity, he knows what he is talking about. They don't.

Here we have this government downloading, number one, on municipalities, downloading on the schools where there are libraries in schools, downloading on volunteers because that comes out on what they're saying as well, that there are other groups around who can help out. When are they going to understand that there is more to this than meets the eye?

A library is a service in the community with people in the library who have the skills and the expertise and the knowledge to work with those who come to the library. Whether those who come to the library are children from the school that the library may be in or from the community in general, because the library is a separate building as it is in Greenspond, for example.

Whether it's the children, whether it's seniors who are coming and may be want to go on a computer, want to do some searching for information, want to do some their own research on computers but don't know how to use them, the librarian is there to help. Whether it's anybody from the community who comes in and whatever it is that they want, the librarian is a skilled person.

This is what this government seems to be ignoring. So to think oh well, some committee in the community can open the door, because that's all it will be, open the door and let people come in, that is not acceptable. The library is a source of information. The library is a source of research for people who want to do research. The library as well, which doesn't seem to mean a thing to anybody on the other side of the House – it certainly doesn't mean anything to the Minister of Education; he's totally ignoring it. The library is a community centre.

It's a place where people in the community gather. It's a place where the seniors come and they just don't come as individuals, they come and they have their book clubs, for example. This is the other thing about downloading. The government has put quite a number of things on

the website. That didn't start with this government. That's been something that's been going on for a while; it is part of our modernization. So you can go on the website and you can get your driver's licence. You can go on the website and you can get your car registered every year, et cetera.

The interesting thing is when you go on the website, you actually get a little break because the fee is lower than if you turned up in an office somewhere. But when you close down these 54 libraries, if there are people who have been going on and doing their registrations and whatever it may be, and paying fees to government, not only are they now going to have to travel a distance, paying 16.5 cents more a litre of gas, not only are they going to have to do that but when they get to the other place, if there is no library around them and they have to go into a government office, they will pay more to get their driver's licence. They will pay more to register their car, on top of having to pay for extra money, an awful lot of extra money to drive.

So these are some the realities. These are some of the facts. These are some of the things which the people on the other side of the House say are fear mongering to talk about. No, these are realities. This is the truth. So when are they going to deal with it?

I'm still in a state of shock. I cannot believe – I'm hoping I'm going to wake up and find out that this is not happening. And I hoped on one level, I knew on another, but I hoped on one level that the Minister of Education was going to say good news, we've realized we can't do this.

How can they not listen to the mayors? How can they not listen to the seniors who are speaking out? How can they not listen to the schools that are speaking out? How can they insist that what they're doing is okay and they're gutting the communities? You take a place like Greenspond. It's losing its school, and I think that was sort of inevitable, but both the school and the library are very important centres in Greenspond. So now with one fell swoop, they're losing their school and they're losing their library. That's happening in more than one place. So this is completely unacceptable.

I invite the government over there, if they really want to face the facts, realize that their budget as it stands is only part of the story, look at the impact of that budget and that they can't take one piece of the budget like the levy and forget everything else that's also being laid on the backs of the people.

This is the reality. These are the facts. I will continue pointing out these facts. I know my colleague for St. John's Centre will continue pointing out these facts. I'm sure the Official Opposition will. As long as we continue to have people sending us their information, we'll continue bringing that information in here to the House to make this government – at least force them to listen to listen to some of the facts.

**MADAM SPEAKER:** Order, please!

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

**MADAM SPEAKER:** I remind the hon. Member her time has expired.

**MR. KENT:** A point of order, Madam Speaker.

Madam Speaker, I'm asking for leave of the House. I must apologize; we'd like to revert on Orders of the Day to Notices of Motion so that I can present the motion that will be debated for Private Members' Day on Wednesday. I apologize to the House for the oversight earlier.

**MADAM SPEAKER:** Order, please!

Does the hon. Member have leave?

**AN HON. MEMBER:** Leave.

**MADAM SPEAKER:** The hon. the Member for Mount Pearl North on notices of motion.

**MR. KENT:** I thank hon. Members for their co-operation.

I give notice that I will move the following private Member's resolution:

BE IT RESOLVED that this hon. House supports the introduction of legislation for the recall of elected Members of the House of Assembly, similar in principle to the legislation

in effect in British Columbia where a registered voter can petition to remove from office the Member of the House of Assembly from that voters district, provided the voter collects signatures for more than established percentage of voters eligible to sign the petition in that electoral district.

That motion will be seconded by the Member for Cape St. Francis.

**MADAM SPEAKER:** Order, please!

The hon. the Member for Ferryland.

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

Pursuant to Standing Order 63, the private Member's resolution just entered by the Member for Mount Pearl North is the one that we'll be debating on Wednesday.

Thank you.

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

**MADAM SPEAKER:** Order, please!

The hon. the Member for Torngat Mountains.

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

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

I'm glad to be able to stand in my place today and speak to this year's budget. I have to point out, Madam Speaker, that we all realize this is a tough budget. Every district in this province is impacted by this budget.

I think we should step back and ask why are we here, Madam Speaker. A wise man once told me that it is important to know where you come from to know where you're going. The way we go as the new government, unfortunately, has been determined by the former administration, in excess of a \$2 billion deficit, threatened credit ratings, mismanaged megaprojects, all of which has brought this wonderful province to its knees.

The irony in all this, Madam Speaker, is that the former administration came through 12 years with the most revenue that this province ever

experienced; I believe in the vicinity of \$25 billion, if I remember correctly. The Leader of the Opposition in his budget address stated that he realizes that hundreds of millions of dollars are needed for infrastructure and that from time to time it has to be deferred.

The former administration, even with its billions of dollars in revenue deferred infrastructure. Whether it be for financial reasons or political reasons, we are left to wonder.

The Member for Ferryland, in his budget address stated he realizes or understands that projects must be deferred. The Official Opposition, most have been in government and they realize or they know what it is like to defer projects. As a matter of fact, the Leader of the Opposition stated he knows what it's like when requests come in and no is the answer that has to be given.

Madam Speaker, this deficit that we're here to address is our problem, but it's not our fault. The Official Opposition does not want to accept any responsibility and they have taken great measures to try and avoid being held responsible. Madam Speaker, they don't get off the hook that easy. Whether they like it or not, we're in this together. The Opposition are in it because they caused it and we are in it because it's our job now to fix it.

Madam Speaker, we, as with all governments, would love to start with a clean slate but unfortunately it doesn't work that way. The first order of our administration is to get the provincial finances – I state and should remind everyone – that we inherited back to a level where we can actually start over. In order to fix this mess that they handed us, we have to make tough choices and these choices affect all of us who live here in this great province.

Madam Speaker, no government in history wants to deliver a budget like we had to. In 2006, the former administration I'm sure did not want to deliver the budget they brought in back then. When you compare what we have had to do, we're pretty much back to where we were in 2006. Having said that, Madam Speaker, we're essentially back to where we started.

In general, Madam Speaker, as a province we've been in this situation before. The difference this time around is we don't have the billions of dollars in royalties that the previous administration had. We have to generate revenue through harsh reality to stave off the problems that we have been left with. We must focus on our goal. We must rebuild for a stronger future.

Madam Speaker, we managed to shrink the deficit by one-third. So imagine what we could have done if we had the royalties that the former administration had throughout the last 12 years. It is through the guidance of our Premier and the Minister of Finance that we begin to weather this harsh reality and get our province through it. We will, because we simply don't have any choice.

As the Minister of Finance began the difficult task of finding out the reality of the province's financial situation, only then did she see a different reality than what we were told by the previous administration. The Premier had asked prior to the election for the correct numbers and did not get them. So the reality only came out after the election. Officials in the Finance department were concerned and worried about the downturn in our economy. They were concerned and worried a long time before the election.

Madam Speaker, when you get information that is not correct and hidden away, it impacts the decisions you have to make. When you get the right information it changes your plans. This happens in every situation in our lives and we must adjust our plans accordingly. This is exactly what happened leading up to the delivery of this year's budget.

It is an enormous task we have been handed, Madam Speaker. The party is over and it's now our job to clean up the mess. The process is tough on everybody. When our provincial credit rating is compromised and the taxation plan stands to be much more severe than it is now with bonding agencies asking us to cut further. Madam Speaker, drastic problems call for drastic measures.

Again, I don't deny this budget is tough. I feel the impacts in my district. Every one of us in this hon. House has certainly felt the impacts.

We certainly look forward to working towards getting this huge deficit under control so we can go back to our districts with some removal of some of the tough issues we've had to face.

Drastic measures have to be taken in order to stave off disaster. The difference between this government and the previous administration is that we don't have \$25 billion to work with. Given the magnitude of the deficit, it is obvious the former administration not only blew \$25 billion in revenue, but they blew an extra \$2 billion in revenue they didn't have. This is part of the problem we have to address. Address it we will, Madam Speaker.

As hard as this task is on all of us right now, as I said earlier, we've actually cut the deficit by one-third. The sooner we can get past this deficit – a deficit we inherited – the sooner we can get our great province back on track. If we go back through the years, tough budgets have had to be tabled on both sides of this hon. House. We, as a government, have to make tough choices, as did previous administrations, in order to work towards earning our existence as a province. The last time it was the former administration that tabled a tough budget. This was in 2006. So given our inherited debt in 2016, we are forced to take tough measures also.

The economy has experienced a world-wide downturn and it has affected every one of us in this province. The economy has reached levels that have nowhere to go but up. Having reduced enormous debt that the previous administration handed us, we have managed to bring the deficit to a level which, if left unchecked, would have reached \$2.7 billion.

Madam Speaker, I hope, as with all of us in Newfoundland and Labrador, to come to a point where we no longer depend on the price of oil or other commodities to sustain our existence. The previous administration has clearly shown that is not the right way to go on running the affairs of our great province.

Thank you.

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

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

**MR. PETTEN:** Thank you, Madam Speaker.

It's a pleasure to get up again and speak about the budget. Like I said last time, it's not so much I'm happy to speak about the budget, but it's important for us to get up and share our views on the budget for the people that we represent in our districts because they ask us on a daily basis to speak up for them. It's like I said before, it's what we're elected to do. It's what I've committed to do for the people in my district, and I will continue to do that, Madam Speaker.

I have various areas I can go on the budget but I guess the first one, the latest one coming up now, is the schools. I guess the libraries closing was a separate one from the schools, but you have multi-grade teaching, class size increased, full-day kindergarten. It's not so much – we were in favour of full-day kindergarten. But is this the best time to spend the cost of full-day kindergarten when I don't know if we're really prepared in our schools? I know I have issues up in my district, and I actually spoke to the minister on it.

Parents are really concerned of 28 kids going into a class that was really only designed for 14. Team teaching, that's creating a lot of stress on a lot of families. Madam Speaker, I have emails that show – the majority of them are from young families who have huge concerns with full-day kindergarten. I've told them I'd advocate for them.

Recently in a local paper up there, I was asked a question on it as well. It's not a matter of saying it's terrible about full-day kindergarten because we believe in it; it's just that we believe that there is a better way it could be implemented at a more appropriate time when all the resources are in place. People had enough notice; a one-year delay is not going to be the end of the world.

You are looking at September now, we're getting closer to the drop-dead date and, unfortunately, it looks like it's probably going to happen. Team teaching in our schools when you're looking in a small classroom – I know my children went to these classrooms when there was 13, 14 kids for half a day –

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



**MR. PETTEN:** They are making a lot of noise over there, Madam Speaker.

**MADAM SPEAKER:** Order, please!

**MR. PETTEN:** Those classrooms are small rooms and I can attest to that. Actually I went up and read at a literacy week reading and I spoke to a lot of parents, and there were teachers there. They are really saying we're maxed out now, how are we going to put these extra – I'm not sure how many kids there is going to be when you double class size. You are looking at probably an extra 40 or 50 kindergarten students at least a day into a room that's designed for 14.

I've had a lot of representation – actually ironically, in my area, I think St. Edward's Elementary poses one of the biggest challenges to parents especially. They strongly feel – and I know a lot of the educators feel – that the school is not the appropriate size to house full-day kindergarten.

That's something that I know it's a budgetary item and it's a spending item, but it's included in the budget and it's causing a lot of – on top of all the other things in the budget it's causing a lot of stress on parents. They've made their case to me loud and clear. I promised I would bring it to the floor of the House of Assembly which I'm doing now, Madam Speaker.

We look at the budget; I remember a few years ago my former boss, we'll say, or former minister, Terry French, used to always say we can't go death by a thousand cuts. When you do a budget, you're faced with a few tough decisions. I heard him say it so often. It was like yeah, fine, you have to cut, but do you cut every little thing, do you affect little person – every person, everything, every program where they make some big substantial cuts, lessen the blow to the mass and get it done that way. It's a lot of truth. People can argue on both sides of it.

If you look at 24-hour snow clearing, we're saving \$1.9 million of a budget of \$8-plus billion. Madam Speaker, \$1.9 million – and people from Bull Arm were irate last week on the radio. This will be a normal thing next winter. So as I pointed out to the Minister of Transportation, this will be a regular occurrence.

I worked in that department. When you have a dusting of snow the phone starts ringing, and they don't stop ringing until the spring comes, which usually doesn't happen until June or July. For \$1.9 million, to be cutting the service like that, Members on the government side when in Opposition lobbied for 24-hour snow clearing in their communities. I remember, I was in Transportation last year and I used to hear so I didn't blame them. I thought that we should have had more 24-hour snow clearing. I really believe that –

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

**AN HON. MEMBER:** The Minister of Justice wanted it.

**MR. PETTEN:** Yes, that's right. The Minister of Justice lobbied. I believe the 24-hour snow clearing is very important. You're saving \$1.9 million – and I heard the people on the radio and I've talked to people actually. I have family that works out in Long Harbour and that. They have concerns because they're leaving to go to work at 4 in the morning, and our plows will not hit the road until 5 o'clock, 5:30.

If we were saving \$19 million or \$100 million I'd say, well b'y, it's a tough decision. It's all about choices, but \$1.9 million, I can hardly justify that's a rational reason to do something that's going to put people – like I said before, it's going to put people's lives in danger. It's pittance to the big scheme of things. It's death by a thousand cuts.

You're looking at libraries closing. I believe we're saving – I might be correct on this – a million dollars. Look at a million dollars a year and look at the grief and strain that's put on a lot of these small communities. My community of CBS is a larger community and it won't have such a detrimental effect. There are plans in place for a regional library there and right now it's not on the block.

When you listen to Fogo, you listened to my colleague for Conception Bay East – Bell Island, they're islands and we're closing down these little small libraries, we're saving \$1 million. All you have to do is flick the radio on and listen, read the emails that are coming in and read the paper. The Minister of Education I'm sure has

heard it loud and clear. But again, I understand trying to change things and do things better and regionalize. I'm not against any of that, but again we're saving \$1 million.

So we've cut 24-hour snow clearing out that a lot of people will – I anticipate next winter is going to be very interesting how that's perceived. We're cutting out the libraries. Now we've saved \$2.9 million and we're faced with a \$2 billion deficit. Again, it's death by a thousand cuts.

You can go on down the road. In Question Period, my colleague mentioned about teacher cuts. The Minister of Education pointed out that the former government cut 70-something positions. We're looking at 200-and-some-odd positions, am I right? It's a far cry – it is triple the amount. Teachers have been emailing me in my district, constituents, they're really concerned. I'm not a teacher. I can listen to their rationale. I watched the other night the president of the teachers union was on and he voiced his concerns, I thought, very candidly. He articulated it well. Those are the people that know. They live and breathe this stuff and it's a huge concern.

You're cutting teaching positions. You're doing multi-grade teaching, which I haven't got a clue how that is going to ever work out. You have full-day kindergarten coming in. We're going to implement some positions along the way to offset some of the losses.

Again, I'll go back to what are we really saving here. I don't know if we're saving anything. I got emails and I'm going to read some of the emails out, two of them. I think it's important actually because some of them I thought were very to the point. There's one thing I'd also like to point out. For the last number of years after living here – we all lived here all our lives – a lot of people said people have a lot of confidence. They had a bounce in their step. They were spending money. They were making investments. They felt a sense of hope. They were resettling. People were moving back.

I don't think there is any Member in this House that can honestly deny that wasn't happening. The place was vibrant. Everything was moving. I'd be up in Goose Bay, up in Labrador, and the

place was alive. I had the fortune of travelling a lot throughout the province and I saw a lot of small communities. They were very alive and people were looking at themselves differently. We finally found our way. It was nice to see. We all lived here most of our lives. We went to tough times.

I don't see that any more, Madam Speaker. As a matter of fact, I find the bounce in people's steps is not what it was. I mean consumer confidence – we're only in the early stages of this budget. It is not really fully implemented, of course, until we have the vote. People's consume confidence is down.

In my district I have a lot of seniors but I also have a lot of contractors, home builders. I know some quite well and their business is after plummeting. They will only do turnkeys. They will not build anything in advance of possible sales. One guy is stuck with four or five homes now. He's wondering how he's going to do it.

On top of everything with the extra costs in this budget, the housing market is slowing down big time. Now it's still going but it's on the fear of the unknown. A lot of the possible repercussions of the budget may not happen for another year, effect the economy, but people's confidence is now is shattered. Now they're pulling back. People's home spending, they are cancelling their vacations.

Our infamous *Open Line* host said shortly after him and his wife – Paddy Daly said him and his wife cancelled their vacation the night before. They were only going to travel through the province.

I spent time in tourism and I know a big part of our tourism economy comes from in-province travel. We always go with our flashy tourism ads, which are quite beautiful, but that's more intended for the out of province. We have markets in the US and up in Ontario, which basically is the core areas we concentrate on. That does bring a lot of money to the province but – I'm not sure of the breakdown but it's probably a 50-50, it might even be a 60-40 split of local resident travel. A lot of people don't realize that.

They say our tourism numbers are way up, but a lot of that is from in-province travel. Personally, I am into RVing. I have my own trailer. You're adding gas tax on, upping the fees in all the parks, on top of all the other stuff that's going to cut into the money they're going to use. I anticipate you are going to see a big drop.

Tourism operators are the ones that operate on the highway. They have their bed and breakfasts. They're open six months a year. They can't wait for the summer season. We are hitting it now with May month.

Being in tourism, up close and personal, I know a lot of these people. That is their livelihood. They have a six-month window to make enough to get them through the year. I really think this budget is going to have a detrimental effect on them. Time will tell, but don't be surprised. They will be speaking publicly as the summer goes on because I expect they're really going to hurt.

Madam Speaker, I have some emails – some comments that some of my constituents send. I have a lot of them but I just took out some. Some quotes: I have to let you know, I do not agree with the disrespect being shown to you and the Liberal party on social media.

This was a message that was directed at – I want to point this one out. This was an email I got. It was sent to Minister Bennett and cc'ed to me. I wanted to make that point because I agreed with that comment. I don't agree with the personal attacks. We're talking about a budget. We're talking about how it affects constituents, but it shouldn't be personal. I responded to this person and I agreed with him. I don't agree with that. I wanted to make that clear in the House.

In that email, he has a young family. He said: We're putting down our roots here, starting a family in Newfoundland, but after much thought and consideration we've come to the conclusion it's no longer affordable for us to do so. Starting a family is very important to us both, so we are now looking for work in New Brunswick and planning on moving there as soon as possible. I know we are not alone. I feel a lot of other highly educated young people and families will end up leaving the province.

He lists off his reasons. It was a long email so I wouldn't read it all, obviously, but 16.5 cents a litre on gasoline, the deficit reduction levy, the increased HST.

Now, I'll read what he said about that: I sort of expected this and I was okay with the increase in HST from 13 to 15 per cent as the PC party had proposed. My problem is with the way the Liberal party mishandled the increase. First your party promised not to increase the HST – this is meaning the Liberal party of course – gaining votes I'm sure, only then to increase it once getting elected. The 15 per cent tax on insurance and the 15 per cent tax on books, which has also caused a lot of upheaval.

The tax on insurance, that 15 per cent, I've said it to my colleagues here; everyone seems so focused on the levy – when I presented the petition. I've talked to many people, and when you bring it up to them they stop and say: Yes, I never really looked at that because it's not a lot of attention on it.

Fifteen per cent on insurance is going to cost some families more than what the levy is going to cost. Depending on what you have insured. As we all know, insurance is not cheap in this province.

On the books; well, I guess we've all gotten emails from authors, Mr. Major and various others and from people alike. The illiterate rate is very high in this province. I don't know how shutting down libraries or taxing books is going to help with that. Maybe I'm missing something.

We are told on a daily basis we don't understand, and the people don't understand in the province. So I guess once again I'll call upon the government, maybe they can explain it to us in a better way. We don't understand and most of my constituents don't understand.

Madam Speaker, I live in a district with a lot of young, educated, working, smart people, so if they tell me they don't understand, I'll join with them because I'll say if you don't understand, I definitely don't understand. Maybe we'll wait one day and someone will enlighten us all. I am sure the Member for Cape St. Francis finds the same problem in his district.

Another email, Madam Speaker, I'd like to make note of. Again, these ones hit me. I'm a resident of CBS and as my family's member I would like to express my concerns to you about the Budget 2016 and the impact it will have. My husband and I have two young children. My first concern is the effect the proposed changes are going to have on their education system. Our youngest will begin school in September, entering full-day kindergarten program. One of the five kindergarten classes at our school will have 28 students, if not more, with two teachers in a room, under the co-teaching model. Even with an extra teacher, 28 children at this age in one classroom are far too many in order to give students attention required to be successful.

Well, we need that clarified, Minister, and I respect that's the answer I would like to be able to tell these parents –

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

**MR. PETTEN:** I'm getting these emails from many.

My next serious concern is closure of half the public libraries in the province. As I stated earlier and I spoke to the minister, CBS was spared and I am pleased about that. I am glad, and so is this person. But they are just, in general, again about the libraries.

Another point in her email, she said my final issue, I wanted to voice my concern on this levy. Personally we'll have to pay \$900 and it will not be an issue for us; however, I know many people who are already struggling with this huge issue and I don't think this tax was determined in a fair manner. I feel the overall approach in dealing with our province's debt through deep cuts, increased fees and levies leave us all with a very hopeless feeling about our future. Young and old alike, I think we all anticipated a difficult budget, but we had hoped for some more thoughtful approaches to increasing revenue other than cuts and taxes.

A very large issue for many, myself included, is the lack of communication and explanation of many of these decisions. As I said, we don't know – everyone is waiting for an answer. This has left a taste of mistrust and hurt, a feeling of betrayal in the mouths of many.

It was in the early days of this budget released that we needed some understanding and support from our leaders who were delivering harsh news and now it is very difficult to regain. Presently, government's attempt to reassure people are falling on deaf ears and are falling on deaf, broken hearts. It is pretty powerful when you look at that, Madam Speaker.

I have lots of these emails, and all my colleagues do too. Are they listening to the people that we're listening to? Because I talk to a lot of these and I get a lot of emails actually that ministers are emailed and they're cc'ing me, so I know the ministers are getting these. I respond to every email, Madam Speaker.

**AN HON. MEMBER:** As do I.

**MR. PETTEN:** I'm glad you do. That's good to hear. I'm glad you do respond to emails. I hope all you guys do respond to emails, and ladies, ladies and gentlemen, I hope you all do because never forget that's why we're all in this Chamber. That's why we're here. And I've always said that no matter – and I made it clear before, I don't care what party or stripe, when the people ask you – I've been asked by the people to represent them and if the people speak loudly enough, I will go with their wishes.

I'll use an example of a person – I said in my maiden speech I had a lot of respect for this person. I highlighted them in maiden speech, a former Member for Conception Bay South, Bob French. A lot of you probably know Bob. He has passed away now. I remember going door to door with him when the education referendum was being held, when Premier Tobin of the day was holding an education referendum on the denominational school systems.

It was a very divisive issue and up in my community, there was enough on both sides of the equation to argue it. But he went door to door and he was asked what his opinion was. I remember, point blank, we ran into a few irate constituents. He looked them right in the face; he said I will vote whatever you want me to vote. If the vote comes out and you want me to vote against it, I'm voting against it. Regardless of what I believe, I'm elected to represent you and I will follow your wishes.

I remember that's 20 years ago now, Mr. Speaker. That was along the way of learning and I really respected his opinion because he ended up voting, I think, against what he really felt in his heart and soul, but he went with the people of his district. It was admirable. I've said before I understand the dilemma you're all in over there. I do. And I'm not rubbing it in; I'm not. But I hear from other districts outside of my own and I know more people than just in my electoral District of CBS. I do know people outside of that who some of you people represent. They are really frustrated. They're desperate, but I do understand where you stand. I do. I really do.

I tell you, it's a decision and it's about choices. This budget is about choices. Your decision, what you're going to vote on this budget, is about choices. But just remember, you would not be sitting there without the people who voted you in and in four years' time, they'll be able to make choices. I guess that's something you'll have to answer then.

Thank you very much, Mr. Speaker.

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

**MR. SPEAKER (Lane):** The Speaker recognizes the hon. the Government House Leader.

**MR. A. PARSONS:** Yes, Mr. Speaker, prior to continuing on with the Budget Speech I just wanted to give notice, pursuant to Standing Order 11 and further to the Order Paper, 16 and 17, I would move that the House not adjourn at 5:30 p.m. today, Monday, May 2, 2016.

I further move, pursuant to Standing Order 11, that the House not adjourn at 10 o'clock p.m. today, Monday, May 2, 2016.

**MR. SPEAKER:** It has been moved by the hon. the Government House Leader that the House do not adjourn –

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

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

It has moved by the hon. the Government House Leader that the House do not adjourn at 5:30

today and further that the House do not adjourn at 7 p.m. today.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Contra-minded?

Carried.

The Speaker recognizes the hon. the Member for the District of Stephenville – Port au Port.

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

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

Mr. Speaker, while it's certainly a privilege to rise in this House to speak on any particular topic, it's with great difficulty to speak to this budget today. In fact, I was quoted on the record this past weekend as saying that this was a terrible budget. I believe the Member for Mount Pearl North referenced that earlier this afternoon in Question Period. So be it.

In fact, I certainly did say it was a terrible budget. It's a bad budget, a tough budget. There are a number of words you could use to describe it. Given the state we're in right now, this budget is something where a number of difficult choices had to be made.

In order to put into context some of the remarks that I wish to make today, I wish to let the Members opposite, those listening and some of my colleagues know the background of which I came from. I've spent the last eight years working with a non-profit organization. The non-profit organization I worked with primarily helped individuals who were unemployed seeking retraining, those experiencing homelessness and housing crisis issues. The particular clientele were those who had challenges with mental health and mental health diagnoses.

This work involved me communicating with a number of government departments on a daily basis: Advanced Education and Skills, Newfoundland and Labrador Housing Corporation and so on and so forth. Each day I would advocate for individuals to receive better

services and enhanced services and ensure that there was a safety net there for them.

As we listened to this budget debate unfold, one of the messages that the Members opposite keep raising, in addition to the Third Party as well, is how we're striking the low income the hardest. Nothing could be further from the truth when you take a look at some of the measures we put in place. In fact, no recipient of income support in Newfoundland and Labrador will pay a levy. That is a fact. No recipient of income support in this province will pay a levy. I just wanted to say that was important to point out.

One of the things that's been another constant reminder here – and the Member for Mount Pearl North said this just the other day – is that the blame game is a silly game. You continue to hear them say that. I can tell you one thing, acknowledging blame is one thing, calling this a game is a completely other ballgame. We're not here playing games; this is real life and this is a budget. This is a budget that's going to impact every Newfoundlander and Labradorian.

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

**MR. FINN:** The fact that it's going to impact every Newfoundlander and Labradorian is not lost on me and it's certainly not lost on us. I'll remind the Members opposite that this is no game. In fact, in order for me to explain to them how this is not a game there are two words I'd like to define, the first word being crisis. A crisis can be defined as a time of intense difficulty, trouble or danger. I'm not sure if they truly comprehend the understanding of that word.

The second word that we're using as well is unprecedented. The definition of unprecedented is never done or known before. Well, let me tell you, we are in an unprecedented crisis right now. The Members opposite are saying we knew we would be here.

Well, I can tell you when our Premier wrote the former premier in September of this past year and asked for a fiscal update, he did not receive an answer. In fact, they were forecasting a deficit of around \$1.89 billion.

**AN HON. MEMBER:** No, \$1.1 billion.

**MR. FINN:** Hang on now; \$1.1 billion in the fall. We get in and we're told it is \$1.89 billion. Then it's \$2.4 billion and if we do nothing, it's going to go to \$2.7 billion. So when you're saying the Liberals knew about the financial situation, nothing could be further from the truth. We were completely misled. There is no doubt about that.

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

**MR. FINN:** I'm sorry to those listening at home. I'm being a little heckled right now at the moment. That's okay. I'll compose myself. I have a number of things I wish to say.

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

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

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

The tax measures in this budget bring us back to 2006 and 2007 levels. It's very sad we have to go back in time now and correct something that Members opposite had every opportunity to do. People are upset with the Deficit Reduction Levy. People are upset with the HST increase. So be it; they have every right to be upset.

A couple of things I'd like to point out, though. In 2001, the highest earners in this province were taxed on a personal income level of 18.02 per cent. That's the highest earners in the province. In 2001, that's 15 years ago. With this budget, we brought them back to that 18.3 per cent.

Now, somewhere in between there, the year specifically is 2007, 2008 and 2010, the Members opposite dropped the highest earners income tax levels to 16.5 per cent in '07, down to 15.5 per cent in '08 and then down to 13.3 per cent in 2010. The highest earners in our province received just shy of a 5 per cent tax decrease at a time in which we hit peak oil. Meanwhile, the lowest earners in our province, their tax levels dropped 1 per cent in '07 and then remained the same. The lowest earners income tax levels remained the same. Meanwhile, they dropped the highest earners. So what we're doing right now in this budget is we've increased about 0.5 per cent on our first income bracket. We're gone back 3 per cent to the others.

The other thing is the HST. The Members opposite and the Member for Topsail – Paradise, the Official Leader of the Opposition saying, well, we ran on the fact we'd keep the HST. The HST was something they had dropped at a time in which they had no business in dropping. It's one thing to drop HST 1 per cent one year. Does anybody notice a 1 per cent drop in one year? The next year drop 1 per cent again.

Well, to take away that percentage and give everybody a benefit and for us now to go and say, no, we want that back. Well that's a terrible thing to do, and that's why people are frustrated. You can't just give someone something and then take it back.

The problem in doing that is they knew darn well at the time they were hitting peak oil production. For any Member opposite to say they had no idea there was going to be peak oil and no one could predict the price of oil, well I implore you to look back at some of the media and the context back in 2007-2008 when it was well known there was going to be peak oil. The average price in 2008 was \$148 a barrel.

With this in mind, knowing we had peak oil, the idea was let's drop HST. Let's decrease our highest earners income tax levels and let's let it roll. Now, here we are. So basically what we are doing right now is we are reverting to those '06-'07 tax levels. Nobody likes to hear that. It's terrible to talk in billions of dollars but this is the harsh reality we were faced with.

We didn't want to do this. I didn't want to come into government in my first year, my first term, someone with a non-profit background, trying to help our most vulnerable, I did not want to come in and increase taxes I can promise you that. I don't believe anyone sitting here today wanted to increase taxes but that was just a reality of a group that was running in an unsustainable fashion.

No one could have predicted the price of oil. What's also interesting to note is in 2014 the Auditor General, Terry Paddon at the time – and I'll quote what he said just in case anyone wasn't aware. November 2014, the Auditor General told the Members opposite: "We see with the weakening in commodity prices, in particular oil, that it could have a significant

impact on the forecast deficit for this year ... Paddon said provincial expenses are up 58 per cent over the last decade ...."

That was in 2014. In 2014 the Auditor General warned the Members opposite and reminded them that in the 10 years they were in power provincial expenditures were up 58 per cent.

Now, I don't know about anyone else here, but at a time when your expenditures are over half of what they would have been 10 years prior, why would you decrease taxes to the highest earners in the Province of Newfoundland and Labrador? Why would you decrease the HST year after year? Where's the plan in sustaining this? At a time when we were prospering and having money, there was no rainy day fund.

I'm proud to have been sitting here next to my colleague for the District of St. George's – Humber when the first private Member's resolution was introduced in the House this year and we introduced a legacy fund. What a novel idea, a legacy fund. Where was that thought? When there was so much time to consider the income coming in from oil royalties, where was the thought of a legacy fund? It was nowhere to be seen. In fact, the government expenditures were 26 per cent more per capita than any other province over those 10 years. They doubled our debt since 2004, and were warned by the Auditor General, among others and among economists.

Another thing during that time, and this is where I'll applaud the Members because I'll give credit where credit is due okay. The Member for Ferryland along with the Member for Topsail – Paradise have said, well, do you know what? I implore the Members opposite in government right now to name one thing, name one school we shouldn't have built, name one road we shouldn't have paved, name one hospital we should have built.

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

**MR. FINN:** I can honestly tell you this, I applaud you for your investments. I cannot tell you there's not one school you shouldn't have built, I certainly can't, but there are a few things I can tell you, you should have done. They could have done some work on the Harbour Grace

Court. They could have done some work in investing in looking at a sustainable plan. In any event, there are some things they could have done.

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

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

**MR. FINN:** There's one thing that I'm learning, and that's in Estimates. To those listening at home and to those watching, I'll explain to you a little bit about what Estimates is.

Essentially, we're sitting here in this House most mornings from 9 until 12, and then again in the evenings from 6 until 9, at which time the minister of each department goes line by line through all of the things in their portfolio. The Members opposite get every opportunity to ask a question.

What I've commonly seen, because I've attended just about every Estimates Committee there has been, even the ones I'm not required to attend because I'm learning line by line how our Cabinet and how our various departments made some of the decisions they made. These are not ones that affect everyday Newfoundlanders and Labradorians and these are not tax increases, okay. These are things that could have easily been done year after year by the Members opposite.

For example, the Minister of Environment and Conservation, the Member for Lake Melville, sat here the other day with his department officials. We're going line by line and the Members were asking questions. They said, well, you see last year we budgeted approximately – I'll just throw some figures out there – \$80,000 for Transportation and Communications. That was your budget. Now you actually ended up spending about \$120,000. So this year you're going to expend about \$40,000.

Why the decrease? How did you get here? How did you drop your expenditures from \$120,000 last year down to \$40,000? A typical answer, and the answer from the Environment and Conservation Minister was quite simple, we're going to do less helicopter travel this year. We're going to do less travel. We're not going to go to that conference this year. These are

small things and these things are happening in each and every single department.

Purchased Services, Property, Furnishings – these are the types of expenditure lines that are going from \$50,000 down to \$10,000. The Member for St. John's Centre said we nickelled and dimed departments. Do you know what? In some cases we certainly did nickel and dime departments. I can't quite understand why the Members opposite didn't look at doing something similar when it comes to things like office supplies.

What is it with this March madness every year? At the end of the year, every March, every department has all this surplus money leftover and they want to go buy pens, papers and pads. It's essentially March madness. So what we've done and what every single department has done is they've taken the time to go line by line through these items, Mr. Speaker. We found \$100 million in savings through this type of exercise. I don't understand how they had 12 years and they did not take one opportunity to have a look at this. It's absolutely mind blowing.

When our Treasury Board did their line-by-line review along the same lines as our Estimates here, there were some comments made, some comments that were quite appalling actually. Never before has there been a line-by-line exercise like the one undertaken this year was the comment made – never before.

So at a period of time when your oil has hit peak production, you're receiving the most royalty, you have a surplus, you're decreasing taxes, yet you never took the time to go line-by-line estimates. Past ministers usually didn't read line-by-line estimates until they were in the House. I don't know what they were doing for the rest of the year. Some departments had never even met with the Finance Minister before. There are agencies, boards and commissions that had never sat down with the Finance Minister in the past.

When you look at the amount of things that we looked at some actual savings in, I don't understand why they didn't do that. I can certainly applaud you for your investments, but I have no respect for the fact that you did not take the time to go line by line through departments



and look at some serious savings in areas as simple as communications. Not going to go to that conference this year, we're going to limit travel.

Some of the other common questions in Estimates, they're saying look at the salaries here. One was interesting with the Department of Business, Tourism, Culture and Rural Development. When we looked at that department there and they were looking at salaries they said there are a couple of positions here; there must be. We had budgeted this X amount of dollars, the revised amount is here and now you're going to spend less. The answers simply are we have these vacant positions; we're not going to fill them. In Estimates the Members opposite say oh okay, very good.

What we're saying is we're willing to work harder and make do with less. Our attrition plan is very much the same as your attrition plan, except that we've actualized it in various departments where there are vacancies. That's where we found significant savings. I still can't understand why you haven't found savings there yourself.

With respect to fees – here's another interesting one. We commonly heard that all these fees – there are some 300 fees and these fees are going to increase. This is a difficult sentence to say, but there are one or two good fee increases. There certainly are. The Department of Justice is looking at increasing the Victim Fine Surcharge. Is that a bad fee increase? I'm not sure if they ever considered something like that. The Department of Environment and Conservation –

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

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

**MR. FINN:** – did a federal, provincial and territorial scan and looked across the entire country and they found that multi-national corporations that do things such as mining exploration, what have you, and they looked at it and they said we're way behind the times. When you look at the rest of Atlantic Canada, we were paying significantly less, thousands and thousands of dollars less than any other areas. So they said my God, some of these fees haven't

been increased since '97; '97-'98 was the last time this fee was increased. Nova Scotia is over here charging \$20,000 more than we are. Why don't we get in line with the rest of the times?

These are things that the other Members opposite had time to look at in departments and look at some of these fees and are they practical. We're also looking at cost recovery on these fees. There are many services that we provide to these corporations and companies which we're not recovering any cost for, and other jurisdictions are. These are the types of fee increases that actually made sense.

I ask the Members opposite to somewhere look into some of these fee increases with Environment and Conservation and ask how it impacts everyday Newfoundlanders and Labradorians because, quite frankly, it actually impacts multi-national corporations that are going to be doing environmental impact assessments and other things across our great land.

In addition to the Estimates and addition to the fees, some of the other things that were mentioned: Why didn't we look at Alberta? The Member for Topsail and the Leader of the Official Opposition said now Alberta is taking a much different approach. Now yes, they did, and I would wager to guess that everybody here knows we are quite different than Alberta in size, income and particularly population.

Some of the things that came back from Alberta's budget – well, recently Moody's has downgraded their credit rating. Quite the opposite of what's happened here recently when we took our budget measures. I just want to read another quote and this one is from an economist, the University of Calgary. Ron Kneebone said: "Newfoundland's interpretation of the fall in the oil price is that oil is not going to come back any time soon. So rather than accumulate a whole bunch of debt" – out of quote now, sounds familiar – "waiting, hoping, praying that oil prices will come back, they decided to take action to close the deficit. Alberta seems to be deciding to do the opposite."

We even have economists that understand that stimulating your economy at one time is one thing – and I would wager that if we had the

amount of income and the amount of expenditures that Alberta had, we would certainly look at stimulus as well. We didn't have that opportunity. We certainly didn't have that opportunity because the Members opposite had 10 years and approximately \$25 billion in oil revenue that they wasted.

If they had to save one-tenth of that, we would not be here today – one-tenth of the royalty generated.

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

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

**MR. FINN:** I'm going to read another one, the president and CEO of the Atlantic Provinces Economic Council. He said: "In Alberta, it is a repeat performance, and governments evidently did not learn from past cycles." In a few years from now, they may wish to revisit their government's choices.

"And to its infinite credit, the government has presented a seven-year plan that eventually looks for Brent crude prices above \$70, and that shows a path to somewhere in the general direction of balance." Finally we're getting to a position of balance after years of not even considering saving, decreasing the taxes on our highest income earners and decreasing the HST, the whole while it wasn't sustainable.

In addition to some of the other opportunities they had, I just can't help but shake my head. We're here now looking to future generations. We're looking to protect the future generations. We're looking to protect my children, my children's children and so on and so forth. So difficult decisions had to be made now.

Nobody wanted to be in this position. Not one Member on this side of the House got here and said this is what we're going to do. This is the plan; we're going to increase all these taxes and upset everyone in the province and impact everyone. That wasn't the intention, nor certainly was it the idea.

**MS. MICHAEL:** (Inaudible).

**MR. FINN:** I'll come back to that, because the Member for St. John's East – Quidi Vidi just

said say that again. When you talk about low income, I referenced it earlier; no one receiving Income Support is going to pay a levy fee. Our Seniors' Benefits has increased. In fact, anybody with \$40,000 of a net income will receive a percentage of our Income Supplement benefit which the Members opposite don't want to talk about.

When they talk about our levy, they say anybody less than \$20,000 is going to pay a levy. I implore them to read the document a little further. That's \$20,000 taxable income. There's quite a significant difference between \$20,000 income and \$20,000 taxable income.

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

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

**MR. FINN:** Conceivably you could be making \$31,000, \$32,000 gross income and still not have to pay this levy. Taking things out of context is one thing, but misleading us to get into a financial situation is a complete other.

We were going to face a position with a \$2.7 billion deficit. How would we continue with our day-to-day government services? How would we continue with paving our roads? How would we continue with people going to the hospital? We cannot continue on a path and just kick the can down the road like the Members opposite wanted to do year after year. It simply does not make sense.

Right now, we've made some tough decisions, decisions that I'm not proud of, decisions that our Finance Minister is admittedly not proud of as well. These are decisions that have to be made now if we want to have a stronger future. These are decisions that have to be made now.

Thank you.

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

**MR. SPEAKER:** The Speaker recognizes the hon. the Member for Ferryland.

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

It is certainly a pleasure to rise today and speak to Budget 2016. I had an opportunity to speak to

the main motion. I'm certainly glad to have an opportunity today to speak to the amendment.

We just heard from one of the newer Members from the government side of the House. He referenced some things about the budgetary process. I've had the opportunity and the privilege over the past number of years to spend some time in Cabinet and go through the budgetary process. So I assure him it is extensive and it does go line by line.

There's a tremendous amount of time and detail goes into that process, not only by Cabinet and the elected officials but by public servants. It is an exhaustive program we go through in terms of looking at all aspects of funding within the envelope of a particular department. The operations of the department, human resources, funding envelopes for various programs within the department. All of that is assessed and looked at, where we're going and to look at scanning other jurisdictions and things they're doing to make sure we have the best data available. If other jurisdictions are doing things well, we can adopt that and look at it as well. I would say it is very comprehensive, our time in government doing that and looking through budgets.

We've heard a lot of discussion on this budget since it was announced in regard to the approach, the plan, how it is articulated and how it's been explained to people. I think that's very important. I think all of us recognize in our province there were challenges.

Last year, in 2015, when we brought down the budget, at that point we indicated indeed there were challenges and we needed to make some significant changes in terms of what we were doing. We looked at taxation and increasing revenues. We talked about HST. I think there were over 200 fee increases at that particular time, some new fees.

Then on the other side of the ledger you have to put a balanced approach. It's not only about raising revenues through taxation, through fees and income and those types of things, it's a balanced approach. It's a balanced approach with being able to lay out for people over a period of time how you're going to improve the situation, what it's going to take to get to a

balanced budget over a period of time and give people confidence that you have a clear vision and a clear direction of how you're going to do that.

The issue with this budget, it doesn't lay that out. That's why people are frustrated, confused in terms of how we're moving forward this year and fiscal years to come. People just want to know that; they just want to know. They have a lot of questions. They just want to know where we're headed and how we're going to get there.

Since the budget was announced there's a lot of discussion on various aspects of it. They talked about a levy. A levy was introduced across the board pretty well. People have to pay that, and that's direct dollars out of people's pockets.

One of the things as well last year in Budget 2015 we looked at, we introduced two new levels in regard to personal income tax for the higher wage earners.

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

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

**MR. HUTCHINGS:** As part of the taxation and a balanced approach, we implemented that last year as well; along with some of the things I said in regard to taxation, fees, laid out for people a five-year plan so we could let them know what the future holds for them and how we could get that back to surplus. With that, we laid out things as well like an infrastructure plan for future years as well.

As you go through that, in that process, as any government – and the government on the other side is doing now – that's fluid because sometimes from year to year, which in that period, you have to make adjustments. That could be related to unforeseen expenses from revenues when you look at various global commodities that we deal in and what's happening around the world and geopolitical things that are happening all affects what's happening in regard to things like oil, iron ore, gold mines in Baie Verte.

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

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

The Speaker is having difficulty hearing the hon. Member. I'd ask all Members if you have conversations, if you could take them outside.

The hon. the Member for Ferryland.

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

As I said, those commodities are affected worldwide by activities; plus, as a resource-based province, whether it is the fishery, mining, oil and gas, for example, all of those are affected by happenings around the world. Often, from time to time, going through an actual fiscal year could significantly affect the budget and what was projected in regard to revenues.

We respect that from time to time it has to be readjusted, as you go through based on activities around the world and what's happening with some of the key components of our revenue generation in regard to industry and then that flows over into corporate taxation. As industry slows, often corporate taxes reflect that. Personal income tax, as it trickles down, we all know that as industry goes, so goes personal income, wages, people working and all of that then is interrelated into what flows back to a government at any particular time in terms of the revenues and what they are generating.

Having said that, when looking at the current government, they came in and they looked at where they were and the decisions they had to make. There's some looking back and blaming a prior government in terms of actions you're taking. Well, when you come in a government, no matter when you come in, the choices you make are the choices that you're building and looking to the future and arriving at. So you take responsibility for that. You take responsibility for your choices. There's always an array of choices you can make. There's a road you can take. Those choices you make reflect that road you're going to take.

Whatever that is, whatever those choices are, the type of taxation, all those variables, whether it's driving the economy, looking at economic diversification, going to bring in new initiatives, going to look at innovation, going to look at research and development, all of those variables are choices that any government makes. You're held accountable for those choices and so you

should. They all reflect into a budget and how you're going to look in moving the province forward in the next couple of years.

Last year at budget time we laid out that there was approximately a little short of \$1.2 billion in regard to a shortfall. As we moved through the year, we saw things like oil prices reduce, reflective of happenings around the world. As we moved through August, it was quite clear that the deficit would be much greater than that.

The hon. Member suggested earlier that they didn't know. Well, everybody else knew and we knew we had a \$1.2 billion deficit last budget that was announced. As we went through, all the documentation indicated what the reduction in our revenues would be based on a barrel of oil, even if it was reduced by a dollar a barrel of oil, easy calculated on what the overall reduction would be. That was all available and at the very least you would have a \$1.2 billion plan to deal with the deficit from last year.

We knew during the year that was growing, mainly due to what was happening and the reduction in oil prices. Even since the writ last November, when you look at what's happened and the loss to the province in terms of revenues, it's almost \$400 million. That happens because of oil prices, because of the reduction in revenue. That's just the reality of what happened around the world.

Once you come in, you run on a record. You say here's what we believe are the fundamental principles or fundamental pillars that we're going to operate and run a government on. You come in and you're expected to adhere to those principles and run the government in regard to budgets, in regard to providing programs and services for Newfoundlanders and Labradorians. That's the key element in terms of any government in terms if you come to power.

To say you didn't know, well, that's a bit much. It's a stretch. It was all available. All the information was there. Then it's about when you come in, you assess where you're to – and fundamentally, it could be ideological in terms of what your beliefs are – and you lay out a plan ahead. This government certainly did that. They laid out a plan which, for the most part, looked at increasing taxes and fees. Significantly on the

revenue side in that regard, but nothing in terms of economic diversification of how we're going to generate new dollars and new wealth into our economy.

If you look at the years out, there's very little in terms of factored in for future revenues from new industry, new activity, economic diversification that we heard so much about from this government when they ran last fall on an election campaign. They had the ideas, they had the innovation, they had the captains of industry, they had all these ideas they were going to bring to the people of the province once elected and we would start seeing that.

We've seen none of that in this budget, none of the projections in terms of future years and where they are and how that's going to be developed. I don't know where that is in the budget. We've heard things like they were going to sell off assets and have \$50 million, for an example, as part of that in this year's budget in the revenue stream. I asked in the House, the Minister of Finance where that was. It's not going to be in this budget, but as far as we can tell it's nowhere to be seen.

That was another issue in terms of they had a plan for that. Something obviously as significant as \$50 million that would be garnered in this fiscal year; again, no mention of that. We don't see it. As I said, when you come in and lay out for people a variety of areas in where you want to go, it's important that you can lay that out for them.

We look at things like the HST. Last year we brought in that we needed to raise extra revenue. We increased the HST from 13 to 15 per cent. Over the whole year it's about \$180 million to \$200 million. We know the Leader of the Opposition at the time then, back at budget time last year, came out unequivocally, right away said, no, we're not going to do HST. It's a job killer. We're not going to do it.

He campaigned he wasn't going to keep the HST. He got elected and then shortly thereafter said cancel the HST. Then in a budget he brought down, he said we're bringing it back. The HST is coming back.

What we did in that period of time, we've lost anywhere from \$80 million to \$100 million, based on that decision alone in terms of extra revenues. Maybe what we raised could have been revenues in less of the levy. Some of the services we've seen cut in the current budget could have been offset by that. That's the kind of decision making we wonder about, and certainly the people of the province wonder about, in regard to why the decision was made in that particular regard.

One of the other things we've seen with this budget, and any time an economy starts to slow, is the consumer spending. As we know, the money that people have in their pockets to spend from our cities and towns to our very small rural communities, it all trickles down. That drives the economy. The small businesses throughout our great province, it's so important that people have the ability to spend.

What we've seen with this budget is that it continues to take and take so many dollars out of people's pockets from all demographics. I guess at some point in the economy you have to get to the point where you reach that threshold where you're taking so much out that you're slowing the economy.

Even in the documents from the actual budget, the government even acknowledges they're slowing GDP based on some of the things they're doing, which is quite alarming because we need to see our way through the next couple of years. The way to do that is a balanced approach. That's what we've talked about, certainly us on this side and I think many around the province have talked about. We need a balanced approach here. That means we have a slowing economy based on a lot of the commodity markets and what's happening, but still a lot of good things are happening here in the province.

There's a bright future in Newfoundland and Labrador in regard to the resources we have and how the future looks, and the investments we've made over the past number of years. Certainly in our youth and driving the ability of families to raise kids here, wanting to stay here. Having an opportunity through our post-secondary institutions and what we've done and how we've built them, through Memorial's Grenfell

Campus in Corner Brook and various other post-secondary institutions like the Marine Institute. Developing the high expertise and educational institutions that not only reflect domestically our students and young people here but, because of it, we get people coming really from all over the world to visit these institutions, to study here.

As we know, our demographics are not going in the right direction in regard to population growth. That's all a benefit that we can attract not only our local students, but certainly those from around the country that come here, that study, that get integrated into our lifestyle on our way of life here, like it, want to stay here. That helps the overall population growth that we're looking at achieving. That's all part of building that infrastructure and that environment where people come here. It's extremely important to do that.

With that, we have to continue to build with the infrastructure, but it's a balanced approach, as I said. I know this year I think there's a little over \$500 million – I think government mentioned earlier – in regard to infrastructure spending. I'm sure some of that would be previous projects that were approved and we're seeing those through completion. They would have been contract and tendered in various amounts. That would be spent to continue that infrastructure build and things we need to do.

The other critical component of any community in any region to continue to grow is that we have those infrastructure resources available for young families, middle-class families and seniors. That goes for the full span of schooling, recreation facilities, hospital facilities. All of those things so people are happy and secure and feel comfortable living in an environment where they can, in a reasonable amount of time, access those services.

That's why it's so important, as I said, a balanced approach. We look at where we are and make sure we have that environment that we can continue to grow and grow our economy. This budget certainly puts that in somewhat concern. We're hearing that right around the province in terms of the approach that's taken, not balanced, not really giving us, I don't think, the future people expect us to have.

There's been some information in regard to – even so far as the Opposition is not putting out the right information or we're not talking about it right. I mean that obligation is on the government to communicate what their plan and what their vision is and let people know. As I said earlier when I started, everybody understands there are difficult decisions, difficult choices, but it is about choices and you're responsible for those choices you make. Government before, I've certainly been part of, you make tough choices but you lay it out for people and the people will decide.

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

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

**MR. HUTCHINGS:** Some of the things we've done over the past number of years in regard to all activities in the province, people's take-home pay, standard of living, all those things, building infrastructure was all part of reinvesting those dollars that we were able to accrue many through natural resources, through oil and gas, all of those things that allowed us to grow our communities, our regions and all parts of Newfoundland and Labrador.

Other areas that we could have looked and government should have done and continued to is the area – I've talked about it before – on equalization. To be part of the Federation of Canada means at times of very good times in a provincial jurisdiction, you don't access an equalization fund to help you deliver services at a reasonable rate. Anytime, for whatever reason, you have a reduction in revenues, the federal government that has been part of this federation steps in and through help through the equalization fund, allows you to provide those services at a reasonable taxation rate.

What we've seen in the equalization formula there is a component of it called the stabilization fund which allows when revenues drop below 50 per cent from one year to another, from resource revenue, there is a bill there to access some funds. Even over and above that, you look at the past number of years since we've come off equalization, we've contributed greatly to Canada, industries and the activities that are here through corporate tax, through employment, through personal income tax, driving small and

large entities and corporations from around the world and all of our industries.

At the time when we were back receiving equalization, we oftentimes over a 10-year period would get \$1 billion to \$1.5 billion from equalization. What we have lobbied the Premier and the government today to do is to be much more vocal and much more in an advocate's role in Ottawa in terms of getting a fair share at this particular time of some help.

We've seen Alberta and Saskatchewan very active in terms of making the case of the contribution they've made to Canada over the past number of years. At this particular time, which is really when you go back and look at federally in Canada what's happened, the drop in oil prices has been dramatic and it's had significant impact on particular three provinces and Newfoundland and Labrador.

So because of that they're making the case that the federal government should certainly step in, recognizing there's a formula in terms of being reassessed in the equalization formula, if you will, it has to be three years out and then I think it is two years for the assessment to be done. But, having all that aside, the federal government at various times – you look at Ontario and the automotive industry – have stepped in and helped. You can do it under the equalization fund or you can do it under something else. They've done that in the past. Bombardier in Quebec is another good example where they've stepped in with billions of dollars to assist that industry. That's fine because that's what being part of Canada is all about.

We don't seem to want to advocate for that and that's alarming to Newfoundlanders and Labradorians. If we did, and were successful, you could certainly offset some of the things that we've seen in this budget that would carry us through a year or two of rough times. That's important that as part of Canada we have the ability to access that, to fight for that and to advocate for it which will see us through.

It's all about creating an environment in Newfoundland and Labrador where that economy continues to grow and we're able to provide those goods and services for Newfoundlanders and Labradorians.

Equalization is all about providing the services at an equal level of taxation. From what we've seen in this budget, we've gone down a road where everybody knew we had some tough choices to make, but the choices that have been made are going to hinder the lifestyle of Newfoundlanders and Labradorians of all demographics. It's going to further hinder a slowing economy in Newfoundland and Labrador as people are reluctant to spend. There's no vision, there's no direction, there's no future here in this budget in regard to what the plan ahead is.

We heard from this group back in the fall. They had a plan, they had a vision, they had pillars they were going to stand by, but they've all been pushed aside at this stage. The people in Newfoundland and Labrador are extremely worried. It's time for this government to step up and assess where they're in regard to this budget. We're at a very important point in Newfoundland and Labrador and where we are today.

I won't be supporting this budget, Mr. Speaker. I encourage everybody in this House not to do it as well.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The Speaker recognizes the hon. the Member for Placentia West – Bellevue.

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

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

I'm certainly glad to have the opportunity to rise today in this hon. House, as I am always pleased to rise to speak to any piece of this legislation, but this budget particularly to give my response to it. As many of my colleagues have already stated, this is not a budget that we are happy about, but it's a budget that has made tough decisions because of the inaction of the previous government.

Let's look back, Mr. Speaker, at some of our province's recent history. Our government has been in power for four months and we're prepared to answer for every decision that we've

made since we took the reins. We're prepared to accept and acknowledge that we are asking the public to make some sacrifices, and to live with the reality of a difficult budget. We're not prepared to accept the blame and the result of the mismanagement of the previous government. The decisions that were made in the past 12 years by the PCs, while they were in power, it seems like they aren't even willing to answer for those.

We got the crowd opposite, Mr. Speaker, six of seven of them who served in the PC government. The seventh new one really was in government anyway as a staffer. So we might as well say all seven were in there, Mr. Speaker. Every day they come into Question Period and they're deriding us for the decisions we take today. They're refusing to acknowledge their role in bringing us to where we are today.

I think the people of my district and the people of Newfoundland and Labrador are well served by seeing the full context of the place we are in today. So let's just go back over some facts.

In 2003, when the Members opposite took over, Mr. Speaker, the province's budget deficit stood at \$914 million. Just for a quick reference, our net debt today is \$12.6 billion. It took us 66 years to get there since we joined Confederation. If we did nothing, took no action whatsoever, that number would double in the next five years.

I think it's really important for the people at home to take into account the gravity of that number, how large that number is that in 66 years we've arrived to the point where we are today. If nothing changes, if no measures were taken to mitigate the excessive spending the Members opposite put forward for years and years and years, in the next five years that number would double.

Adjusted for inflation, the debt in 2003 was more like \$14.27 billion. Government back then surely had a huge problem, facing a tough economic situation. They faced huge pension liabilities and a huge structural deficit, and faced mounting debt levels.

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

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

**MR. BROWNE:** So, naturally, Mr. Williams and company came into power trying to take measures that were necessary to correct the province's course. Interestingly enough, Mr. Speaker, we see in the news of the weekend, Mr. Williams was out actually advocating for some of the choices that were made in this past budget, saying they were the necessary choices. It's interesting that Members opposite aren't so adept now to follow his words as they were for the 10 years of power that Mr. Williams was in.

They went to war with labour. They sacrificed a whole pile of their own political capital at the time to attempt to get the province's finances under control. Then something happened, Mr. Speaker. The oil started flowing and the prices started rising. They rose and rose and rose to the point where Danny Williams and his government at the time paid no heed to the financial situation. They spent, spent, spent, spent and spent some more, Mr. Speaker. That is the result and those decisions are the product of where we are today. They had so much cash coming through, Mr. Speaker, that they didn't know what to do with it. They just put it out through the door and they couldn't spend it fast enough.

With oil royalties and Atlantic Accord payments combined, they had their hands in some \$25 billion, Mr. Speaker. How many doors did I go to, and all the Members of this Chamber go to last year. The question on people's minds was what happened to it? Where did the money go? Where did the \$25 billion go? No one seems to know. It's gone, and today we are left with a huge mess to deal with.

They blew all the money. Even when prices were high, they posted a surplus budget only three years. That's the definition of mismanagement in my opinion, Mr. Speaker. High oil prices gave them a few more surpluses that they didn't even expect. They weren't planning for those. Only for the price of oil went up so far, otherwise they'd have even more deficits. Their spending was out of control, even when oil was at its peak.

They cut taxes for the rich and implemented all kinds of giveaways and goodies meant to keep voters on their side. It's interesting, Mr. Speaker, in this budget it is proposed that the highest



income brackets will be going back up 3 per cent to 18.3 per cent.

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

**MR. BROWNE:** Mr. Speaker, 18.3 per cent. The highest income brackets will rise by 3 per cent. The last time that number was comparable was in 2001 when the Liberals were last in power.

Successively, from that point forward, the former administration kept reducing them, reducing them and reducing them. In the same time that they were reducing taxes for the rich, Mr. Speaker, they were flat lining taxes for the lowest income people. They were doing nothing to stimulate the economy for those with less money.

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

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

**MR. BROWNE:** They continued to lower taxes for their buddies and the rich people, and right now we are taking action to correct those changes. They did absolutely nothing to tackle the financial situation that confronted them at the start of their government. They tried at the beginning but they failed miserably, Mr. Speaker. They continued then, a path forward to where we are today to where they have spent nearly every dollar the province had.

They thought they won the lottery. They had billions in oil money blowing through their coffers. They could afford to wait another year, another five years, another decade to sort out the financial mess, but as long as the oil was pouring in what did it matter.

Well, we all know what happened, Mr. Speaker. They'll tell you they didn't see it coming. They didn't see the drop in oil prices coming, as if the economic history of oil as a commodity had always shown a trend of positive growth. This crowd wasn't aware that oil is a volatile commodity that's subject to the whims of global market forces and they weren't qualified to run this province. After 12 years in power, the people made that conclusion and ushered them out in favour of strong, fiscal accountability and strong management.

So here we are, Mr. Speaker. I think it's important to put some things in context and I think I've done that now. Here we are today, this is 2016, the money has been spent, the debt has been increased and the cupboard is bare. The Members opposite left the cupboard bare when we came into power and they wouldn't even tell us what the true facts were before the election.

Our current Premier sent a letter to the former premier September 28 of last year asking for an updated fiscal statement and we couldn't get any facts. We went into an election with an understanding that the deficit was at \$1.1 billion, only to come in here and find out that number was nearly \$2 billion – not \$2 million, \$2 billion.

Mr. Speaker, that number today would be nearly \$3 billion. If that's not the definition of mismanagement, I don't know what is. They left this place in an awful, awful mess. Now we've begun to clean up. We recognize that the revenue measures in this budget are not easy.

Mr. Speaker, since the budget has come down I have made a point to travel through my district to speak to constituents. I have a very large rural district, stretching from Marystown on the Burin Peninsula right up to Goobies and over to Long Harbour and Norman's Cove, Long Cove, edging onto the Avalon Peninsula. I have a very large district and I've made a point on the weekends when the House is not in session to go back into my district, attend as many functions that I can fit into my schedule, as many meetings that we can get to and talk to the people of my district.

I know these are difficult choices. They're difficult choices to accept. They're difficult choices, to think that we had \$25 billion worth of oil royalties in the last decade and where has it gone. Why are we coming back to the people of Newfoundland and Labrador now and saying we all have to be part of the solution to help get us out of this mess.

We've begun to clean up. We recognize these measures are not easy but the alternative, Mr. Speaker, allowing debt levels to reach such a point that interest payments become the largest portion of our budget, that's just not something that we can accept. I don't think that's

something the people of my district or the people of the province can accept.

Yes, there will be debate on what measures should or should not have been taken, but, Mr. Speaker, something had to be done. There are many measures that I believe the people of the province know that we had to take because of the mess that was left by the other side, Mr. Speaker. As I said, the debt we have today that took 66 years to accumulate would have doubled in the next five years if spending was allowed to continue, and that is not a reality we could live with.

So we're more or less now back to square one. We're right back to where the other crowd started in 2003, and we will succeed where they failed. Our budget, difficult as it is, is honest and presents a credible and a sensible plan for returning to surplus and for easing the financial strain on the Treasury.

This is not a problem that we got into overnight, Mr. Speaker, and it's not a problem we're going to get out of overnight. That is why we are taking a sensible approach to tackling this issue over the long term. Our creditors and our credit raters recognize this, and so do members of our public service.

Speaking of the credit rating, Mr. Speaker, I know there's been a lot of comparison to the Alberta budget. Actually, Dominion downgraded their credit rating after their budget and our credit raters maintained our rating. So clearly, the banks are responding positively to our messages.

There is nothing in the budget that is left to chance, Mr. Speaker. Certainly, oil prices could shoot back up to \$140 a barrel, and that's something Members opposite will certainly count on. They would plan a budget, Mr. Speaker, that counts on the price of oil going up rather than banking on what it actually is and planning sustainably for that. That would be very timely for us, as the Hebron project is scheduled to come online in a year or two.

I'm very proud to say that in my District of Placentia West – Bellevue we've been very intricately involved in the Hebron project. The DSM module was just constructed in

Marystown. It finished up at the end of December, employing some 1,300 people. I actively now in my role continue to work with the site owner to see what the next steps are for the people and the workers in Marystown. Of course, that was shipped to Bull Arm, which is also in my district, where thousands of people commute to every single day creating economic wealth here in the province. My district is very integral to the Hebron project.

Our budget, Mr. Speaker, is designed to assume that we will have to deal with low commodity prices for the foreseeable future – which is more than we can say for the Members opposite who continue to bank on oil prices that just weren't there. Our budget doesn't bury its head in the sand or ignore problems that we face or hope for the forces of history to turn in our favour.

I can tell you, and I think the Member for Mount Pearl North said this last week and I appreciated the comment. He said, I don't think anyone on either side of the House enjoys this budget or sitting through this proceeding. I have to commend the Member for Mount Pearl for that statement. I think he's right. I don't think anyone is taking pleasure in this. Now don't expect me to say that too often, but I think he's right on that point. I think no one takes pleasure in this and we regret that we are in this position, and we wish the crowd opposite perhaps would take a little more accountability for the decisions they made.

But wishes and regrets, Mr. Speaker, are not going to fix this problem. Only action can fix this problem and that is what this budget begins. It's our first steps and our first actions taken to correct the province's untenable financial situation.

As difficult as this budget is, it does contain some positive measures which have been totally outweighed in the commentaries from the Opposition and in the media. I'm going to spend some time helping to inform my constituents here today who are watching at home, there are some positive measures they should know about, Mr. Speaker.

For instance, the budget contains a new Newfoundland and Labrador Income Supplement which would be a quarterly

payment to low-income residents of the province. This new Income Supplement is intended to take care of these people – the people who need our help most – and to lessen the tax burden on them. For a single earner family of two adults, and two children under six, with a net income of \$40,000, they would receive an average annual supplement of \$910 and a quarterly instalment of \$227.

In addition to the Income Supplement, Mr. Speaker, there is also what we're calling the Seniors' Benefit. It will be paid to qualifying seniors in addition to the new Newfoundland and Labrador Income Supplement.

I'll just give an example. I've had a lot of seniors call me concerned about the impact of the budget on them. I think it is very important they know the facts and get the information that will help them.

I will give you an example of a senior couple making \$26,000. They would stand to gain \$250 on the Seniors' Benefit and another \$510 from the Income Supplement. That's a net gain and that is a benefit to seniors in our province; the very seniors who helped build our province and our communities into what it is today. Those facts aren't known out there.

I encourage anyone in my district to reach out to my office and to call us for any information they want. We have access that we can calculate what it is they need, in terms of what benefits they have. They can reach my office at 891-5607. It's like an infomercial here today, Mr. Speaker. I certainly encourage them to do that because I think the more information we can get out, the less fear that will be out there. I don't think there is any benefit to anyone in the province to have a whole pile of fear. The facts will be the facts and we can debate the facts as they are, but to just promote fear for its own sake, I find extremely problematic.

We really mean it, Mr. Speaker, when we say that looking after the most vulnerable in our society was one of the biggest considerations in this budget. Each revenue measure in this budget was carefully considered with that in mind.

Another thing with this budget, it brings taxation back to a sustainable, structurally sound level.

Of course, increasing taxes is the last thing we want to do as a government.

I believe the Member for Stephenville – Port au Port said it, he just got here, he spent years working in his career. He came here to make a difference and the last thing you want to do is come in, in a new government, and have to raise taxes. Unfortunately, Mr. Speaker, the Members opposite didn't leave us a whole lot of choices. They didn't leave a whole lot of tools in our toolbox and, unfortunately, we are having to make very tough decisions.

After 10 years of Tory tax cuts and giveaways, our Treasury has a structural revenue problem. We have a shortfall. For years the Tories have plugged this hole with oil money, banking on oil money that oftentimes wasn't there, but we don't have that luxury anymore. We will not continue to plan based on oil prices that may or may not rebound.

Even though the personal income tax levels, Mr. Speaker, are being raised in this budget, Newfoundlanders and Labradorians will still pay less in taxes than they did in 2006-2007, which was the beginning of the drop in the tax rates and the tax cuts that clearly the people of Newfoundland and Labrador could not afford in the long term. Another decision made by the previous government that was unsustainable.

There are also a number of initiatives in the budget that will improve the lives of Newfoundlanders and Labradorians. We're still spending \$8.48 billion in this budget. Money will still be flowing, Mr. Speaker. I'm very proud to say that I will be helping communities in my district to access the funding they qualify for, for the enhancement and development of those communities, which includes \$570 million in infrastructure spending. This means spending infrastructure assets that will benefit people across the province.

There's almost \$64 million in there earmarked for the widening and paving of the Trans-Labrador Highway, which is something that was long neglected by the previous government. Whenever I hear about the Trans-Labrador Highway it's reminiscent of Humber Valley Paving and the fact they didn't do a whole lot with it.

**AN HON. MEMBER:** Who?

**MR. BROWNE:** Humber Valley Paving.

There's \$9.3 million for the completion of the Placentia lift bridge, which is just adjacent to my district. The people of my district in the Long Harbour area, certainly of Chapel Arm and Norman's Cove area would use some services and fish out of Placentia. This is a very important investment for that area.

There's \$72.7 million allocated for approved multi-year capital works projects, including municipal capital works for communities across Newfoundland and Labrador.

There's \$88 million allocated for education infrastructure projects and a further \$16 million for repairs and maintenance. These are investments that will benefit the people in our province now and for more years to come.

Another big area of investment in this budget is the \$431 million towards the pension liabilities for retired and retiring members of the public service. Obviously, there are a lot of measures contained in this budget, Mr. Speaker.

I'll wrap up by restating that we are aware that it's a difficult budget. I personally am very aware of that, and I am open to talk to any of my constituents at any time, any place they so choose. Anyone who wants to reach out to me should email me or send me a message and I will certainly get back to them in short order. I will explain whatever facts that they want to.

We simply can't allow things to continue as they've done for the last dozen years. We refuse to be in the position of looking back 12 years from now at this opportunity, at the moment of the start of a new government, and saying that we could have acted, we should have acted but we didn't act, Mr. Speaker.

It's very important for me as a new MHA that I continue to discuss with my constituents – I know that they've been emailing me and contacting me. I have been responding to all of them and phoning them back, oftentimes here until 10:30 at night calling them. I encourage them to continue doing that. Anyone who wants to reach out to me is free to do so.

Mr. Speaker, my time is expiring and I look forward to speaking again.

Thank you.

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

**MR. SPEAKER:** The Speaker recognizes the hon. the Member for Conception Bay East – Bell Island.

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

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

Indeed, I cherish the opportunity to get up and talk about not only this budget, but also to clarify to my young colleague for Placentia West – Bellevue around the process that's been used over the last number of years and how we got to where we are but how we improved the stake of people in this province. I'll take him back as we go through it.

He talked about his district, a very important district. A district I had the privilege of travelling in and doing some work in, and a lot of good things have been done in that district and no doubt there will be more in the future. I need to educate him a little bit around how things changed over the last number of years. He talks about hard decisions have to be made. It's not lost on us over here. We've made those hard decisions as an administration. Even when I was in government in the last number of years, I was part of the budget process that had to make hard decisions and we know the impact on people, but we do it in a balanced manner.

If we go back to when our administration took power back in 2003, but particularly the 2004-2005 budget, the impact that had on people and the decisions that had to be made. We knew what we had inherited then and we knew the choices that had to be made. We knew we had to set a direction and set a plan, and that we did.

The Premier of the Day, Premier Williams, and the Cabinet and the caucus, in open dialogue, sat down and said we're going to have some hard years ahead of us. How do we do a balanced approach that we minimize the impact on people? How do we do it so that we don't stifle the economy in this province? How do we do it

so people still have confidence in this province provincially, nationally and internationally?

How do we forge working relationships with other jurisdictions and the federal government, and municipal governments and the corporate world? How do we do that? How do we do the balance? How do we also try to find a way to work with our union friends, the people who provide the services to the people of this province? We had to do that.

You want to talk about open and transparent, in those days we went to all the business sectors, we went to the union sector and said guys, here's our situation. Here are the books. This is open and transparent. Here's what we want to do. Here's what we need your support on.

Did we have some strifes there? No doubt. We had pushback from the unions, but at the end of the day they knew we were open. They knew we had a direction. So did the bonding agencies. That's why they kept us at a sustainable level so our debt load didn't get higher.

We worked the union perspective. We wanted to ensure we minimized the impact on all sectors, particularly the most vulnerable. I remember as a civil servant. I have to tell my young colleague, I lived through all of this as a civil servant. I know what it meant in communities that had to take cuts, but I will tell you this, there was an open dialogue, there was inclusion and there was discussion around how do we best do this. How do we get out of this hole we're in? There's the difference.

There's a difference between administration of that day and the administration I see of this day. We sat down with people and we listened. People say you can't lead if you don't listen. I guarantee you there's no listening going on in that side of the House and that's evident.

On this side of the House that was done for years. That's why we got to a point where we generated revenue, where we encouraged businesses to come here, where we got the best return on our capital assets, why we had the best royalty regimes in Canada. We managed to negotiate it. We didn't give away stuff. We didn't sell the shop and, particularly, we made

sure we had a plan and we had a plan in place. So that's where we went from.

We talked all around where we wanted to go. That's what we did. He talks about the goodies and giveaways. There's no doubt the young hon. Member has seen the benefits of those so-called goodies and giveaways in his own district. I just mentioned some of them down there.

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

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

**MR. BRAZIL:** Your own lift bridge and stuff that's gone on there, the roads, the schools, the recreational facilities down in your district. Ask your citizens. The investments we made in the shipyard over the years.

Don't forget it was this administration that had a ferry replacement strategy. It's this administration who also partnered with them. It was this administration who wanted to partner with Kiewit to go on a larger scale. So we invest in all parts of rural Newfoundland and Labrador, particularly the young Member's district, but we did that across.

He talks about \$25 billion. Yes, we spent \$25 billion. I can tell you exactly where all the \$25 billion went. Let's talk about the fact that we had a plan. Because we had a plan, we elevated ourselves to a have province. When you get to an elevation of a have province, you lose your equalization. So when you lose that, that's obviously revenues that you had coming in your revenue stream that went out for expenditures, went out for programs, went out for investment for capital works. That was gone.

That equated to \$10 billion. So if you've got \$25 billion here, and somebody who was giving you \$10 billion says no, I want my ten back, well, there's \$10 billion that you still got to put into program expenditures and infrastructure that you had budgeted for. So that's where \$10 billion went.

What that gave us was an opportunity to still invest in proper infrastructure, but it gave us some independence. We were carrying our own weight here now. We were own citizens. Our own people felt proud. We didn't have to take

the crumbs from anybody. We could go in with corporate companies around the world and negotiate the best things for the people of this province, and we did that. Very evident if you see the corporations that came here under our rules and regulations, if you see the royalty regimes we got under the oil industry, if you see how we moved our seismic investments, the aerospace industry, all these are things we did because we moved with a plan. That plan engaged, no doubt, and had to make some harsh decisions for the first number of years.

I do remember how we looked at making sure that the balance was here so that we didn't stop things; we didn't cancel stuff. We didn't ensure that offices and services weren't provided. We may have had to scale back how; we may have had to find a more creative way of doing it.

I remember one of the programs and services I was responsible at the time as a manager of youth services was the Community Youth Networks. At the time we had 19 Community Youth Networks. I remember the discussion and having this actually with the premier of the day, being called in about what decision do we make. Do we cut certain sites because there were X number of dollars had to be realized, or do we find a creative way of doing it? Do you know what we did? We sat down with all of these sites; we had an open discussion. They came up with a plan they presented to government, and the plan meant they could all take small cuts in certain ways. They could rearrange how they could provide their service. They could find a better way to partner with existing programs and services within government, a more efficient way, streamlining what we had to do.

Mr. Speaker, I'm glad to say not only did the 19 survive, but only a few years down the road because the government had the foresight to see the investment there was a 3-1 return. These agencies, ran by the volunteer sector, supported by government of the day, could generate money because it could leverage from other avenues – federal and municipal partners, their own corporate world, their own ways of being able to provide that.

So we went then, in only a few short years after we had to make some harsh decisions, without cutting the program totally, cutting it that it was

no longer viable and couldn't exist in the community. That was about ensuring those communities, particularly, if you look where the Community Youth Networks are, rural Newfoundland and Labrador. The hon. young Member across, he knows, there are CYNs in his district too who survived because of that. I suspect after this one they may not survive, and that's my fear.

The thing is it's about a balance here. It's about making the right investments so that when you do have hard times, like you have here, you have an ability to provide the services, but you also have an opportunity to grow after the fact, after the dust settles. After you get your fiscal house in order and you've a plan, then you know you're going to be able to provide the services for people.

We were pleased, at the end of the day, to be able to expand the programs, the 38 CYNs, to ensure that coastal areas in Labrador – a very important place – had those programs and services. It would have been very easy to cut one or two of those sites because of the geographic locations, because of the additional costs relevant to operating a site up there and offering programs, but that wasn't fair. It wasn't the right thing to do and it wouldn't have sustained the services people needed in rural Newfoundland and Labrador.

That was our plan. It had fiscal restraints to it. It had some challenges, no doubt about it, but we managed to do that because that's a balance and a plan to where we're going.

Want to talk about our \$25 billion? Let's talk about the \$6 billion we put in infrastructure. We inherited some very harsh situations when it came to infrastructure. Our school system – mould constantly, leaks in roofs, no gymnasiums in schools, parking lots that you couldn't get a car into, libraries that didn't exist, infrastructure needs within those facilities itself. We invested in that. We continued to build schools. We continued to ensure the necessities, particularly for education and our most vulnerable young people, were provided. We wanted to ensure teachers could take pride in where they were teaching because they had the proper technology uses. We had all these things put in place. We spread it around.

If you look at our infrastructure just in schools alone, we made sure that some of our rural communities were taken care of. Labrador was one of the big benefactors of all that because we invested. They needed it. It was the right thing to do. We made right decisions and gave it back to the people because we listened to where the people were coming from, what they identified as their issues and what was going to drive the economy down the road. We did it. It made sense. We invested in road infrastructure.

We talked about the Labrador investments. That was something that was started with this administration and partnered with the federal government to ensure we did it; 652 kilometres of paved road, another 80 kilometres ready to go in contracts. We invested because we saw the benefits. We saw the economic benefits of the people of this province. We didn't divide between Labrador and the Island part of it. When there was a need to be done, monies were transferred in certain areas and we prioritized it. We had some vision there to see where we were going with it.

The poverty reduction – we talk about now the levy won't apply to certain people at a certain income, but I'll get to a point where I'll read off – that's smoke and mirrors because in one pocket you're giving \$100 but you're taking \$500. All these other fees and services people are going to pay for; the same people who come from low income are the same people – if they're fortunate enough to have a car – who are going to have to pay insurance on cars. Their gas is going up. They're going to have to pay other services now – their home insurance. All these other services and fees just because they have a low income doesn't get wiped off on all the other areas that you managed to pick people's pockets.

Because you give \$100 on one side, you take it back on the other side. It doesn't work that way, and people see that. That's why there is so much uproar now. People understand the difference. You can put all your monitors and you can put your calculator tool online, people know the difference and that will be totally exposed.

Let's talk about tax reductions. Sure, we gave taxes back to every category because we see the benefit there of stimulating the economy, giving

people an opportunity to reinvest. Those who had a bit more money managed to save more money. If you see the new businesses that were created here, you see what people invested in, it all went in a cycle because it guaranteed that we would still get monies and generate revenues back in our tax. Our tax revenues went up when we started taxing people less because people were spending more and they were putting it back into the economy.

They were generating a sense of pride and a better infrastructure from their own perspective without looking for government to be able to do that. That had a major impact on how we moved this province forward. Today we're still reaping those benefits because companies still have faith in what we're doing here. They already have their own infrastructure and some of them, no matter the hardships that's going to be done by this budget here, they'll be able to ride it out because of some of the breaks that we gave them over time, how they reinvested it and the supports they got.

The business community are not going to sit down and go away. They're very innovative and very creative. They know that the benefits that they had in the past will now be able to sustain them in the future.

Let's talk about the debt reduction. I mean, people forget about this. We were in real serious trouble with our debt loads at the time when our revenue being generated was minimal. We reduced it by \$3.6 billion, debt reduction. Don't forget we had unfunded liabilities worth billions of dollars to the point where we were close to bankruptcy when it came to funding those pensions. That if a number of people left at any given time, this province would have been in real trouble and our bond rating would have very effectively taken a downgrade. That would have then obviously caused more hardship on people here because if your debt load goes up, your bonding goes down, what you have to pay in interest goes up again and got to come out of some existing program.

The big one here: tuition and student aid. I mean, nobody can argue the fact of what was done over the last decade to improve access to education, or particularly affordability when it came to our students. There is not one person

who has gone through the students' unions who wouldn't argue the fact that we moved generations ahead. We gave everybody an opportunity to be engaged in affordable education.

We did it by listening to the students' unions. I was fortunate enough to have a multitude of meetings with the students' union in my previous job and could see their vision. It was them that drove where the money was spent. It is great to be a bureaucrat, you think you have all the solutions, but your solutions are only as good as the information people are giving you. The people giving us the information were the front liners, the people who were going to reap the benefits, who understood the best way to invest it, and the people who are now leading our province.

So that was a great investment. To this day, the students' union I met with last week – the Canadian Federation of Students union, who again attest the fact we were on the right path. Everything we had done was moving our education system forward. What they're seeing now is moving us back two generations. That's not acceptable. They won't accept it; the people of this province won't accept it.

Let's talk about public service and employees. For years public servants went without wage increases. They went working in less than adequate environments, old buildings, dilapidated; not having access to upgraded training, not having access to proper uses of technology. We invested our money there. We invested in bringing people up to a proper wage level to ensure that we could attract and retain the people we have here.

Only this morning in Estimates, talking to the Minister of Child, Youth and Family Services and the challenges they have with 12 per cent of social work positions not being able to be filled at this point, to retain people, being able to attract them here. So we invested – because we, right now, offer a fairly good salary for a social worker and we offer them a lot of extra supports. That's a testament to where their program has gone and what that department offers to people.

You need to be able to have a proper financial ability to give incentives to people. Some of the

programs that were funded over the years through these things to keep social workers here, to keep our professionals here, to ensure that our teachers didn't mind going to rural Newfoundland and Labrador, that our social workers went there, our medical students went there – all the people we train, no matter what skill set they were trained for, could go and find a place to be employed, but particularly offer service to people all over this province. That it wasn't just about the urban centres or the Northeast Avalon that was booming; it was also that everybody else had access to these types of services.

The business industry and innovation – hundreds of millions of dollars we invested, we partnered with and we made double that back, triple in some cases. What we ended up starting to do here was move the economy forward and make sure we have some sustainability. Even with the decisions being made by this administration right now in this budget the business community is still in a good place because we've invested. We worked with them around technology; we worked with them around innovative approaches to things. We put mechanisms and support mechanisms in place that would be something of benefit for them.

There's no doubt they'll play a major role in ensuring we get through this major issue right now. There's no doubt – as you can see from the feedback that's been coming around these parts of the province – they have a real problem with this budget also. They have a real problem that it's going to stifle this economy; it's going to slow down their ability to move things forward. Again, another example of how it's going to put us behind.

Let's talk about the Northern Strategic Plan, \$5.5 billion. We invested \$5.5 billion in Labrador through the Northern Strategic Plan and related initiatives. It's major, and rightfully so. It's a great part of our province, a great economic driver. It needed a big boost in infrastructure, it needed a big boost in investment and we did it. We saw the vision because we saw this province as one and a whole, all working together, all benefitting.

When one is booming, we all boom from it. If one particular region needs additional



investment, we do it. That's what it's about. That's where we went with it. We saw our infrastructure and why now Labrador has a great ability to ride out where we are when it comes to natural resources and the price being down until it comes back again; through tourism because what we invested in our road networks.

What we're investing in our infrastructure in broadband and high-speed Internet. What we've done in our investment in recreation facilities. What we've done with the private sector in some of the other attractions in places in Labrador. What we've done around our tourism and our cultural thing in promoting who we are and our culture and what it means as a draw for people.

So we've done an amazing job out of that \$25 billion to ensure that we had stability. We had a mechanism there to be able to move things forward. We had pillars of strength, pillars so that when we run into a non-plan and we run into no vision, that we'll survive, that there's enough structure there to be able to do that. We're guaranteeing to be able to do these things.

I want to go back to when we talk about money coming out of people's pockets or the good things in this budget. Some people think there is. I can't find any good. You can't tell me it's a good thing that you're giving people more money because they're in a low income, but you're taking twice as much back from them another way. That's not a good investment. That's not bringing them up to equal par. That's not where we were moving with our Poverty Reduction Strategy.

I think it's time to be honest with people here and tell them at the end of the day. There are groups here that are really going to have to take the brunt of what's going on with this budget. It's not good. It's not acceptable. You can see by the outrage from the people of this province that they're not going to accept it.

You see what's happening in our education system. It's only starting now, about blending classrooms, teacher cutbacks, libraries being cut. Now we're talking busing changes. We're talking school days are going to be totally different. Parents are not going to be able to plan any type of structure about who picks up the kid. We're going to even question then all the issues

around safety in our bus areas. We're going to have a real problem when it comes to sustaining where we were, but particularly, being able to make sure that the next generation of this province has a better life and better access to education, health care and remembering their own culture.

Mr. Speaker, with that, I'll sit down now. There's no doubt I'll have many more opportunities to get up and explain to my colleagues on the other side of where we are, why this is a bad budget, why people shouldn't vote for this budget and why we need to move forward on a new approach.

Thank you, Mr. Speaker.

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

**MR. SPEAKER (Osborne):** The hon. the Minister of Advanced Education and Skills.

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

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

Thank you very much for an opportunity to speak on Budget 2016. I appreciate not only the comments from this side of the floor but as well the comments from our hon. Members opposite.

It's been an interesting debate. Many perspectives have been offered. I followed very intently the viewpoints, the thoughts, the perspectives of my colleague, the critic for Advanced Education and Skills, and some of the things he was saying about, sort of making sure that those of the next generation are protected by spending now on programs.

Mr. Speaker, I think really if you're going to get to the nub of this particular debate, that's the point that has been left out – the next generation. Some of us will have a discussion about the bonds, the debt and whether or not we can actually afford to go to the market and attract debt. That's an important relevant point. Some will want to talk about whether or not we'll be able to afford the interest rates on the debt we're able to acquire, which is a very, very important point, but the one element of this equation which has not been factored or considered is whether

or not the spending and the debt load that we impose as an inheritance on our youth, the generation of tomorrow, whether or not they'll be able to afford it and whether or not they want it.

Mr. Speaker, we can talk a little bit about where the debt has gone. We can recall when Newfoundland and Labrador – Newfoundland as it was known then – joined Confederation in 1949, over the course of then and now, 66 years, we as a province slowly but deliberately built a network of roads and transportation systems. We built community infrastructure. We built hospitals. We built a network of schools. We built a mosaic of services. Over the course of 66 years as a province, a proud member of Confederation, we built up our province to a place much greater than what it was before. We did it as a member of confederation.

When we reflect back on those 66 years, building the ribbon of highways, the network of schools, the mosaic of services – everything that was important for us to be able to provide services for our people – the total net debt that was held by the people of Newfoundland and Labrador through its government was approximately \$12.6 billion. After 66 years of growth, our total accumulated debt was \$12.6 billion – 66 years.

Then we find ourselves now at this moment in our history where we're debating on whether or not – first off, whether or not we can actually find bankers to provide us with loans for debt, and whether or not we can afford to pay the debt. Because as we've already heard, the interest payments alone right now at \$12.6 billion in accumulated debt is equivalent, if not greater, to the entire cost of our education system.

So can you imagine, Mr. Speaker, after 66 years of confederation with \$12.6 billion in debt, in the next six years, if we fail to do anything, if we just simply say the status quo is good, we are not required to act, let's just keep enjoying the path, the trajectory we're going on, it is not important for us to actually be stewards of the future, let's just keep going the way we're going, we'll have amassed a \$27.5 billion debt in six years. Not in 66 years – in six years we will have doubled our provincial debt. Then we have to consider, how

will we pay for the interest payments alone on that debt?

Well, Mr. Speaker, the one stakeholder, the one group of people that have not been factored into this debate whatsoever is not this generation but the next one; the people who will be asked to pay the debt. We can sit here and we can say: well, you know, we've done this, we've spent money here because it was very important. Do you know what? Those programs are important, but if we fail to make the queue, the direction, the link between what we can afford and what we need then we're going to end up in this situation we now find ourselves in where we have a massive structural debt, because we are now spending billions more than we're able to take in. Because despite the warnings, despite the rumblings from private sector economists, public sector economists, by auditors general, by numerous learned people who said we have to take caution not to outstrip our spending with our ability to draw revenue. That was irrelevant, Mr. Speaker, times are good. Let's forget all about the principles of reasonable, responsible governance. Let's forget all about that. Let's just keep going.

Mr. Speaker, if there's one lesson that I learned over the weekend, it came from a group of 18 and 19 and 20 year olds who, after a group gathering of people who wanted to talk about the budget and wanted to do so in a very loud and assertive voice, came to me afterwards and they said: Mr. Byrne – Gerry, would you mind telling us how you're going to pay for this bill because you're going to ask me to pay for this bill?

Mr. Speaker, what they said in no uncertain terms is stop kicking the can down the road, stop kicking us and making us pay for what you want. And that was the voices of young people in this province who said we have to be more responsible. Young people came forward and they said you have no track record on the environment. Your generation has no track record on maintaining a solid fiscal, stable budgetary environment. You have no track record on making sure that your generation doesn't send the bill to my generation. That's what they said.

I thought back for a second and I said they have a very, very solid point to make. So, Mr.

Speaker, if we're going to interject another voice into this discussion let's have a little more debate, a little more of that voice from young people. Because if we were to simply take \$12.6 billion in debt and transfer it into \$27.5 billion in debt, who will pay the price? It will be our young people and they don't want to pay our bills any more, and nor should they.

So when we get into the point where we ask ourselves can we generate more revenue, can we make programs which are more efficient and more effective, they say to us, and they say to Members opposite, they say it to their parents, they say it to their grandparents, they say it to anyone that will listen to them: Please, you are now the stewards of the public purse; you are the holders of the decision making. Make sure that I am factored into this decision-making process so that when I am 30 years old or 35 years old and I have children that I'm not just going to have to face the reality that you failed to act. What you decided to do, our generation, kick it to the kids – kick it to the kids. That's really what this debate is all about right now. It's just whether or not we should just simply kick it back to the kids to pay. That's not a very reasonable or responsible position to take.

We can wax and we can talk about numbers, we can talk about how we have to be very careful about the debt and bond rating agencies and we have to be very, very careful about the amount of interest that we pay on all of those numbers and all of that information is more than relevant – it is more than relevant. Any reasonable person would know that if you're constantly outstripping your spending with your revenue, and you have a structural deficit like Brian Mulroney once brought us, sooner or later someone is going to have to pay the piper.

Mr. Speaker, the question for us all to answer is: Is it us or is it going to be our kids and our grandkids? When you have a \$27.5 billion debt, a population of 500,000 souls, you're simply kicking it to the kids. The interest payment alone on that kind of a debt is so insurmountable; first off, it's questionable that we'd ever, ever be able to get that kind of debt. It's questionable – it's not questionable, it's a certainty that we'd never be able to pay the interest on that debt.

One thing is abundantly clear; it will be the kids that pay the debt over a course of multiple generations. Sixty-six years we, as a province, built up our services with a total cost, total accumulated debt load of \$12.6 billion. In six years what we're suggesting now, according to the Members opposite, is kick the can down the road, forget about it; whistle past, hope that it's not really going to be a problem; never really analyze that, just simply borrow, borrow and borrow. Guess what? It won't be a problem because it won't be my problem. It'll be the kid's problem.

Mr. Speaker, that's just not responsible. It's not acceptable and, quite frankly, it's beneath us to just simply say this can be a problem that the next generation can inherit.

Now, we on this side understand the challenges ahead of us. We're not going to soft sell it. We're not going to try to pretend it's anything less than it is. We're not going to create more than what it is, but we going to tell people the truth.

Just this weekend, I met with a 72-year-old veteran and his spouse, his wife. He said to me: You're going to cost me \$3,000 in extra taxes and my wife is going to pay almost as much as that. I said to him: Sir, if you don't mind, if you feel comfortable, if you'd like to walk me through your circumstance, I can tell you exactly what will be and will not be. No, no, no, I know; I heard from Members of the Opposition that this is the way it's going to be. You're going to charge \$3,000 to me and my spouse just as much – \$6,000 for an average family. That's what I heard. So I walked him through. I said: Do you mind? Give me your information and I'll see what is the truth.

Well, he provided the information and it became abundantly clear within a matter of minutes. Once the time was taken to explain the details of the plan, he looked at me and he said: I never understood. I simply just understood what I was told from people who were not necessarily telling me the truth.

What I came to understand is his actual new income level would be substantially more than what it was last year. As a result of the increased Seniors' Benefit, he was under the assumption

he would have to pay the levy. The levy would be a huge expense. He is not subject to the levy. He is exempt from the levy based on his income. In fact, when I said to him every quarter, Sir, you'll have an Income Supplement, all things factored in, of approximately \$455, every quarter. He looked at me and said: That's more than what I got before. I said: Well, Sir, if I can be of any service to you again, please call on me any time, but those are the facts.

He looked at me with very, very disturbed and anxious eyes because he had not slept for about three to four days with any reasonable rest because he was absolutely convinced that his tax bill was going up well beyond what it actually would. In fact, it went down.

That's a voice that deserves to be heard. Because when a senior citizen, a man who served the country, actually is made to believe through wrong information that may be offered for a perspective, that may not be necessarily in his best interest –

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

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

**MR. BYRNE:** – or maybe good intentioned, I don't know, Mr. Speaker, I won't judge that, but I will say to you that this individual, this man was brought to light that what was told to him was incorrect. He sat back in his chair with a sigh of relief and said now I know the difference.

Do you know something? We will do that on this side. We will go table to table, chair to chair, coffee shop to coffee shop, whatever it takes, to make sure the truth is being told. Because there are a lot of people who want to spread that kind of misinformation.

One piece of information that is already spread, that is unavoidable to the Members of the Opposition, is that young people in this province are already saying – because the debate will take a certain direction after a while, Mr. Speaker. The debate will move in a certain way. It will collapse on its own weight to a certain degree because young people in this province are already looking at the numbers because they have access to everything that's available

through the Internet and other things. They're looking at it and saying \$27.5 billion in debt, nobody is saying my name. Nobody is saying what I want. Nobody is speaking my fears. Nobody is speaking for me, except, Mr. Speaker, this government right here.

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

**MR. BYRNE:** Because we are concerned about where our young are going and we know that if their only inheritance is a \$27.5 billion debt, everyone knows where this is going. Everyone knows who's going to have to pay that. So simply to say –

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

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

**MR. BYRNE:** – deficits be damned, we can do that. Just chalk it up, chalk it up, chalk it up, kick it to the kids, kick to the kids, kick it to the kids. They'll pay the bill. Do you know something? That, Mr. Speaker, is not responsible.

We will have a certain element of deficit spending, there's no doubt about that. There will be certain elements of program efficiencies that we'll have to create while we raise a certain amount of revenue. Will we be able to say that we'll be able to maintain all the debt load of the last 66 years of Confederation? No, we will not – but we'll be balanced in the approach.

We'll try to understand what the needs are of this generation. We'll try to understand the needs of the next generation and we'll build a balanced approach so that we do not have to encumber our young people with a debt load that is totally unsustainable, that they will not be able to surrender to, that they will not be able to pay, that they will be stuck with for the rest of their days.

Do you know something, Mr. Speaker? Isn't it time we started to do that when it came to the environment, when it came to social justice, when it comes to our fiscal realities of this province? Isn't it time that we take a lens and look? Are we prepared to take the 16-year olds of today, the 17-year olds of today who will be 30-years old in the not too distant future, and say

to them, the debt is yours? We haven't got a problem with giving you this, because this has always been the way.

Well, that's what this is all about. That's what this action is all about. That's what the government is focused on and that's what we're trying. We're providing a balanced approach, raising revenues – not to the extent that some would ask us to do, because, of course, there are forces, there are stakeholders that would say raise taxes so that we cannot have any impact on public services.

Then there's some who say just cut public services without any exception, without any consideration of raised revenue. But there's a balanced approach being offered by the government which has one key focus in mind each and every day we sit in this Chamber or talk in coffee shops, or at kitchen tables everywhere in this province. That focus is let's try to create stability out of instability. Let's try to create a future for our children. What we will not do, Mr. Speaker, is just as the Opposition is asking for right now, we will not just simply kick it back to the kids for them to pay. That's what this program is all about, Mr. Speaker.

Thank you very much.

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

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

Before I recognize the hon. Government House Leader, I remind all hon. Members it's against our Standing Orders to refer to a Member by name. It's the first time I've had to rule on a Member referring to oneself by name, but I think the Standing Orders still apply.

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

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

**MR. A. PARSONS:** Yes, thank you, Mr. Speaker.

With the consent of my colleagues, I would suggest we perhaps take a break for supper now and return at 7 p.m.

Prior to doing that, as I've done every day, I just want to advise that Estimates will be held in this House tomorrow at 9 a.m. for Labour Relations under the Social Services Committee. On Wednesday, May 4, Transportation and Works will be held in the evening at 5:30 p.m.

On that note, we can adjourn.

**MR. SPEAKER:** This hon. House stands adjourned until 7 o'clock this evening.