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*Speaker: Honourable Tom Osborne, MHA*

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(Night Sitting)

The House resumed at 7 p.m.

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

The hon. the Government House Leader.

**MR. A. PARSONS:** Mr. Speaker, I would call the Concurrence Motion for the report of the Government Services Committee.

**MR. SPEAKER:** The motion is that the report of the Government Services Committee be concurred in.

The hon. the Member for Torngat Mountains.

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

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

It's an honour to rise today and speak to Concurrence. I Chair the Government Services Committee. Over the last week we've sat on a couple of evening sessions, and again this morning. Earlier today I passed in matters that we were responsible for. They included the Department of Finance, the Office of the Chief Information Officer, Public Service Commission, Human Resources Secretariat, the Women's Policy Office, Government Purchasing Agency, Department of Service Newfoundland and Labrador and the Department of Transportation and Works.

Mr. Speaker, we had the Government Services Committee and the Members are: the Member for Stephenville – Port au Port, the Member for Burin – Grand Bank, the Member for Ferryland, the Member for Mount Pearl North, the Member for St. John's East – Quidi Vidi and the Member for Harbour Main.

Mr. Speaker, the good thing about Estimates – and I've had the opportunity of sitting through Estimates on two different sides. What it gives hon. Members is a chance to ask direct questions and get direct answers. You can find the line by line throughout the proposed budget. You can question discrepancy or variations over the last year, or, in fact, over the last two years, Mr. Speaker. It does give information that is factual. The explanations are professional. I've got to say that during Estimates the ministers responsible for the government departments

were very knowledgeable, well advised and they certainly did their homework.

The Members from the Official Opposition and from the Third Party asked questions that were certainly relative. As you go through the Estimates process it gives a good insight into the factual information that is there throughout the whole process. So it was a good exercise, Mr. Speaker, and I'm glad to see that all the reports were passed without amendment.

I'd just like to talk about the budget process, Mr. Speaker, as it relates to the people in our great province. We've all come to the conclusion that this year's budget was a very tough budget. It impacted a lot of areas, every district, including my own. In the District of Torngat Mountains, I go through whatever implications are placed on us with the people I represent, for the simple fact that I live there.

I can't speak for the other districts, but I can only assume how Members feel because I feel the same way. When it comes to relaying the impacts of the budget, Mr. Speaker, I would submit it's government's job to mitigate the impacts and it's the Opposition's job to magnify the impacts. I've got to give them credit; they're good at what they do.

Mr. Speaker, I'd just like to point out, through some of the Estimates, the Department of Service NL and the Department of Transportation and Works are very impacting on the rural areas of this province, as well as within the Avalon Peninsula and surrounding metro districts. Those impacts are out there and people feel them. We've heard back from them.

Mr. Speaker, the Opposition had six hours to go through the Estimates for these two departments. I give the Official Opposition credit because they asked good questions, they asked direct questions and they got direct answers.

Now, Mr. Speaker, the Third Party had six hours to ask questions on the impacts through Service NL and the Department of Transportation and Works. The Third Party did not ask one single question. When you talk about magnifying the impacts of a budget, magnification is one thing, but coming into Estimates and asking direct

questions and getting exact feedback is when you should ask questions.

When you go out and you take commentary by Members on this side – and I'll take the Member for Stephenville – Port au Port, for example, the twist they made yesterday about the people leaving the province. Mr. Speaker, I took offence to that.

I'd like to talk about within our own province. When I leave my district and come down to the House of Assembly I go to a different world, and that's within our own province. I leave every week. I've been to countries like Germany, Belgium and Switzerland. I've been to Alaska, but I'd like to talk about people who left our province, just to put a reality to it.

I'd like to go back 100 years and talk about the people who left our province. In 1916, over 700 soldiers left our province to fight for the right for us to come and go as we please. They paid with their lives. They didn't come back.

I'd like to talk about infrastructure in New York City in 1930. Who was it who stood beside the Mohawks to build the skyscrapers down there? It was proud Newfoundlanders and Labradorians. They left their homes.

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

**MR. EDMUNDS:** Mr. Speaker, in the last week we've heard about the fires in Fort McMurray. Fort McMurray is the second largest city in the province, made up of mostly Newfoundlanders and Labradorians. So when I hear accusations and twists and things taken out of context for magnification of impact, it's shameful. It's disgusting and I think they ought to apologize.

That's the comments I'd like to make. With that, I'll take my place and certainly listen to any more commentary on Concurrence.

Thank you.

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

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

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

It's indeed a privilege to get up here again tonight and speak. This is part of our Estimates. You might look and say, that guy, he got up and spoke on a committee last night, but I'm the critic for three different departments and I have three different areas that I have to speak on and each one of them are a committee and Concurrence.

Tonight, I'm going to do a little bit of talking first – last night I wanted to talk about the fishery, but I didn't have enough time at the end, so tonight I'm going to start off with Service NL and then I'll go on to a little bit of budget stuff afterwards.

Mr. Speaker, Service NL is what I'm the critic for. For people out there who just don't understand what Service NL really is – I said to the minister one day, we were talking, Service NL basically have you from the time you are born to the time you die and everything in between. It's one of the largest departments in government. It's probably one of the most important departments in government.

If you look at what legislation was passed here today in the House of Assembly, you would see that it is very important because it deals with a lot of safety. It deals with concerns from individuals whether it's through a marriage licence or through birth certificates. It deals with inspections in your homes. It deals with pensions. It deals with all kinds of different things that we deal with. It's everyday stuff, basically, that you will see in Service NL.

It was interesting going through a lot of the Estimates because most of it was done on line-to-line things. When I talk about line to line, we look at what was actually spent last year, what was budgeted and what is budgeted this year. Most of the things we did in Service NL – and I did have some questions for the minister. I have to say to the minister you did a good job. He answered all my questions that I had there.

I want to talk a little bit to him about the Motor Registration, which is another part of Service NL. Knowing that they brought in some new legislation this year in Motor Registration where

your photograph now is good for 10 years – as you know, as most people know when they go to the Motor Registration building – at least I do in this area – it is a long wait. I was hoping that by making things you can do online, to make it more effective for people so they wouldn't have to go in there, there wouldn't be big lineups. I was assured by the minister that there were no massive layoffs or anything in there. The service to people should be a little bit better than what it was.

Mr. Speaker, when I look at some of the stuff that's in this budget, some of the increases, while they're minor, there are a lot of them. There are a whole lot of increases. In this budget, there are 50 new fees that are in there, but there are also a lot of increases. They may be small, but it all adds up.

If you look, just for an example, a birth certificate – a birth certificate was \$20 and now it's \$35. There is a little reduction there if you get it online and it's \$30. Still, that's an increase. That's a huge increase. A 33 per cent increase if you do it online. Marriage licences are gone up, death certificates, every little thing that could be found in this budget basically increased.

It might be a small little thing, but it's huge because it all adds up. It adds up to the person who has to pay the bills, no matter what it is, no matter if it's insurance, whatever it is it's going to be an increase to people. It's unfortunate, but I guess that's the reality of what type of budget they wanted to put out there.

I won't go through all of these. I really don't want to do it because I went through them one day before. It came up and I spoke on everything. The effect some of these increases will have, no matter if it's registration or it's your car insurance, it has an effect on everybody.

I spoke last week about impacts to seniors and people who are on fixed incomes and they don't have the resources to pay for the increases in a lot of these fees. Again, it's trying to find where the money is. That's the issue I really have with a lot of the things in the budget because what it does is it really takes the money right out of people's pockets. It's difficult for them to be able to find the money.

Like I said, these small fees may be small, they may be a \$10 increase or a \$20 increase; but if you look at people who are on fixed incomes, they basically have their budget set up. Their budgets are set up and this is how much money I have to spend for a month. What's really happening here is if there's a fee or a registration or something that costs a few dollars, then you have to find out where to get that extra money.

If it's an increase on the HST, it's a consumption tax and you have to buy something, but most of these fees, whether it's registration for your car, whether it's a birth certificate or anything to do with – like I said, there are over 300 of them that are after being increased. So it's a heavy burden that we're asking people to pay.

Again, I say Service NL is a big department. I'm not sure how many different offices are all over Newfoundland and Labrador, but people do use it. It's an area where you go if you need to get a septic system designed for new-home builders, if you need to get electrical inspections, if something happens that a house has to be rewired or anything like that then you have to go to Service NL. We have great people working out there. We have people working in enforcement on our highways that are on the road that are inspecting vehicles. That's very important.

I saw last week they were talking about inspections of cars and it should go back to doing the garages – and I don't know if that's a good idea or not. I think that we have enough people out there that are enforcing the rules of the road with the law enforcement that we have there that they are doing a pretty good job. I know that years ago there were a lot of vehicles that were out there – they are doing a great job; you're right.

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

**MR. K. PARSONS:** That's true. There are limited resources of what they have. They are doing a fantastic job making sure our highways are safe. Anything we can do to make – again we talked about here today when it came to safety of school busing. We all know how important that is.

The bill that the minister brought in today, everybody in this House that spoke on it really spoke in favour of it because it's the right thing to do. Any time we talk about safety, we talk about making sure our workplace is safe. That's important because as we all know we all have – I have children and most of you in here have children, you are moms and dads, and everybody else wants to make sure that we all go home safe in the evenings.

The Department of Service NL plays a major role, whether it's highway safety or it's safety on a school bus. The regulations that are in place – there are regulations like taxi regulations and stuff like this, everything you can imagine is covered in that department.

That's about it now what I'm going to talk about Service NL. I'd like to say to the minister you're doing a good job over there. I had a couple of inquiries so far and I thank you for your promptness on the responses that I've gotten from the department. There are a lot of good people working over in Service NL. The few questions and a few problems and issues that I had, they've come through all the time for me. I want to thank the department for that because it's a good department.

Mr. Speaker, tonight I want to talk a little bit about the levy. I can honestly say, like I said here last night, I understand the backbenchers and I understand people in government over there and I understand how much you're after hearing about this budget. I understand again and I'm trying to be as reasonable as I can is to understand how difficult it is when you go back to your districts and people are talking to you about this budget and wondering if you are going to be able to support it or not support it.

I really want you to listen to the people that are in your districts. I really want you to listen to who elected you because it's so important. This levy to me – I don't understand the fairness to it and I don't understand how it even can be justified, really.

I heard the Minister of Finance say that the people who are making the most money pay the most taxes and that's the way it is. But when you're talking a person who's making, say, \$35,000 or \$30,000 a year and that person has to

pay \$300, which is a lot of money, again, like I said there earlier when I was talking about Service NL, it's money that is coming right out of their pockets. It's not money that you're buying something and then you can say, listen, I'm going to buy a new chesterfield set. That's your choice to go buy a chesterfield set.

The extra taxes you have to pay, so be it, that's extra HST, an extra 2 per cent and that's it. But if you have an individual who's on a fixed income and they have everything budgeted out – when you're talking families with \$30,000 or \$35,000. I know it sounds like they have a lot of money or whatever, but usually with small families and young families, especially people on fixed income, they have their budgets done. The budget is done and they say, okay, this is what I can spend on my groceries this month. This is what I can spend on my heat and light this month.

I'm sure most of you over on the other side, you've done it. I've done it. I used to have to do it all the time. I still do it. You do your monthly payments and say, okay, this is what I'm going to have to pay this month. Some people will take their light bill and stretch it out over a year so that they'll know every month how much money they have to pay.

I know in the winter months my light bill is going to be a lot higher than what it is in the summer months. So I'll budget myself during the winter months, and that's what people do. People that are making a couple of hundred thousand dollars a year, that doesn't affect them as much as it does a person that's making between \$25,000 and, say, \$50,000 a year. Then it's a bit different when a person is making a little bit more money at \$50,000 to \$75,000.

I really believe the levy itself wasn't well thought out at all because I think it's just so unfair to the people who are out there that are struggling, that are trying to do – like I said, every month they'll sit down and they'll say, okay, this is what I can do. This is how I can spend my money, and this is how – my gas bill.

I had a lady call me – I think I told this one before – she was making \$36,000 a year. So she asked me to try to figure out how much money she'd have to pay for that year. I just asked her a

few questions. She could tell me right to how much gas she spent for each month for the last 12 months, because that's what she did. Like she said, my house insurance is coming up and I pay it in six months. She pays it in six month. She'll get her house done and then she has her car that she pays in six months. She tries to do a lot of it to stay clear of around Christmastime because she said Christmastime is a very difficult time. I have a couple of grandchildren and I want to make sure I have a few extra dollars there for that.

She gave me her budget and told me, like I said. She said: okay, Kevin, I drive 22 kilometres to work and 22 kilometres back. I usually go to town on Saturdays. She could tell me every month how much gas was used. So I had no problem telling her. I said, listen, you're gas is going to go up by at least 16.5 cents. That's how much extra gas you're going through. So we could figure that out.

She could tell me what her house insurance was. We had no problem doing that because that's an extra 15 per cent on house insurance. She could tell me how much her car insurance was. Again, there was no problem to figure it out. The levy; I could tell her how much she had to pay on the levy. According to her documents she was making \$36,000, she would be paying about \$300 to \$450.

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

**MR. K. PARSONS:** That's what she was making. Okay, it's a little less than that. About \$280 or something like that, or \$270 she would be paying. Regardless of what it is, they're still paying. They're paying that much more money. Do you know what? She figured out after – she said, Kevin, I'm going to end up paying at least \$3,000 more when you add up all the fees. She added in the gas she was paying.

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

**MR. K. PARSONS:** Yes, she is. She has added in the HST that's going to come. She added in the house that's going up in a different tax bracket.

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

**MR. K. PARSONS:** She could tell how much her insurance was. She knew how much extra gas she had to go that month. This is pretty easy stuff to figure out. I didn't see the calculator that was put online today but I think it's a whole lot better than the ones I've seen so far.

Mr. Speaker, my whole point here is that people are trying to figure out why they're the ones getting penalized. There are choices to be made here. There are a lot of good – there are choices. This whole budget, you can blame whoever you want. You can blame everybody, but this budget is all about choices you make and where you're going to get your revenues from and how you're going to do things, how you're going to spend your money and everything else. That's the choice you make when you do a budget.

I was here for seven years when we did budgets, and they were choices we had to do and choices we had to live with when we did our budgets, too. The choices you're making this time is hard on the common person. It's hard on the low- and middle-income and hard-working Newfoundlanders and Labradorians.

Listen, that is why every weekend when you go back to your district people are talking to you about it. That's why at every event you go to people are bringing it up to you because they're concerned. They want you to listen to their concerns. You really have to start listening to their concerns because people are trying to figure out – I have X number of dollars coming in, where am I going to get the extra money that you're looking for in this budget?

That's the question every one of you are being asked. Everyone over there is being asked by people in your community, your next door neighbours. My next door neighbour asked me the same question. Kev, he said, how much is this going to cost me? He said I can't believe I'm paying this much extra. I have to come up with an extra 15 per cent on my car insurance. I have to come up with 15 per cent on my house insurance. I'm going to be charged a levy. I got 16.5 cents extra on my gas. Those are all questions that every one of you have been asked, just like I've been asked. That's where it's to.

Now I started off last night, and one of the Members brought up today about small

business. He said you weren't going to hurt small business and stuff like that. Just think about small business.

Let's talk about a restaurant owner that has about 10 employees or 15 employees. A small restaurant, nothing major, no food chain or no big conglomerate or something like that. He has a small restaurant. You talk to restaurant owners in St. John's and they'll tell you – and anywhere, Corner Brook. It could be anywhere. It could be down in Baie Verte. It could be anywhere. They work on a very small margin. It could be in Bay Roberts. It could be anywhere at all. They really do work on a very small margin.

Do you know what? Once you take money out of people's pockets, once you take out the \$3,000 or \$4,000 that person has to spend, then where are they going to cut back? Where are they not going to spend their money? Where are their priorities going to be? Their priorities are going to be to make sure they have food on their table, make sure their house is insured, make sure they can get back and forth to work.

All the small business – remember, we always said in this House of Assembly, and I heard your side say it time and time and time over again, that small business is the key to Newfoundland and Labrador. Small business is what's keeping rural Newfoundland going today. Small business is what's keeping Labrador going today. Small business is what's keeping the Avalon going today. It's what's keeping the West Coast going today.

All over Newfoundland and Labrador, small-business owners keep our small communities going, and that's a fact. You know every time – what is happening here, this is the effect it's going to have. This is the effect I believe you really don't realize. Once that small-business owner, that restaurant owner that I just said got 10 or 11, may have eight employees and he can't keep his business going anymore, guess what? This is not a government effect. This is what's going to happen to private industry. What can he do? He's not going to keep his business open. He can't keep his doors open and employ these eight or nine.

We're going to kill small business in Newfoundland and Labrador. It will only be the

fittest survive. Maybe that's your plan. Maybe the plan is that only the fittest survive and the rest will move away.

I don't think that's what we want for Newfoundland and Labrador. I think we've come a long way in the last 10, 12 years in this province. I believe we have come a long way. I'm so proud – I went to a function about three years ago and there was a gentleman there from New Brunswick and they were talking about poverty reduction. He wanted to know what the secret was, what was Newfoundland's secret he said – what's your secret to poverty reduction?

Here's the reason why. He said back in the early 2000s, the highest amount of poverty in all of Canada was here in Newfoundland and Labrador. We reduced taxes. Yes, we did. There's no doubt about it, we definitely reduced taxes. People could live more. We gave people free school books so that they could go to school and didn't have to pay for the school books.

I can remember as a single parent dreading the day that my two came home to find out how much the cost of the books were. A lot of parents in Newfoundland were like that, a lot of parents were like that in Newfoundland and Labrador. That was a real good thing we did and it's still a good thing today, to see our young people be able to go to school and say they are going to school here in Newfoundland and Labrador at the least cost in all of Canada.

The cheapest place – I can't say cheap, but the best place to go. It's not cheap. We have great education; there's nothing cheap about our education. Our education is fantastic and our young people are educated like – unbelievable. They are the backbone of our whole society.

**AN HON. MEMBER:** Hear, hear!

**MR. K. PARSONS:** Hear, hear is right.

But I can tell you one thing, what your budget is going to do to the young people. You may say yes, most of them go away anyway. I tell you right now the young people of Newfoundland and Labrador are not going to stay here when they haven't got a job, when they can't go to work and they have to pay the taxes and everything else they're paying. That is what's

happening with this budget. And that's what this budget is going to do to the young Newfoundlanders and Labradorians. They're going to move away because they got no other choice but to move away.

Thank you very much, Mr. Speaker.

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

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

The hon. the Minister of Transportation and Works.

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

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

I thank you for the opportunity to speak again tonight with regard to some of the Estimates that we had done. I must say it was an excellent experience for me. It was my first time doing Estimates and I went in with a degree of fear and trembling because I really didn't know what to expect. And having to face the Members opposite certainly sometimes can be intimidating. I must say, the Member for Conception Bay South who was the questioner from the Opposition side did an absolute, fabulous job in going through the line by line.

Certainly, not only did we have a question period, we also had a very good discussion period and certainly talked about a lot of the issues that were applicable to Transportation and Works and how Transportation and Works, our department, really fits in to providing services for every Newfoundlander and Labradorian really on a daily basis.

Many of the other departments, Mr. Speaker, they touch certain people on certain days. If you are with the Department of Health, you normally take advantage of those services when you have a sickness or you are faced with some health condition. If it's Education, it's usually when your children are involved in school. But for Transportation and Works, pretty much every Newfoundlander and Labradorian every day, on a daily basis, whether it's through the ferries or through the road network that we have.

Really it's impacting everybody. We're a large department with a relatively small budget. We have a budget worth around \$400 million to provide the services to the people of this province. That's a challenge, Mr. Speaker, for us to do that on a daily basis, but I must say that I do have an absolute tremendous staff and workers that are front-line workers that are clearing the roads and making sure our highways are safe. Whether they're in ferries and making sure the service is provided to people that are living on islands, whether it's the water bombers or the air ambulance service and so on and so forth, and maintaining of buildings.

We have a broad spectrum of workers that are out there working on behalf of the province and on behalf of the people of Newfoundland and Labrador. I really appreciate that. Certainly, they are providing exemplary service to all of us to make sure every day that we are able to get to work, get out to where we are in a safe manner.

I just wanted to sort of mention that tonight, Mr. Speaker. Before I get into some of the other remarks, I do want to talk a little bit about MNL because I think MNL, for me, Municipalities Newfoundland and Labrador, is very important. I spent I guess six years as either treasurer or past president. I certainly worked very closely with the staff. They have a great staff at MNL. I know that they are doing a lot of work on behalf of the municipalities in the province. I also was fortunate enough as well to be a director with the Federation of Canadian Municipalities where I spent a number of years really working on behalf of municipalities in this province on a national level.

I counted that as a privilege to be able to do that. However, Mr. Speaker, I have to say tonight I'm a bit disappointed because I'm sure the Member opposite – I have not read the release when he said that MNL is not pleased or happy, whatever term they put on it, with the consultations or the lack of consultation with us. I think that's unfortunate to make that statement. I think the exercise that we went through probably we've never had that type of interaction with people for a long, long time. I know the previous government struggled the last number of years to even get anyone to show up at their budget consultations.



This year, we had a different approach. We gave every Newfoundlander and Labradorian an opportunity to get out, to consult, to engage, to discuss, we had round tables; and not only did we make that available to every Newfoundlander and Labradorian, we also made it available to every organization, every municipality, every group that wanted to have an input into the budget.

Mr. Speaker, we had roughly about 1,000 – or maybe more than 1,000 people that were engaged. As a matter of fact, I think, at one point, there was sort of a joke made that we should be charging an admission fee, we were having so many people that were attending our consultations.

I think it's unfair that the statement would be made that there were no consultations because I believe that there were fair consultations; and if, in fact, Newfoundlanders and Labradorians did not have the opportunity to participate in the round-table discussions, there were always opportunities to do it by email, to take advantage of the app that was on our website to get in and have an input.

So, Mr. Speaker, I think that we did make that available, and I think that it was important for us to engage in that consultation. Some of the things that we talked about and were discussed are some of the things that were in this budget this year.

I think this is probably the third time that I've stood and talked about this is a tough budget. This is a tough budget. Do you know what, Mr. Speaker? The easiest thing for us to do would have been to say who cares – who cares, really. The easiest thing for us to have done is to continue the path that we were going in.

Guess what? If we had done that, that would have been the easiest thing in the world. As a matter of fact, someone made mention to me, or came up to me and said: Well, you're never going to gain any votes by this budget. No, Mr. Speaker, that may be true. The comment I made back to them: This is not about votes; this is about the future of Newfoundland and Labrador.

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

**MR. HAWKINS:** This budget is about our children. This is about our children. It's about our people. I'm telling you, Mr. Speaker, nobody on this side of the House is taking and folding back and saying we did the right thing, or this is what we needed to do. This is what we had to do.

In 2022-23, if we did nothing we would have had \$27 billion in debt, Mr. Speaker – \$27 billion in debt. Now, who on that side can tell us that's the right path to take? I invite you to stand up, if that's the right way in which we can do it. We cannot do that. We cannot survive and we cannot move forward the way in which we were going. It's impossible, and we have to look at the future of this province. We have to look at the people who are living in this province to make sure they do have a future. How do you do that, by doing nothing? I don't think so. I think it would be totally irresponsible for us being elected Members to take that attitude, because it just would not work.

As a matter of fact, Mr. Speaker, if we took no action and we wanted to wonder about four years down the road, none of us might be in this position, because if we can't manage what we're doing, someone else will probably come in and manage it for us. Is that what we want as Newfoundlanders and Labradorians? Not for me, not for my grandchildren. I want a future for them, and I have to make tough decisions in order to do that. Is it going to be easy? No, it's not. It's not going to be easy.

I think we made it clear. We said people were going to be impacted. But, Mr. Speaker, did we leave it at that? No, we didn't leave it at that.

The numbers that are coming from across the Third Party in particular, with regard to how people in low income are impacted, are not necessarily the right numbers, Mr. Speaker. They're not the right numbers. We have \$75 million that was put into this budget to offset the temporary levy, which we all know is a temporary levy. The Minister of Finance and the Premier have already said that if we are able to find some offsetting revenue, it's a temporary levy. If we can't find offsetting revenue, the furthest out it's going to be is 2018. Then it's going to be removed. It's a temporary levy.

Now if levy is the right word, I don't know. Is it a levy or a tax? What difference does it make? It's the same thing isn't it? In the end it's the same thing. There's no difference.

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

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

**MR. HAWKINS:** We could have taken that amount; we could have put it on personal income tax. It would have been there forever and a day. Would that have been happy? No.

If we listen to some of the Members of the Third Party, well, we haven't taxed enough. We haven't taxed enough. They said why don't you tax to about \$1.3 billion? Isn't that what's been said, \$1.3 billion. Imagine if we taxed that rate.

Mr. Speaker, there are all kinds of messages that are coming in that are not in my – as far as I consider, to be correct messages. So I think all of us need to step back. We need to think about what we're talking about. We really need to talk about how serious this particular crisis is that we have. We are in a financial crisis.

For the first time in our history that I know, we're spending over \$100 million more to service interest on our debt than we can pay for education for our kids. Now, do you have pride in standing on that? I don't. Now I have two grandchildren in Newfoundland and Labrador, unfortunately I have four in Ontario, but I don't stand here as a proud grandparent and say we're spending \$100 million more on interest than we are for education for our children. That's shameful. That's totally shameful.

Furthermore, if we did not check and we did not put measures in place – just think about this, everyone think about this for a moment. If we did not put the measures in place, try to get your head around the fact, if we did not check it we would be, within the next couple of years, paying \$2 billion in interest. Just think about that for a moment, \$2 billion in interest before we did anything else. Before we provided any services, before we got out and provided services for our health care, before we provided services for education, before we provided any services to the people of the province we'd have

to find \$2 billion in interest. Now, how can you run a province like that? How can you do it?

**AN HON. MEMBER:** You're taxing the poor.

**MR. HAWKINS:** Are we taxing the poor? The Member opposite just said we're taxing the poor. He still doesn't have the numbers right. We have been very clear, and it's very clear. You have the numbers. If you don't have the numbers, you can get the numbers.

If a senior couple with \$26,000 income – a senior couple are provided, under the money that we're providing in the supplement, they will be receiving a cheque for \$455 every three months to offset some of the costs they may incur; \$455 more than they did before.

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

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

**MR. HAWKINS:** Mr. Speaker, would I as an individual, would I as a Member for Grand Falls-Windsor – Buchans, would I like to be able to stand here tonight and say we're giving Newfoundland and Labrador the world? Sure I would, but the opposite to that is the position we're in now. We cannot survive with the debt load we have. We cannot survive. So we have to make some tough decisions. They are not popular.

Let me tell you, Mr. Speaker, let me tell the Members opposite, this is not a popularity contest. The Minister of Finance has worked hard. Do you think she wants to run a popularity contest? No, we can't. We have a responsibility as elected Members to represent and to try to chart the best possible course for the future of this province. We have to do it.

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

**MR. HAWKINS:** And, Mr. Speaker, it has to be a sustainable future.

We all went through exercises with municipalities the last few years. We went through a sustainability exercise. We had to prove our communities were sustainable. Well, I'm glad municipalities don't have the same flexibility that government has because we

would all be in trouble. We just can't spend and spend and spend and spend. There has to be, somewhere, an end to that.

We have two lines in our budget: revenue, expenses. Guess what? In Newfoundland and Labrador they're reversed. They're upside down. Expenses are up here, revenue is down there. Now, can any business survive on that path, on that trajectory? No, they can't. They can't do it. It's impossible.

So the challenge for us as elected officials is try to narrow that gap. We have to narrow that gap; otherwise, we will have difficulty in borrowing. We will not be able to borrow. And then what kind of a situation will we be in? It is bad enough as it is.

So, Mr. Speaker, we need to make some tough decisions. They are not popular decisions.

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

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

**MR. HAWKINS:** And we'll be the first over here to admit that they are not popular decisions.

It is incumbent on us, as elected Members, to protect Newfoundlanders and Labradorians for tomorrow. We have to look after our children and we cannot just put them aside. We need to make sure that decisions we make reverses the decisions that have been made in the past – the easy decisions that were made in the past.

It's easy to make decisions when you can spend, spend, spend. But it comes to a point in time when you really have to look at that and say: Where do we draw the line? Unfortunately, Mr. Speaker, we have been faced and placed in that particular situation.

Mr. Speaker, my time has quickly gone. I can't believe it. I know the Member opposite is over there saying I can't wait for him to sit down, but anyway that's okay.

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

**MR. HAWKINS:** Well, I have no problem; I can stay all night.

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

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

**MR. HAWKINS:** One of the other points I want to make before I do sit, Mr. Speaker –

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

Each Member of the House has time to speak in this debate and each Member should be able to speak uninterrupted.

The hon. the Minister of Transportation and Works.

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

I probably have about another half a dozen items, but I won't get to them. I did want to make reference to one – I know there's been a lot of information on fees. Yes, we have made some changes to fees. I just wanted to point out one thing. I do have a constituent who is very upset with the previous administration because of the fact that they brought in fees as well. One of the problems that they did when they brought fees in, they made it immediate.

I have a business that right now is struggling with having to pay somewhere between \$40,000 and \$45,000 because he was not able to prepare for charging the fees because of the fact that he had no warning of when the fees were going to be changed. Obviously the type of business that he had, he made decisions based on the old fees and the new fees were changed and then he was shortchanged.

When we talk about fees in our government, we've made sure that we protected that and in areas where business people have been impacted, there is obviously an implementation period before the actual fee structure takes in effect. So I just wanted to point out that. When we talk about fees, it's not always going to be just straight fees. There is always a story behind every other story. I think as it goes, there are probably about a million stories in the naked city and this is only about one of them.

I know that there are all kinds of issues that we want to talk about. I wanted to talk a little bit about the multigrade classrooms. Again, I know

that's a concern that people have. I know that the Minister of Education has stated very clearly it's not new to Newfoundland and Labrador. It's not new to Canada either, Mr. Speaker. As a matter of fact, I have a granddaughter that is in Brampton, Ontario. My granddaughter in Brampton, Ontario is in a multigrade classroom. It's an urban area. It's not new to the rest of Canada. It may be somewhat new to certain areas of Newfoundland and Labrador.

But these are challenges that we have, Mr. Speaker. I know the opposite side and the general public are saying look for efficiencies within government. Well, as soon as you find efficiencies within government or inefficiencies within government, then when you make decisions you always get criticized because you didn't make those right decisions.

All I'm saying, Mr. Speaker –

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

**MR. HAWKINS:** – is that we will continue to work with the people with the people of Newfoundland and Labrador.

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

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

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

It's a pleasure to get up tonight and speak to this Concurrence Motion that is before the House. People have asked recently why you have all these different debates on the budget. It's somewhat of a complex process, but this is where we discuss results from Estimates. And, of course, being a money bill, it gives people very broad latitude to discuss anything that has to do with the budget, which is anything to do with running a government.

I listened attentively to the Minister of Transportation and Works and his comments this evening. I enjoyed, as we normally do, listening to what he had to say. The man is generally respectful in his delivery and his conduct here in the House. He has views that are not consistent with ours quite often, but that's

what happens in the business that we're in. That is what sometimes happens.

He talked a little bit about municipalities and consultation. I have a copy of the release that was just issued this past weekend by Municipalities Newfoundland and Labrador. It was issued on May 7, Saturday. Municipal leaders saying no to downloading is what it says, and it's from Municipalities Newfoundland and Labrador, from the newsroom.

I'm just going to read some sections of this. I won't read the whole release, but I think it's important because it speaks to part of what the minister referred to. It indicates that municipal leaders from MNL, which is Municipalities Newfoundland and Labrador, Municipal Symposium, which happened this past weekend in Gander, are clear and united in their displeasure with the provincial budget – a very clear statement, Mr. Speaker.

**AN HON. MEMBER:** Pretty straightforward.

**MR. P. DAVIS:** Very straightforward and very clear, not too difficult to understand.

It goes on to say: “At the budget debrief session this morning, speaker after speaker” – which are all municipal leaders – “rose to talk about how this budget will impact their hometown.” So they talked about impacts on local communities. Rural and urban community municipal leaders saying they spoke one after another.

“While much of the municipal funding in the budget was maintained, speakers ...” – which is what the Members opposite said by the way. They talked about, well, they got what they asked for and more was one comment I heard. Municipalities got what they asked for and they got more. We kept the ratio which used to be, under the previous Liberal government, for multi-year works or for capital works 50-50, cost shared. We changed that during our time there.

It may have been some of the things that Members opposite talk about: wastage. They keep saying they're going to expose the wastage. We're seeing what the wastage is now because we can tell what they cut in the budget. We would assume that the first place you're going to

reduce services or programs would be wastage and we've seen that – and I'm going to get to some of those a bit later.

“Speakers were equally concerned that these decisions seem to have been made with little to no direct consultation with those affected by the cuts.” Mr. Speaker, we come to the House here every day and Members opposite like to criticize us for things we have stated here in the House. We get information from a variety of sources. This is a release from Municipalities Newfoundland and Labrador, an organization I'm sure all Members of the House respect. They are politicians in their own right running municipalities. They have to bring in balanced budgets. It is required by legislation and they have to work within their means. They have to do that.

They say here: “Speakers were equally concerned that these decisions seem to have been made with little to no direct consultation with those affected by the cuts.” Mr. Speaker, Members opposite can criticize us for raising this and they'll say, oh, the Opposition is up to it again, misinformation. They are fear mongering. We hear those words. They can say all that about us, but these are the municipal leaders who said they weren't consulted. We're just sharing the information. What we're doing, as an Opposition, we're sharing the information.

It says: “The downloading of libraries to municipalities galvanized the opinion of the municipal leaders present. Councils across the province are struggling to provide core services like clean, safe drinking water and waste water treatment. It is unreasonable and ill-informed to expect them to take over the funding of a provincial service.”

Now, we know if you looked back through the consultation documents that the government put out back in the year when they duplicated what New Brunswick Liberals had done up there for consultation, essentially the same plan, same time period, same format, not really anything new – they saw what the Liberals in New Brunswick did and they decided to share it.

If you look at it, one of the aspects of discussion – there were three of them. I don't have the headings in front of me, but one of them was

how a service that is being delivered by the province could be delivered elsewhere, was the general gist of what it said. In this case, it's municipalities.

Further on down, “Cuts to the valuable public services like AES offices, courts and health care were raised by almost all of the speakers.”

So, Mr. Speaker, it's not just us here in the Opposition and the hundreds of emails and people of the public who are sending us emails who have these concerns. These are very municipal leaders, many of the Members opposite, their friends and colleagues and former friends and colleagues, who are talking about AES offices, courts and health care, raised by almost every speaker.

It goes on to say a little bit later, “With no consultation, no plan, and no integrated approach these cuts won't lead to effective regionalization – they will lead to chaos.”

Now, Mr. Speaker, it sounds like some of the messages and problems and issues and concerns we've been raising. I can assure you that no one on this side of the House had any input whatsoever on this release that came out on Saturday.

“Finally, speakers said that municipal operating costs would increase due to higher gas taxes, increased fees across the board, and higher charges for provincially provided snow clearing ... municipal budgets were set last year so none of these increased costs are covered in existing budgets.”

So all of a sudden we have municipalities who bring in balanced budgets. We know many of them work very, very hard to try and keep their costs low, reduce their operating costs. We know the government in their budget this year increased their cost, but municipalities had to decrease their cost or try and shrink their cost, and they do that. It's very tight and very difficult for them. This references that, Mr. Speaker.

Their budgets were set last year as required by legislation, and now they've got all these increased costs put at them. That money will have to be found by cutting municipal services and raising municipal taxes next year. Why they

say next year, it's because they can't do it this year.

The Minister of Municipal Affairs said today, and he was right when he said it, that a municipality could write the minister and ask to redo their budget and they could increase their taxes this year to offset what the province has downloaded onto them.

**AN HON. MEMBER:** He's going to get a lot of letters.

**MR. P. DAVIS:** You're right, they could do that. It's a process that would take some time. We are now in the fifth month of the year. I would suggest it would take several months process to do that. They could do that but I'm sure all of the protests and people who are speaking out against the province in any municipality would quickly shift to the councillors for downloading the problem from the province right to them.

Here's the statement, Mr. Speaker, I think that sums it up, short and concise: "The buck has simply been passed to councils." That's their friends and colleagues who wrote that. I didn't write it. That's their friends, municipal leaders from the province who wrote that. It's not unique to a small number of them. They're all united and they're all consistent.

The minister will be in Conception Bay South tomorrow afternoon for Municipal Awareness Day. I'm pleased to say that myself and the Member for Conception Bay South will be joining him for some events and celebrations in Conception Bay South. I hope he gets a chance to talk to them because the deputy mayor, who's the Chair of finance, has said that their estimate of all of the additional costs and fees that they now have to be responsible for, for the Town of Conception Bay South, is about \$350,000 by their estimate.

Mr. Speaker, that's huge. So they can go through the difficult process of asking the minister to rejig their taxes and so on – I'm sure they don't want to do that, I'm quite sure they don't want to do that – or they're going to have to reduce and gut the services they provide.

I'm going to tell you, I lived in the Town of Conception Bay South for many years, been there now for almost 25 years. It's a town that has grown exponentially over that period of time. There have been great investments in the community, great growth, lots of new housing being developed, lots of young families and people coming to the town to start their families and start their lives as adults as they move on from education, post-education, leave their parents homes and so on.

The town has really become a growing community that is a beautiful place to live, walking trails and outdoor facilities and recreation. All of the things that young families want. Now they have to find an extra \$350,000. It's fairly significant, Mr. Speaker.

I bring that up and raise that in response to the Minister of Transportation and Works, and he's right; it's not a popularity contest. His comment was it's not a popularity contest and I fully agree with him, and it's not. Being in politics is not a popularity contest. It's about asking people to give you a job to do.

We go out and we knock on their doors and we say to them what we believe is the right thing to say to them to ask them to support us. They decide if they're going to support us or not. Then if you're lucky enough and fortunate enough and honoured, they'll give you the job. It's certainly an honour and with great dignity that Members serve in this hon. House.

Mr. Speaker, it's not that. When you go out and say to them here's what I'm going to do, there is an expectation that you're going to do it. I would suggest, Mr. Speaker, to Members of this hon. House that what this government has done is not what they promised to do. That's a big problem that's raised by people every day. Every single day, seven days a week we get response from people who say, what can I do? This is not what they promised. This is not what they had offered and what can I do about it.

Mr. Speaker, there are numerous articles, editorials, opinion pieces, letters to editors and so on being written by many, many people throughout the province. Many for the very first time publicly sharing their views on the budget.

I think that speaks for itself and that says something about it as well.

Mr. Speaker, I also read with interest the Newfoundland and Labrador Employers' Council, Richard Alexander, who's their CEO, has a blog. I read with interest what he posted on their website just a few days ago. I think it was yesterday, or the day before yesterday. I'm just looking for the date on it. He posted a blog and put his beliefs on it.

I'm going to share some of what he wrote as well, because he talks about chapter one, the tax increase. He talks about how tax increases are going to increase revenues to the tune of \$882 million for taxes this year. It's a fairly significant amount when you think about it. He said it's a magnitude that's unprecedented. His option is that government is essentially trying to attempt to replace oil revenues with tax revenue. That's what he believes.

He talks about, he met a minister one day and the minister said, "We are still competitive on Personal Income Tax in Atlantic Canada." That's what the minister said. He goes on to say in his article here, I'm reading from the article, "According to the Conference Board of Canada, if you take into account the impact of all taxes on households in Newfoundland and Labrador, including personal income tax, social security contributions paid by employees, property taxes, provincial sales taxes including HST and the gas tax, plus the new deficit reduction levy, we now have the largest personal tax burden of any province in Canada."

Now, that's an assessment done by the Employers' Council. He said when you include all of it together, what his assessment is – I haven't done it myself, Mr. Speaker, I'm just reading from what Mr. Alexander wrote – "we now have the largest personal tax burden of any province in Canada."

I'm sure Members opposite will get up and say our income tax is competitive. I've heard people say that income tax for higher-wage earners is lower than it is in other provinces. It's lower than Nova Scotia and lower than New Brunswick for the highest income earners, which are the highest taxpayers.

I know Members opposite will make those types of comments, but according to Mr. Alexander, when you include all of the burdens, when you include all of the fees, the taxes, the levy, if you look at all of it – because remember, we were promised a budget calculator from the government. They're going to put out a budget calculator so people can understand how much better off lower-income people are going to be and how much the impact of the budget was going to be. The budget calculator that came out wasn't what, I don't think, anybody expected. It was just targeted to one specific group.

Mr. Speaker, according to what Mr. Alexander says we now have the largest personal tax burden of any province in Canada. If he's wrong, don't stand up and say, oh, I'm fear mongering; oh, the Leader of the Opposition over there is fear mongering. He's getting on with his nonsense, misinformation and all that. I'm just quoting what Mr. Alexander said. If he's not right, take it up with him. It's a blog; this is right from their website.

He said: Economists – and I'm just skipping over some pieces here and just highlighting some of the comments he made that I found to be interesting, and I think other people and the people watching at home might be interested in. "Economists we have spoken with are stunned at what they did. There is no historic precedence in our country or around the world for a government taxing their way to prosperity."

Now, Mr. Speaker, this is a person who represents employers. They have a provincial association, the Employers' Council. He represents employers around the province, he speaks on their behalf, has a board of directors that he represents, and who I would imagine that most everybody in the House knows somebody who's one of the members of the board of directors. I'm sure they do.

Mr. Speaker, I'm only quoting what Mr. Alexander said. I can assure you, I read as much information that I can find about the budget. People's opinions who agree – there are not many of them around – who believe that yes, government had tough things to do. I can think of one offhand that had made some supporting comment. But most people have some type of an

opinion why it's wrong. Too hard, too fast, too burdensome.

As my hon. Member, I heard him mention earlier, my colleague for Cape St. Francis, said, running government is not running a business. Business is not responsible for social services and social assistance and income support to people. They're not responsible for that. Businesses aren't responsible to deliver health care. Huge, significant costs for health care, and they're not responsible for that. So you can't run it like a business. You have to try and grow a population, not decrease a population.

The only way an area in our province can grow and sustain itself and provide opportunities in the future is to grow the population. The government has delivered a budget that in their own words is going to shrink our population and drive people out of our province – right in her speech, Mr. Speaker, right in her own comments.

So, Mr. Speaker, we have to turn that around. It's not the right approach. When you have tough times, yes, you have to make difficult decisions, but you have to have difficult decisions and do it in a way that people can buy into it.

The Minister of Finance took days to say to people before the budget, it's bad, it's bad, it's bad. And now the Members opposite, God love them, have changed their tune, and now they're saying oh, there are a lot of good things in the budget. I even said the first day of the budget, the budget is not all bad because there are things here they haven't cut, which I was worried they were going to cut. That's good news. There are programs there that they haven't cut. Now, they've cut lots, and I can go to lots of them but I won't have time.

I do want to go to an area that has been of some debate over the last couple of days. I want to talk about the people of Labrador, and I want to talk about the discussions around the fixed link. Now, the Member opposite rose here in the last day or so and pointed at someone on the other side – actually, I think it was the Third Party – and said, you shouldn't be putting words in people's mouths. True enough.

I heard the same Member make a comment, why do I dislike or hate or disrespect – I won't use specific words but I think I probably came pretty close – the people of Labrador. I'm going to tell you, Mr. Speaker, I say the same thing, don't put words in my mouth. Nothing could be further from the truth from my perspective.

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

**MR. P. DAVIS:** Nothing could be further from the truth.

As a matter of fact, Mr. Speaker, when I sat in government, I learned a lot about Labrador since 2010 when I was first elected during my time as a Cabinet minister and also premier. I have family who live in Labrador. I have friends in Labrador. I have people who I know have lived there all their lives. I know people who have moved there, won't come back out of it. I know many.

I have the utmost respect for them and everyone else that lives in Labrador. I don't want anything bad to come to Labrador. That's nothing further from the truth. But when cuts are being made to Labrador that Members opposite themselves have said to people in conversations, through social media, response to emails or here in the House that they don't favour, they're against, then they have to question why are we doing a study for a piece of infrastructure that we know is going to be way down the list. Is the fixed link now more important than a new psychiatric hospital or a new penitentiary or a new hospital in Corner Brook? All major projects, Mr. Speaker.

Why are we going to spend \$750,000 on a study that by the time you get to look at it and give it a serious consideration, it's probably going to be out of date anyway? I don't get it. I do not get it. It is obvious from the response we got that many people feel the same way, that it is not a good thing to do. It was a promise made by the government that they'll do it. It was a promise made, but is it one of those promises where they can say, like they did with the HST, things are worse than we ever imagined, b'y, it's some bad, so we have to put the HST back on. We have to put a levy on. You can say, b'y, we don't have the \$750,000 this year. Do it next year or the



year after or the year after that when things lighten up a little bit.

To say that I, in any way, or Members on this side of the House, in any way, lack respect for the people of Labrador is absolutely terrible – absolutely terrible. When Members opposite have got AES offices closing – which I don't get, because when employment opportunities decrease and the economy is in a bad place, you need AES offices more than you ever did before.

As a matter of fact, I've said this on other aspects like the Rowan Centre in St. John's which is for teenagers, young men and women who have mental health challenges and they need day programs to go in the system. When programs don't work right, you don't erase them; you should try and fix them, make them better and fit the need of the community.

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

**MR. P. DAVIS:** I can tell you in many of the communities where AES offices are closing, as municipal leaders have commented on, we should be making them better, not shutting them down. It's now that people need services and support more than ever before. And, as unemployment goes up, as the cost to live in Newfoundland and Labrador has gone up, people are worried and people are struggling. They need more support than ever before, they need mental health support as in the case of the Rowan Centre, and they need assistance through AES offices. For so many more reasons, that's why this budget is wrong and we'll stand to speak some more on it.

Thank you.

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

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

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

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

Certainly, it is always a privilege to stand in this House and represent the people in the District of Windsor Lake that I represent, as it is for all of us to have the opportunity to stand in this House

and speak to legislation, the budget, and other opportunities that we have in this House.

Mr. Speaker, I think it is important that as we continue to discuss the budget that we really have an honest conversation about the reality of the fiscal situation that our province is facing. As Members in this House have heard me say before, our province has come through over a decade of spending that, quite frankly, was unsustainable. Just to put it in perspective, the total consolidated debt that the former administration put on the books for Newfoundlanders and Labradorians was almost \$6 billion from 2003 to 2015. And that per cent of growth in debt is about a 69 per cent increase in debt. Our province has the highest per capita debt of any province in Canada.

As I've listened to the debate over the last number of days and weeks, I've heard Members opposite talk about why we were not able to put a budget in like Alberta. Why could we not be like Alberta? Well, Mr. Speaker, the reality is that Alberta went into the period of low oil price with little or no debt. Newfoundland and Labrador has gone into this situation of low oil prices and low oil royalties with the highest debt we have had in our history. We are not like Alberta.

This province experienced the highest oil production in 2007. The former administration took a \$2 billion cheque related to the Atlantic Accord in 2005 and had to put it in the pension plan, which is important. But what did they do? They then spent 10 years not addressing the pension problem until last year, when oil prices and oil production were at some of their lowest in a decade.

Mr. Speaker, make no mistake, and for those people listening at home, make no mistake we recognize, I recognize, that this budget is a very difficult budget for the people of our province. Let me be clear that our government is going to do everything we can, over the course of our mandate, to fix the fiscal situation in our province. I'm very grateful that we have been able to avoid the fiscal crisis which was inevitable that when you raise your debt so high, you can no longer borrow.

I said in this House already that of anybody in Newfoundland and Labrador, I have the unenviable job of signing my name to the loan documents that provide this province with the money to spend on services. So far this year, for those listening at home, if a mortgage was about \$200,000, I have signed 9,500 of those on behalf of the people of the province.

**MR. K. PARSONS:** (Inaudible.)

**MS. C. BENNETT:** Mr. Speaker, the Member for Cape St. Francis can sit on that side of the House and he can mock this situation, but I can tell you for sure –

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

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

**MS. C. BENNETT:** – that this is not a laughing matter. The situation that we are facing as a province because of the poor management and the lack of long-term planning and the lack of accountability from the other administration that the people of the province so rightly took out of government last November, I can assure you that this side of the House is making the decisions that are going to bring sustainable services to the people of the province.

Different Members of the House have spoken about emails that they're getting. I'm not unlike any other Member of this House. I'm getting phone calls and emails, just like everybody else. I think it's important to also highlight for those people in the House tonight, and those listening at home, that here are some of the things in some of the emails I'm getting: Do not kick our problems down the road. We don't want our children and grandchildren to have to deal with this massive burden, and we want future generations to have quality education, sustainable health care and the services they need.

Mr. Speaker, we are concerned, very concerned, that we are now paying more on debt expenses than we do on educating our children. That is not the values of Newfoundland and Labrador. That is not what the people of the province want to happen.

We are very concerned about our most vulnerable residents, and that's why we implemented the Newfoundland and Labrador Income Supplement to lessen the impact of this budget on those vulnerable people. Mr. Speaker, we are concerned that the increase in debt – and I need to be clear on this – and our inability to borrow would cripple vital services to our residents now and in the future. No one is happy about this budget, but we cannot take downloading unsustainable or, worse yet, non-existent programs and services to our children.

Mr. Speaker, my hon. colleague spoke earlier about spending more than we take in and the former administration increased spending some \$600 million in one year, and actually budgeted a phantom number of \$150 million they believed they could save through some magical effort that I have yet been able to find. Mr. Speaker, I understand, we understand, that the people of the province are concerned about this budget, and that's why it is important for us to continue to have dialogue with our constituents and provide information that is based on fact.

So let's talk about the income tax measures. *Budget 2016* announced personal income tax rates and those rates would see the lowest bracket increased by 1 per cent; the second bracket increase by 2; the third bracket increase by 2½; and the fourth and fifth brackets increase by 3. Now, the former administration introduced the fourth and fifth brackets. They did that last year in their budget and actually only increased the tax on those individuals by 1 per cent. This was the same administration that, when they also dropped taxes, forgot to drop the lowest income tax bracket, Mr. Speaker.

The temporary Deficit Levy – and make no mistake it is our intention, and in our seven-year plan we have planned for it over the next number of years, to remove the temporary Deficit Levy. It's a levy that is based on taxable income. I think it would be really important for those people listening at home to understand that contrary to the information on the NDP calculator, the levy is on taxable income, not gross income – not gross income as indicated on the NDP calculator.

Mr. Speaker, the levy is something that we, on this side of the House, understand that people of

the province have concerns with. We are working extremely hard to find every opportunity that we can to eliminate that levy over the next number of years. But this is a spending and a revenue problem. When we remove a tax, we have to be prepared to make the decisions on what those cuts might be.

That is something that the Opposition – both the Official Opposition and certainly the Members of the Third Party – continue to forget, that in the absence of tax initiatives like we've brought in, particularly the temporary levy, that there would have to have been significantly more cuts than the \$282 million that we cut in this budget, Mr. Speaker.

I've also heard Members from both Opposition parties talk about the lack of the progressive nature of the tax. Mr. Speaker, for those listening at home, if they'd like to go on the government website under the budget information, they will find a chart there which is a comparison of personal income tax payable in the 2017 taxation year. It has taxable income, not gross income like is reported on the NDP calculator, but taxable income that moves up the categories between \$10,000, \$20,000, \$30,000, \$40,000 and on to \$250,000.

The actual tax increase as a per cent is there for every single one of those ranges. Mr. Speaker, it moves up from zero, 1.6, 2, 2.3, 2.4, 2.5, 2.6, 2.8; that sounds progressive to me, Mr. Speaker. I should add that those percentages are based on the rate increases for the personal income tax plus the temporary Deficit Levy.

For the Members opposite to say that the tax increases that we put in are not progressive is factually inaccurate. It's factually inaccurate and it's taking a look at a piece of information without taking a look at the entire amount of personal income tax and looking at the progressive nature of it.

Now, the Members opposite have also chosen not to talk about the new and enhanced benefits that we've implemented. The Newfoundland Income Supplement, our government took very seriously the need to implement a program that would lessen the impact for low-income seniors and individuals from this budget. Those people making a net income of \$15,000 or higher

qualify for the Newfoundland Income Supplement, a basic credit of \$220 up to a maximum of \$450.

The Member for Cape St. Francis likes to use individual examples, and I think it would be important for me to share a couple of examples. As a result of the Newfoundland Income Supplement, a senior couple with a net income of \$26,000 would receive an average annual supplement of \$510, plus their Seniors' Benefit which has been enhanced as part of this budget as well to \$1,313, resulting in quarterly installments of \$455.75.

Mr. Speaker, the Members opposite have a role to play, obviously, in this House, an important role. It is important that we have democratic discussions based on differing opinions. But I have to tell you, it is disappointing for me, as a Member of this House, when I have such respect for the colleagues in this House that share the seats with us, that they would not take the time to inform themselves about the facts of the budget so they can inform their constituents.

The other thing, this budget does include tax increases, but it also includes \$8.4 billion worth of spending, spending on things like roads and ferries; \$63.7 million for widening and paving the Trans-Labrador Highway; \$23 million for the continuation of the Team Gushue Highway; \$13.5 million for vessel refits; \$9.3 million for the completion of the Placentia lift bridge; \$5 million for the heavy equipment replacement program. For post-secondary, it includes \$3.25 million to Memorial University for priority infrastructure; \$1.9 million to the College of the North Atlantic for priority infrastructure, including a new investment of \$350,000 for planning future infrastructure priorities.

In health care, \$2.5 million to further support the planning and design of a new facility to replace the Waterford Hospital; \$8.5 million to support the continued planning and design of the new Western Memorial Regional Hospital; \$2.6 million for the completion of the PET scanner at the Health Sciences Complex, expected to be operational in 2016; \$2 million in new funding to plan for long-term care in Western and Central regions, and this investment will help determine the right delivery for all aspects of the project.

From a community investment perspective, \$72.7 million for approved projects under multi-year capital works, municipal capital works, and the former Building Canada Fund; \$20.4 million in order to leverage federal funding under the New Building Canada program; \$5.5 million to modernize and renovate public rental housing; and \$5.4 million for maintenance, repair and upkeep of public rental housing properties.

Mr. Speaker, let me be clear, we know that the people of the province are finding this budget, as we all are, very difficult; but we cannot put our province, a province that has the highest debt per capita in a situation where we lose control of who makes the decisions about the investments that we have to make in social infrastructure, in municipal infrastructure, in educational infrastructure, we cannot let that happen. And had we not taken decisive action in this budget, I can assure the people of the province that we were on a path that none of us wanted to be on.

Now, if Members opposite want to continue to deny the inevitable, that's their cross to bear. Our job as government is to make sure that we make the decisions that are going to provide our province with a future where we determine the investments in our province, we determine our services, and we don't give that over because we have too much debt.

I look forward to continuing to hear the Members opposite suggest solutions for the fiscal crisis that our province is avoiding with this budget, and their input on the things that we need to do to continue to bring financial stability to our province, Mr. Speaker.

Thank you.

**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'm very glad to be able to stand tonight in Concurrence on the Government Services Committee to talk about what we've heard over the last few weeks, to talk about what we've heard in Estimates, and to share some more

thoughts about what we're dealing with in this province and what we're dealing with, with the budget that has been laid on the people of this province.

I find it really, really interesting to listen to the ministers who've spoken tonight and I find it fascinating that this government can hear people from every walk of life in this province tell them they've made a mistake in the choice that they've made, and to have the arrogance that they have, the thick skins that they have, the sense of being so sure of who they are that they can say that everybody else is wrong and they're right. The Minister of Transportation and Works stood and he said they're not out to win a popularity contest. Well, that's for bloody sure.

But why they would continue when it's not just those people on the other side of the House of Assembly, when they have the St. John's Board of Trade saying the levy is not good. When they have chambers of commerce around the province complaining and talking about what's happening because of cuts that are happening due to this budget, such as the chamber of commerce out in Bonavista talking about the impact of the cuts out in Bonavista, the cuts to the hospital in particular, on the radio this morning talking about that.

When the municipalities of Newfoundland and Labrador – not just an organization, but the individual municipalities around the province – are talking about how the budget is not working for them. When organizations of many stripes are saying the same thing. When economists of various stripes are saying the same thing. When unions are saying the same thing. When ordinary people, when the hundreds of people – you have them as well, you may not have gotten as many as we did. This is only one of my file folders; this is only one of my binders filled with emails.

When individuals, when organizations, when other political people – when everybody is telling them that it's not going to work, they are convinced they are right. Boy, I'm telling you, that's gall. Boy, is that gall. I'm fascinated by it. I really am fascinated by it.

It really amazes me, Madam Speaker. It just amazes me how they can continue down this road and can do the kinds of things they're doing

like accusing us on this side of the House as not getting facts straight, as not doing our homework. I'm doing 14 and 16 hours a day. We all are. Fourteen and 16 hours a day trying to make sure that I know what's going on, sitting and talking with other people, having meetings to discuss what's going on to try to get a handle on what this government is doing and what the impact of this budget is going to be.

Then to be told isn't it a shame that they're not taking any time to get their facts straight – what an insult. I'm not here to be insulted. I'm here to bring the message of the people into this room. When I'm here I know all the people who are saying this is not right. So it shouldn't be me as an individual or any of my colleagues as individuals who are being looked at by those on the opposite side, it should be they're representing their constituents, they're representing people who've been elected. They represent what is happening outside of this room.

You've got yourself into a cocoon, Madam Speaker. They have themselves in a cocoon. They're in that little cocoon by themselves to keep themselves strong and convinced that they've done the right thing. I'm absolutely shocked by it.

The other thing when the Minister of Transportation and Works was speaking, the Minister of Transportation and Works talked about the future, that this budget is about the future, that it's about the future of our children, it's about the future of the province. It's all about the future and we should be so happy and content that they're concerned about the future.

Well, Madam Speaker, let's think about the future that the budget presents. I'm not making this up. This is what is in the budget. Here's the future that this budget of 2016 has presented to the people of this province. In this budget it says that there will be a 15 per cent reduction in employment and 22 per cent reduction in earned income by 2021, and that this budget will contribute 40 to 50 per cent of that weakening of the economy. The budget says it; I'm not making that up. The minister stood on April 14 and read that in her speech.

Okay, that's the future up to 2021. What else? They expect – in this budget, and it's written in the budget – between 2,500 to 3,000 job losses in the private and public sector adding to the 650 cuts in the public sector jobs. This budget, in its own words, forecasts employment to decline by 15 per cent by 2021. That's some future. The budget also expects the jobless rate to increase from 13 per cent to 19.8 per cent in 2019. That's only three years away. That's the future of this budget.

I don't know how far down the road we have to go to find the future that the Minister of Transportation and Works was talking about. They say we're going to invest in our economy, create jobs and diversify our economy and they did nothing of it. Nothing of that in this budget; it is absolutely shocking.

I want to talk about – because we have done it before in the House, and the minister picked up on it when she was speaking. I want to talk about Alberta, because the minister has pointed out that, yes, it's true, Alberta went in a different direction, but Alberta didn't have a debt to deal with. And it's true that in the light of our per capita debt, when the new government was elected a year ago in Alberta they had not the same level of debt, but let's look at the choice they made.

First of all, Alberta decided to increase by 2 per cent the overall operating spending. They had stable funding for education and health. They didn't touch their funding in education and health. They increased infrastructure funding by 23 per cent this year and by another 13 per cent next year.

Now, the minister led us to believe when she spoke that they were doing that without having to make any other choices. Well, let's look at the choice they made, because they did make other choices, and I want to get that choice. Here's the choice they made.

In 2014, Alberta's debt was small. It was \$13 billion which was 3.4 per cent of their GDP, so \$13 billion in 2014. Then the amount of debt Alberta will carry will increase significantly in the next three years.

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

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

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

The amount of debt Alberta will carry is going to increase significantly over the next three years. In 2016-17, in this year's budget, their debt is now up to \$31 billion. That's 9.6 per cent of their GDP, up from 3.4 per cent. In 2018-2019, their debt will be \$58 billion, up to 15.5 per cent. The point I'm making, Madam Speaker –

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

**MADAM SPEAKER:** Order, please!

Order, please!

**MS. MICHAEL:** If the people on the other side of the House would stop talking they might hear what I'm saying. They're the ones who are accusing us of not listening and not knowing, but they're afraid of the truth.

The point I'm trying to make is that Alberta is not afraid of increasing their debt and making things more difficult that way (inaudible) because they understand that putting money into infrastructure will be an investment and it's the way they have to move forward. Having lost 60,000 jobs, having also suffered from a major decline in revenue, they have not only tripled, not only quadrupled, they have almost multiplied by five the debt they are going to carry. They have actually more than that, the debt they are going to carry.

Now I'm not saying we have to multiply our debt by that, but I am saying that a deficit of \$1.8 billion isn't a magic number. We keep getting being thrown that number, \$1.8 billion. That's not a magic number. If we had a vision, if this government had a vision, we might have seen a lot more money going into infrastructure.

Here's a fact for the other side to hear. Finance Canada has a table that if you go look at this table, it's widely used by people. This table is very simple, and according to Finance Canada – not Lorraine Michael, but Finance Canada – every dollar spent on infrastructure increases economic growth by a dollar and a half. The

department says infrastructure spending – I'm not saying this, I'm telling what Finance Canada says – is the most effective form of stimulus when compared to other options including more generous Employment Insurance benefits or tax cuts. Now that's Finance Canada.

I'd love to know who it is that this government went to in getting the advice where they're going. I have no idea. I do know there were people in St. John's, economists – I know at least one economist, a visitor who was here in St. John's –

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

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

I ask Members for their co-operation so we can hear the Member speaking.

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

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

I know an economist who was in town from British Columbia. A very balanced economist, we sat and met with him. I know he sat and met with this government. I know he certainly didn't say to them, do what they've done. He definitely would have taken the approach of Finance Canada. That putting money into infrastructure is one of the best ways, at a time like the situation we're in, when you help your economy grow.

I've read it to them. I've given them the facts. They won't believe it. But if they had, maybe we would have seen more than just \$20 million in the budget to go into leveraging money from the federal government's infrastructure plan. If they had done that and we could have put more money in, then we would see a budget that was going to help to grow, not weaken, our economy.

So let's look at it, Madam Speaker. Since they think I don't do any homework, since they think I don't know what I'm talking about, let me share some of the information that's out there. The Liberal government in Ottawa, in their *Budget 2016*, put out a complete plan with

regard to infrastructure funding, the infrastructure plan.

There are three different parts to their infrastructure plan. You can do social infrastructure, you can have green infrastructure or public transit. Under social infrastructure, you have social infrastructure investments to First Nations, Inuit and Northern communities. You have social infrastructure to cultural and recreational, social infrastructure in early learning and child care, social infrastructure in affordable housing. So that's one set.

Then you have social infrastructure, what they call green infrastructure. That includes: climate change, mitigation, supporting municipal capacity building, clean water and waste water fund, and water, waste water and waste management infrastructure for First Nations. Then you have public transit.

There's what the federal government is offering to governments in Canada. This is what they're offering as the possibility of leveraging money. And what did we do? We took a measly \$20 million, we parked it there and they are going to leverage some money but it is so small in comparison to what they could go after.

Let's look at the choices they made. The areas they're going after, one, the clean water and waste water fund. The other is post-secondary education, because that fits into the social infrastructure. We do know that, yes, the government is sitting down with Memorial and with the College of the North Atlantic and they are looking at small projects that they might be able to put forward and leverage money from, but it's such a small bit of what could be done.

They obviously don't believe what economists are telling them. They obviously don't believe what Finance Canada is saying, is put your money into infrastructure and you will get back one-and-a-half times every dollar that you put in. Not only will you get back the money, you're going to get back people employed. So instead of a budget that's telling our young people – I've heard people from the government say we're fear mongering and young people aren't going to run away, et cetera. Well, you know, if I were in my 20s and if I heard there's going to be a 15 per cent reduction in employment and 22 per

cent reduction in earned income by 2021, why would I stay here? Why would I stay here?

If I were in my 20s and I heard the provincial deficit reduction measures are estimated to account for 40 per cent to 50 per cent of predicted declines in those two areas, why would I stay here? Then there are those who have no choice. There are those who are going to have to stay here not just because they love the place, they want to, but they're going to have to stay here even if they wanted to leave because they don't have any choice.

Those who are on the edge of poverty, those who are being told that the little bit of money you're going to get which is supposed to make up for your Home Heating Rebate and your HST rebate, that that's going to get you over the hump. Well, that money does not cover for Income Support people and for seniors who get the enhanced benefit. It doesn't cover all the other expenses they are going to have to face; all the other expenses that includes the growth in the HST by 2 per cent.

They must think that seniors, for example, don't have cars and they don't have to pay the extra 15 per cent on car insurance. Of course they do. Some don't, a lot do. They may not be new cars but they are cars because we don't have a public transportation system in the province. They have to have them.

What's going to happen? They have to stay and they're going to have to try to put up with a loss of, in some cases for those people, up to \$1,000. We've done the math. They've done the math across the way too, but they're denying. They're denying that math. They're only showing part of the picture. As I've said before in the House, the people in the province are not stupid. They've done their math. They've counted every cent because that's how they live. I'm not just talking people who are living in poverty. Middle-income families count every cent. They have to. They have no choice.

What this government forgot – they have that circle in the budget showing they're going to save and they're going to cut and they have this lovely circle. Missing from that whole diagram is people. They didn't put people in the center and say: How do we build a budget that's going

to help the people of our province live in the present and grow for the future?

That's all I have to say, Madam Speaker.

Thank you.

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

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

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

I did have some format to what I was going to say here tonight but after listening to the last couple of speakers, I think I've thrown that out the window.

Do you know what? I agree with the co-leader of the Third Party. I agree with her. We should invest in infrastructure. That's why we're putting in \$570 million.

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

**MR. LETTO:** The Minister of Transportation and Works got up tonight and talked about what we're investing in infrastructure. Then she has the audacity – you talk about us being arrogant. She had the audacity to get up and talk about the \$20 million we put away in a slush fund to leverage other funds.

Madam Speaker, let me list off just what we're putting in infrastructure. In Transportation, \$226 million for priority projects such as \$63.7 million for widening and paving of the Trans-Labrador Highway to leverage that much more money again from the feds.

Where's the \$20 million? You talk about arrogance – \$62 million for the Provincial Roads Program and brush clearing, \$5 million for heavy equipment replacement, \$23 million – as the Minister of Finance said earlier – for construction of the Team Gushue Highway. Does she travel the Team Gushue Highway?

**AN HON. MEMBER:** She doesn't go that far out.

**MR. LETTO:** Oh, she doesn't go that far out. Okay.

There is \$8.13 million for renovations to wharves and ferry terminals.

Now, let's go to Municipal Affairs. The Minister of Municipal Affairs has gotten up in this House several times and talked about the investment we're putting into infrastructure; \$344.1 million over four years for new and existing municipal infrastructure projects which will leverage \$146.4 million in federal funding.

Where's the \$20 million? What is she talking about? Did she read the same budget that we did? Obviously not; and, \$18.4 million for revenue sharing and other adventures as part of the Community Sustainability Partnership. The one that the Minister of Municipal Affairs went to Cabinet with and convinced his Cabinet partners and colleagues that it's important that we have strong, sustainable communities, and that's why we're honouring the Community Sustainability Partnership.

I fail to understand where the Third Party is coming from with their numbers when they say all we're doing is putting aside \$20 million in a slush fund – they call it – to leverage money from our federal counterparts. Which we're glad to say we've been successful in doing, more than I can say for the previous administration, I might add; but, \$570 million in investment in infrastructure in municipal capital works and transportation. So I'm at a loss.

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

**MR. LETTO:** Well, maybe if they did ask questions in Estimates, in Transportation and Works – they didn't ask any questions, so how would they expect to know? How would you expect to know if you don't ask any questions? That is what Estimates is all about, Madam Speaker.

I've been on this side of the House for a short time. I have attended Estimates for Municipal Affairs and Service NL. I've been on that side of the House, not as an MHA but certainly as a staff member preparing for Estimates, and I know the value of Estimates. It's a place where you learn. You learn what government puts into infrastructure and services around this province.



The preparation that goes into preparing for the Estimates by our staff in different departments is to be commended because they can account for every cent that has been expended by government. In order to get that information, though, you have to be able to come to Estimates. Be prepared, ask the right questions, and you will get the answers.

For the first time I've seen it ever in Estimates this year, and I think the Minister of Municipal Affairs was probably the first one to lead it off. When he was finished Estimates, he took his Estimates book, walked across the floor and handed a copy to the Member for the Opposition and the Member for the Third Party if they were present. Offered it, so all the information is there. For the co-leader – if I'm calling her the right title – but for the Third Party to come say after getting all that information, to come up and say we're only spending \$20 million in infrastructure, it's unbelievable – unbelievable.

Now, one thing that I got to say for Estimates – because we are speaking to Concurrence, so I need to be a little bit relevant, I guess. I want to say that because of the fiscal situation we find ourselves in – and our staff recognizes the fiscal situation. They were able to identify a number of savings over the past few months and it has helped us with our bottom line. Even though if we had not done anything, we would be facing a \$2.7 billion deficit. The Leader of the Third Party wants us to do what Alberta did, do what Alberta did.

We don't have a legacy fund to fall back on. We don't have the resources that Alberta has. Alberta's going to be – and she acknowledged it – \$58 billion in debt in the next two to three years. Madam Speaker, I don't want to be part of that. We have to address the \$2.7 billion deficit that we have. I don't want to be part of that growing any bigger than it is because it's not us that are going to have to pay for it. It's our children that are going to have to pay for it, our children's children and generations down the road.

Now, let me go down to the – I wasn't planning on talking about municipalities tonight, but after the Leader of the Opposition got up and had his few words, I'm compelled to go back there because I did attend the MNL symposium, so I

got it first-hand. I was at the sessions. I was at all the sessions, actually. I heard and I saw what happened this weekend. I had many meetings with many mayors, councillors as I represented the minister there – the minister was away on other meetings. I didn't see anybody from the Opposition or the Third Party there. They may have been there, I didn't see them. I'm not saying they weren't there but I just didn't see them, and I attended all the sessions. So you take it from that.

I talked to many mayors. Yes, many of them do have concerns. They do have concerns. They have concerns about libraries closing. They have concerns about the increased costs. But there is no other group of individuals or no other sector within governance that know more about budgeting than municipal people, than municipal mayors and councillors. They are legislated by law that they have to have a balanced budget.

They have to make the tough decisions so that they can continue to supply services to their residents without overburdening them in taxes. Because there is only one taxpayer – there is only one. Whether you are the federal government, provincial government or municipal, there is only one taxpayer, the same taxpayer.

I tell you one thing they did acknowledge, that we were in a tough situation and we had to make some tough decisions. They were very, very pleased, for the most part. They were very pleased and very surprised, I might add, that we did not make any adjustments to the Community Sustainability Partnership; with regard to the Municipal Operating Grants, no change; no change in the cost-sharing ratios, the 90-10, 80-20, 70-30, which many municipalities by the way have taken advantage of over the last few years and have gotten some great capital works done because of it.

We've maintained the sharing of the provincial gas tax revenues. We've maintained the partial HST rebate. All this is new revenue for municipalities. It's money in their pockets, and they were surprised but very grateful, I might add, that we, as a government, and the minister who sat around the Cabinet table were able to maintain these great initiatives. Our government recognizes that no matter what level of

government you are, you are still government and you're governing the people.

I've always believed that municipal government – because I spent 20 years in it, and I spent 15 years as the member of the board of directors of MNL. I know very well how municipalities and how mayors and councillors think. They're very grateful that we've been able to maintain this.

Not only have we maintained it, but because of the partnership that's been formed – and I give credit to the former administration. I was on the board of directors of MNL and I lobbied very hard for these initiatives on behalf of the municipal people around this province. I lobbied very hard. I was very, very pleased when I saw this come to fruition.

We've got a ways to go, but we are committed as a government to improving on that, whether it's through Crown lands to the regional governance model, we're prepared to look at other initiatives. As of April 1 this year, the share for the gasoline tax increased to 75 cents per litre, which provides \$5.3 million, so that's all new money for municipalities.

One of the things that people at MNL were very, I think, pleased with was the announcement by our government that we would have a Premier's forum, the first one ever in this province. Our Premier has recognized the value of municipalities and the mayors and councillors around this province. He has a lot of respect for them. For that reason, we, as a government, will hold our first Premier's forum on October 5, 2016, in conjunction with the Municipalities Newfoundland and Labrador annual general meeting.

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

**MR. LETTO:** We spent a full hour, myself and the staff we had there from Municipal Affairs, with the delegation that was there looking at the topics they want to see brought up at the forum because it is the full day. Since when, ever, did a Premier commit to spending a full day – and ministers as well – with mayors and councillors around this province? I think it's a great move forward and something that we are very proud of.

Now, I want to go back to some of the things the Leader of the Opposition said as well in his few words tonight. He talked about Labrador and he talked about different things. He talked about the population growth. We need to grow the population. Do you know what? He's right. We need to grow the population, but do you know what happened under his watch when he was Premier? The population dropped by 2,000 people.

So here he is tonight telling us we need to grow the population. Absolutely, we need to grow the population and we're going to grow the population, but we're not going to follow in his footsteps, I can guarantee you that.

He talked about Labrador. I cannot get up here tonight and not bring it up again. They keep bringing it up so I'm definitely going to have to do it, and that's about the study for the fixed link, the feasibility study. Again, he's trying to say that it's not a slight to Labrador, there's no indication that because they don't like Labrador they don't want to have the study done. But every time they get up, they talk about no diversification. We have no diversification plans. There's no diversification in the budget.

The single biggest project that could drive diversification in this province and change the way we do things, change our infrastructure, our transportation infrastructure, change our connection with the Mainland, with Canada, with the North America, is to build a fixed link – what that could do for this province. The problem, Madam Speaker, is that many of those people over there think that a fixed link is only there to benefit Labrador.

**AN HON. MEMBER:** They deserve it.

**MR. LETTO:** Well, they deserve it; you're right. But do you know what? It's a much bigger benefit than that. It's much bigger than Labrador. Labrador will see the benefits, and rightfully so because they deserve it. But when you have another connection to this province that will facilitate the movement of transportation and the movement of goods and services to and from, whether you're exporting or importing, and you have a year-round transportation system that you can rely on, it's reliable, dependable, there's no better way to

diversify the economy than to have transportation infrastructure in place.

They tried to tie it to whether we're cutting education or we're cutting health care in Labrador. Because we're cutting that, we're wasting money on the study. Nothing could be further from the truth. And it's not the right time, they say, to do it.

Well, the question I would ask is: When is the right time? Maybe the right time was eight years ago, nine years ago, 10 years ago when they did a prefeasibility study. Maybe that was the right time to do it, when they had \$25 billion in oil money to do it, but they didn't because it wasn't a priority for them. Well, we see it as a priority for the future. We have a vision. I've always had a vision for Labrador and a fixed link is part of that vision, I've always had it and I will continue to have it. If we have to wait for the right time it's something that will never get done.

You talk about diversification – and I have to bring it a little closer to home in Labrador West when you talk about diversification and doing things differently. I brought it up in my maiden speech, I think it was; you talk about new industry. There is no region in this province really that's been hit harder than Labrador West because of the drop in commodity prices. There are more commodities besides oil. There happens to be a great commodity called iron ore.

That has tanked the same way –pardon the pun – as oil has. Nobody has suffered more because of the drop in commodities than the people of Labrador West. Nobody in this province has suffered more and I will stand by that. Just ask the people of Wabush. Just ask the pensioners of Wabush who saw a 25 per cent and 21 per cent drop in their pension plans the last year and lost all their medical benefits because a multinational company came in, reaped the resources or raped the resources, took off and left the people who worked for them, who gave their lives to them for 30, 40 years – left them in the lurch. That's what's happened. We have to make sure that doesn't happen again. That's why I'm putting my PMR forward tomorrow.

When you talk about diversification you have to look at other opportunities. Data warehousing – and I brought it up before. We have a company

now that's prepared to look at data warehousing on a major, major scale. It's not big jobs, it's not a lot of jobs, but as I said in my maiden speech, every single job is important in the economy of today – every single job.

Madam Speaker, my time is running out. I guess the real thing that really boiled my blood tonight was the fact that the co-leader of the Third Party had the gall and the audacity – and I will say arrogance because they called us arrogant – to get up and say that we're not investing in infrastructure. What a – I won't say it.

Thank you, Madam Speaker.

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

**MADAM SPEAKER:** The hon. the Member for Ferryland.

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

It's certainly a pleasure to get up tonight in Concurrence debate and have a few words in regard to the budget, *Budget 2016*.

I had the privilege of attending a couple of Estimate Committees; Natural Resources. I certainly appreciate the dialogue with the minister and staff from Natural Resources in discussions we had; as well, the Minister of Finance and the Human Resources Secretariat, discussions as well. I certainly appreciate the input from the staff as well from that department; a very good dialogue back and forth, certainly straightforward for the most part in terms of exchange of information.

As well, I appreciate the fact that there was allowance for some policy discussion. While it might not have been line-to-line items, departments were, from my perspective, engaging in regard to laying out as ministers in government, to some extent, the road forward and what their perspectives were as a new government, and some of their thoughts in those departments of how they were moving forward.

*Budget 2016*; from our perspective we've heard a lot about it over the past number of weeks. Prior to the budget coming down, the Minister of Finance had talked about there were no really

good choices in this budget in regard to what was going to be announced. I'll just talk about that a little bit as we go through.

When the budget was brought down, the measures in it heavily sided on one side of the ledger, if you will, in regard to just revenue generation through taxation and fees. I think the figure was over \$800 million in regard to how you would deal with some of the issues we're dealing with in regard to the deficit, and how you would make that up.

There was a clear decision made and choices made on how you would deal with that. That is what this budget is all about in 2016. We'll hear back and forth in regard to what happened in prior days. Certainly it's good to reflect on what happened and expenditures and how we built the economy. But in any government that comes in, it's here and now.

A government comes in and assesses where they are. If they just came through an election they ran on a platform, they ran on pillars of what they believed in. They laid it out for the people, here's what we believe and here's fundamental that if you elect us we're going to do. They laid it out for people.

Once they got elected, they do an assessment and they lay out, they make choices. They either take those things they ran on, those elements and say, we're going to build on those, we're going to lay it out for your budget, or they don't. And we've seen some of this in this budget in regard to what was said before this Liberal Party was elected, what was executed after the election and when they put a budget together.

So that's the parameters. I say again, any government, when they come in, Cabinet and caucus, they sit down and they put together a budget and that's choices. It's choices they made. We made it as a government when we were there and you move forward from there.

Prior to last fall, the government on the other side, when the election was on, very clearly stated to people we wouldn't be doing any layoffs. The Premier said that. The Premier of the day, who was Opposition leader at the time, said no layoffs. I'm not going to do it. He said taxation. I'm not going to do that.

We brought in HST last April in the budget, obviously recognizing where we were and that we had to lay out a plan. We laid out a five-year plan for the people of the province. At the time, we told people there were tough years coming. Everybody would have to share in some of the tough times we had coming, but we would distribute it throughout the population and make it as easy as we could for the populace in Newfoundland and Labrador.

There were several elements to that. One I mentioned was revenue generation through the HST which we would have brought in January 1, 2016. That would have generated significant revenues, anywhere from \$180 million to \$200 million annually. That was one key component of it.

The other was on the expense side and looking at the public service and through an attrition program look at reducing the public service. But doing it in a manner that assisted or wasn't harsh to those who work in the public service. So we went back and looked at prior years and the statistics over a longer period of time and on average, on an annual basis, how many came out of the public service through a variety of reasons: through retirements, through movement elsewhere. Based on that we set up, over a five-year period, as people leave the public service, if there were 10 people who came out, we'd put eight back. That was the initial plan we laid out last year in our budget.

So that was one component of expenses. At that time as well, we initiated a process to look at efficiencies in government and departments. Obviously, you're taking people out of any area and program service delivery. You may look at redefining how that service gets delivered after that, based on rearrangement of human resources, based on different human resources, maybe even based on less human resources, but that's part of it.

As you take people out, you look at how you deliver services and programs. Any government is always looking at that and how you do that and deliver top-rate services and programs to the people of the province. But, oftentimes, you can do it in different ways; you can certainly do it in more efficient ways.

That attrition component had a parallel process with it to look at that and how we were delivering programs. So that's part of looking at our plan as we moved it forward. It's that part of it.

As I said on the other side in regard to taxation last year, we looked at various avenues to raise extra revenue. We looked at personal income tax. We implemented two new levels in regard to personal income tax, recognizing that there was more there that we could certainly raise and implemented them last year.

It was along with as well, as we've seen this year, some of the fees. We also increased some fees as an extra revenue source last year, recognizing where we were. Recognizing the global economy and some of the things you see that the Member for Lab West just mentioned in a reduction in commodities, just not oil and gas, certainly in the mining sector as well.

So that has a significant impact on the economy of Newfoundland and Labrador. Not just this economy, certainly we saw it right across the country – Alberta, Saskatchewan, those oil-producing provinces and what result that had. That was worldwide, but in Canada those three provinces that I mentioned were seriously affected. So within that context we knew that decisions had to be made and choices had to be made, the same way as the government this year had to make choices and decisions. And it's theirs and you wear them. Whatever those choices are, as a government, you wear them, you're responsible.

In doing that, you announce your budget and you lay out for people what your vision is, you accept it and you take responsibility for it. You don't say, well, you don't understand it or you're not putting out the right information, or it's the media's fault or it's somebody else's fault. It's your budget. You own it, you live it, you deliver it. That's what you're elected to do. You can't pass the buck – excuse the pun, but you own it, it's yours, you deliver it.

So that's what you do, and you take your hits. There are some good things in any budget and there are some not so good things in any budget, but you take your hits.

I know in prior years when I was in Cabinet, we had some layoffs, increased some fees – even last year. You go into your district, you speak to different groups, lobby groups, advocates that come and see you. A lot of them are not happy, but you go through the process of communicating with them and articulating to them what your belief is as a government and how you believe the way forward is and what it's going to look like for Newfoundlanders and Labradorians.

So that's what you do. Well, it seems with this budget and this government the mood has changed, the message has changed. Originally, as I said, the Minister of Finance said before the budget, there are no good choices here; this is not going to be a good budget, nothing here – which surprised us because we had known, from our time over the past number of years, there are a lot of good programs, a lot of exceptional programs here and services that were built up over the past number of years.

We said to ourselves, we can't be cutting all of those. Some of them got to be maintained. To do that, that's a good thing. I look at some of the programs that you've brought in for seniors, in health care, AES, post-secondary, elementary and high school, some of the programs you brought in there: recreation programs, a variety of programs, even to maintain some of those. Our drug program, the millions of dollars we invested in that that covers a whole spectrum of our demographics and helps so many in our society. Even maintaining some of that, that's a good choice. But the message early on was that there are no good choices here, folks, not good.

Further in, a week after the budget or so, we hear it's not too bad. It's pretty good. We're going to do things. The message changed. That causes a lot of concern for the people in Newfoundland and Labrador. Most people want to know – they may not agree with all your decisions but if you lay it out to them in a clear pattern and they understand it, they respect you for laying it out and communicating what it is to them.

We've lost this from the general public – it is not only us on this side; we've lost it. Go out and talk to people in Newfoundland and Labrador. Don't take our word for it; go out and

talk to people. Talk to industry groups. We had a discussion here tonight about some of the industry groups, Municipalities Newfoundland and Labrador. We talked about the Employers' Council, various groups. That's what they're saying.

I spoke to small-business people in my district. I spoke to seniors, spoke with a single mom there just the other night in terms of her concerns in regard to the budget. People are worried. They are concerned. So that's an issue in terms of communicating the budget. That's certainly no one else's fault only the government and they take responsibility for it and that's the issue.

The other conflict we hear from time to time – and as I said, there were no good things in the budget, but tonight and over the past number of weeks we've heard Members getting up on the other side and talking about the investments in infrastructure. I think it is over \$600 million, somewhere around \$600 million this year.

On the one hand, we spent too much when we were there. We spent too much on infrastructure and it was wasted, but on the other hand, now they are up talking about we're spending \$500 million to \$600 million in infrastructure and that's a good thing.

We are we? Do you believe in infrastructure? Do you believe in building infrastructure, communities and regions that we have to do, or do you not? Another mixed message. We don't know where the government is. We've heard about good, fiscal management in terms of expenditures and the budgets in prior years and what was spent, too much spending going on. Well, this year over last year, there's an extra \$400 million in the budget, so that's an increase.

But is that fiscal management? So another mixed message. Where are we? Are we reducing budgets or not? Are we spending on infrastructure that's a good thing or we're not? You can't have it both ways, and that's the message the public is getting, they don't know. The message is changing. We don't know what the message is.

Further to it, when you look at the type of decisions that were made and solutions to the current situation, as I said, it is about taxing and

fees. There is nothing here about economic development and how we're going to drive opportunity.

In the forecasted, we see nothing in the Estimates about new revenue generated from economic development and economic growth strategy. We heard a lot of that before from this group in regard to they had the plan. They had the entrepreneurial spirit. They had the business expertise. They had all of that. They were going to show new growth. That was going to happen. But we see nothing, to date, in regard to new growth, new revenue from growing traditional industry, current industry or new ones.

When you go back and look and they try and criticize and say to us, there was no economic diversification. Well, I ask a lot of them to look around various regions of the province and what we have done. Information technology, ITC, an industry that has almost grown to \$1.6 billion; we look at tourism and what that has done in the province. That's all part of the province, all over, tremendous return. That industry is well over \$1 billion.

We look at a traditional industry like our fishery, the wild fishery and the aquaculture industry. Heavy investment on both sides of that industry and we see results from it. With the wild fishery, in terms of the shellfish, we have challenges. We're working together with the Minister of Fisheries now and with an all-party committee and looking at various items related to shrimp, which is very concerning. I think we all understand that. Some of the things we're hearing this year in regard to the crab industry, it's early but there are some concerns there as well.

Even when we look at within the fishing industry itself and look at the ground fishery and some of the great work and great investments we did over the past number of years in science research and the groundfish and what's happening there and other species, there's great opportunity there. That's an area where we're encouraging the minister to look forward to that industry and grow that traditional industry because that's new revenue, new growth that we can pursue.

To date, the fisheries fund which would have been a great component to drive that industry, to help us transition, do some of the things we need to do in technology and innovation, I certainly hope the minister is still advocating for that. We know when the current prime minister of Canada, when he was Official Opposition Leader, he wrote the then premier of our province and said he would keep the promise made by the federal government. That promise was a fisheries fund of \$400 million – \$280 million from Ottawa, \$120 million from our province – so we could grow our industry, both on the aquaculture side and the wild fishery side. So we certainly hope we're going to see that, but we haven't seen it yet. We haven't seen any of that investment; haven't seen it.

**AN HON. MEMBER:** You didn't have a deal.

**MR. HUTCHINGS:** Someone shouted from the back there, we didn't have a deal. Well, I suggest they talk to our senior officials of trade in BTCRD. Talk to your director of trade, he was in all the meetings. I can guarantee you he knows there was a deal. Anybody who looked at it knew there was a deal.

If the prime minister of Canada was going to support it he must have thought there was going to be a deal because he said he would, he'd keep the promise. So if there's no deal, what's he keeping? Anyway, I guess they'll figure that out on that side.

At the end of the day, I want to see the investment in the fishing industry that was promised and we can move it forward. The deal is done. It's time to put the cash on the table. Let's move on, build the industry. That's what that's about. I'd like to see the Minister of Fisheries, he's over there. He seems pretty excited. I think he's going to do it; I hope he does.

Mr. Speaker, that's an example of we haven't seen a lot in regard to diversification but there are huge opportunities. I certainly hope, and I encourage the folks on the other side to continue to build and grow.

Other areas are technology industries. We've done a lot of work over the past number of years there. We continue to see a lot of growth, a lot of

entrepreneurs, a lot of innovation. Certainly our engineering school at MUN, the Genesis Centre. A lot of new companies have grown out of that just from ideas and commercialized, and now are selling technology all around the world.

That diversification is ongoing, it is started. The reality needs to kick in on the other side. I don't know if it has or not, but you need to continue to grow and continue to build that so we can see the results we need. As I say, to work on the other side of that balance sheet, to generate revenues, new wealth, which we haven't seen. As has been said over and over again, you can't just fee your way and tax your way back to prosperity. That doesn't work. No economist or nobody else is going to agree with that.

With this, we've all heard on both sides of the House the feedback we've gotten from all types of Newfoundlanders and Labradorians whether they're a small business, whether they're in rural Newfoundland, whether they're in urban centres, it doesn't matter. They've all heard the challenges with this.

The problem with this way forward is that we have a slowing economy. I think in many parts of Canada – BC and Ontario are doing well. We've slowed a little bit, but right now this kind of action that's being taken in this current budget does nothing to give consumer confidence in our economy. That's very worrisome, because if people don't spend, the economy contracts. The economy has contracted somewhat already. We don't need to further exacerbate that and further contract the economy.

That's what this budget is all about. It's reaching into people's pockets with two hands and taking a lot of money out. There's a threshold, most will tell you, of what you can do before you stifle the economy. This budget is on the road to do that. When you have people, especially young families who are looking to start a career, looking to make choices, we want them to think there's hope and prosperity and there's an ability to stay here and build it here.

Our demographics, as we all know, are going in the wrong direction. That's reality today. We need people and we need young people to stay here and grow their families. We've built great

infrastructure and great communities over the past 10 years, with the opportunities with our post-secondary education, with our schooling system, and we need the environment for people to want to stay.

My other fear with this budget is that the message is doom and gloom. If you look at the resources, not only in our people but in our industries and our natural resources, there's abundance. Offshore, we have probably 5 or 8 per cent of even the oil and gas explored and not even produced yet.

The future is extremely bright. We have to send that message and lay out a plan and let Newfoundlanders and Labradorians here, and not here who want to come back, that this is the place to be. This is the place to invest. This is the place to raise your family. I'm sorry, this budget doesn't do it. They need to start listening and start addressing this budget so they don't kill Newfoundland and Labrador and defeat the great progress we've made over the past 10 years.

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

**MR. SPEAKER (Lane):** The Speaker recognizes the hon. the Member for the District of Exploits.

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

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

It's a pleasure to stand here tonight in this hon. House to represent the good people of the great District of Exploits and, indeed, all of the people in the Province of Newfoundland and Labrador.

It's a pleasure to speak to Concurrence. First off, I would like to remind everyone here and throughout the province that we should not underestimate the seriousness of this situation. We have to go back in time and correct years of reckless spending and unsustainable tax cuts. This is not about political popularity – as my counterpart spoke of earlier. This is about a solid fiscal future.

This budget is honest. It's certainly not easy, but it's honest. Even with these actions, we are still paying more for debt servicing than for

educating our kids. Across all brackets, taxpayers will pay less than they did in 2006. We are spending \$8.48 billion on programs and services, including \$570 million on infrastructure which will help create 3,860 person years of employment.

Our government was left with the largest deficit in our province's history. If we did not take action, what was a planned \$1.1 billion deficit would have mushroomed into a \$2.7 billion deficit had we followed the former administration's plans. We cannot keep spending at levels beyond our means. We currently now spend more on paying interest on money borrowed and debt servicing than on delivery of education in our province, which is normally the second highest budget line after health care.

Our Premier had asked the former premier to provide the updated financial data which was withheld from the public. Now we know why. Not knowing the severity of the financial situation has resulted in changes to our plans. I do not like many of the tough choices in this budget and I am optimistic that these short-term sacrifices we all have to make will lead us back to a better financial position and create benefits for the long term.

Some of our measures implemented are temporary. The increase in gas tax will be reviewed again in the supplemental budget. As well, the temporary Deficit Reduction Levy will begin to phase out in 2018.

There will also be some positive impacts on the budget. Including investments to advance broadband Internet, tourism and cultural funds, agrifoods, forestry, fishery initiatives, as well as programs for regional economic development and plans to support the attraction of new business and help local business do more internationally.

Our government kept small-business tax at 3 per cent and also did not change payroll taxes. Municipalities retained their operating grants. There are infrastructure investments in towns and transportation infrastructure that will also benefit my district.



We have created a new program for lower-income residents, seniors and those with disabilities that would be impacted by new and increased revenue measures by investing \$76.4 million into a new NL Income Supplement. Those benefits will be paid directly to eligible low-income seniors, families and individuals in quarterly installments.

Our budget outlines \$63.7 million of enhanced benefits to help low-income seniors, individuals, families and persons with disabilities. This includes a quarterly payment of \$455.75 for a senior couple with a net income of \$26,000 or under, and a \$227.50 quarterly payment to a single-earner family whose net income is \$40,000 or less. There is also the NL Income Supplement which will be based on family net income.

The temporary Deficit Reduction Levy will generate \$126 million per year while other measures are identified and we begin to see their benefits. This will begin to be phased out in 2018 or sooner. We are working to eliminate the waste and excess spending in the public service so we can protect every single job possible. Our taxes are lower today than they were in 2006 and before. We have to make the right choices. Making the right choices are not always easy, but are necessary to put our province back on track.

Who to blame? You won't hear no more from me after tonight about blame. We've probably heard enough of it. Since the NL budget came down everybody is looking for someone to blame for this mess, with most of the fingers currently being pointed at our current Liberal government, which is a shame. But people with ears and people with thinking minds, after reflection, will see the truth in where it lies. I believe our plan is not without hardship, but we don't deserve the bulk of the blame.

So who do we blame? How about the previous PC administration of Danny Williams and then Kathy Dunderdale? During those years we had high oil revenues and we were told we were a have province, no longer dependent on the federal government for handouts. Why, then, were thousands of people still leaving for Alberta to find work every year? It appears our

great economy still wasn't creating the jobs we needed.

Solution: the Muskrat Falls megaproject. Despite numerous studies and warnings about the economic viability of this project it went ahead. And to limited credit, it certainly supplied our residents with great benefits, thousands of high-paying jobs, which certainly is not bad. That's the good thing; the only good thing that I can see from it.

We are now starting to see what the cost really was and is, and we will be paying for many years to come. Despite the squandering revenue and resources by the PC administration, they don't – you people don't – deserve shouldering all of the blame either.

So now, who can we blame? How about Clyde Wells? Maybe it was John Crosbie's mismanagement of the collapse of the cod fishery. Oh, and we can't forget Brian Peckford and the Sprung Greenhouse cucumber venture. Perhaps it was Joey Smallwood's fault. He's the one that started the mess, right?

No, they don't deserve the bulk of the blame either. Everybody here tonight, and everybody at home throughout this province; it's time for all of us to take the blame.

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

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

**MR. DEAN:** The unfortunate truth is we collectively – the current population and previous populations – are to blame.

Nobody likes to say it but there persists a culture of entitlement in this province in which we demand jobs, benefits and services from government that our province simply cannot afford to continue enduring at the rate; decades of spending and borrowing by our governments to pay for our culture of entitlement because we demand it.

We need leaders who are willing to make the hard choices and to be honest with the voters on what must be done. But until we accept, collectively, the responsibility for where we are today, our ship's fate will eventually see bottom,

being brought about by our futile bailing efforts. We can no longer afford the promises of jobs and handouts of the past. Self-reliance, perseverance and hard work were once our attributes we proudly stood by, and we must embrace them once again if we are to succeed.

Local issues back home and throughout the province, whether it's health care, education, library concerns; I, as well as everyone here, including the Opposition and the Third Party, want all of our people to know that we are going to work collectively. If there are better answers out there to curtail some of the hardships that are being forecasted, I'm sure as a civilized government we'll have a look at that.

We will continue listening to our province's municipal leadership. If our listening skills need more refining I would have faith in this administration, more than any previous administration, to rise to that challenge.

In closing, I will leave each and every one of you with this thought: Inspiration comes from those who manage well something from nothing, not from those who manage poorly nothing from something.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** The Speaker recognizes the hon. the Member for the District of St. John's Centre.

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

I'm very happy to stand tonight to speak once again, but for the first time in this session of Concurrence. It's been interesting.

Over the past few weeks we have worked really hard. I would like to commend the staff in the Minister of Finance's office. I would like to commend all those in Treasury Board. I would like to commend all the staff, all the people who so diligently and passionately work in the public service who went, who were instructed to go line by line by line by line to look for savings.

As a matter of fact, Mr. Speaker, we mustn't forget that they were also instructed to look for a 30 per cent reduction over a period of three years and present that to the minister. Again, people went through line by line by line. But some people who were very experienced, who may have been in particular departments for a number of years, who were responsible for delivering programs for looking out at the economic health of our province, knew that to look for 30 per cent savings in a specific department, as a matter of fact, was unreasonable. Actually, for some of them it meant that they couldn't fulfil their mandate. But people went line by line by line, as our Minister of Finance told us that she went line by line by line looking to cut and cut and cut, looking for savings, savings, savings. They're calling it savings.

Mr. Speaker, my hope, our hope – what we would hope from our government is for that Minister of Finance, for the Premier to shift their gaze from the line by line by line, to look out and to look out over the horizon, and to look at the big picture.

We can talk a little bit about Alberta and Newfoundland and Labrador. Everybody in this House, everybody in this province knows that we're not completely comparing apples to apples. We know that there are such grave differences, but what we do know is common, that both Alberta and Newfoundland and Labrador have a lot of Newfoundlanders and Labradorians. Both provinces do. Both provinces have really hard workers and both provinces also have people who are passionate, people who care. And both provinces were very heavily reliant on oil.

Both provinces got creamed by the commodity markets, particularly in oil. Us, as well, in terms of some of our mining projects. Alberta was hit really hard, Newfoundland and Labrador was hit really hard. Those are some of our comparisons. That we both got hit really hard, we both have a whole lot of Newfoundlanders and Labradorians living in our provinces.

I find it very interesting – again, just to wrap up my thought about thanking the people who have worked so hard to get us to this point. Everybody in this House and the staff here at the

Table here in the House, and our Pages, we've been here for hours and hours and hours over the last few months talking about the budget. Some of us are happy with some of the aspects of the budget. Some of us feel there are real problems with the budget.

One of the things I have talked about a lot is the fact that these extraordinary times call for extraordinary measures, but they call for a measured hand. They call for not knee-jerk panic reactions, and what I would hope is that our government would have come in and not spent so much time blaming the other crowd who created a bit of a mess for us. We know that, they know that, government knows that. I talked a little bit about the similarities between Newfoundland and Labrador and Alberta, but here are the differences. Rachel Notley rolled up her sleeves and she went into her House and proudly –

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

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

**MS. ROGERS:** I believe our Minister of Finance and our Premier rolled up their sleeves, they worked hard too because they were doing their line by line by line, but the difference is she didn't blame anybody who came before her. She said I am going to invest in the people of Alberta, and that's what we would have hoped our government would have done. That they would have come in with confidence rather than coming in with doom and gloom and saying: oh, these bad decisions and we're so sorry. But for them to have come in – if only they had come in with a budget that they could have been proud about.

Tonight we're warned that this temporary levy is going to go on for about seven years. So is this what we're looking for?

**AN HON. MEMBER:** (Inaudible) that's what they said, too.

**MS. ROGERS:** Yes, that's what the Minister of Finance said today.

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

I would ask the hon. Member to address the Chair.

**MS. ROGERS:** Yes, absolutely, Mr. Speaker.

That's what the Minister of Finance said to us this evening. I think I took notes, but she said we have a seven year –

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

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

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

She said we have a seven-year plan and we're going to remove the temporary levy. So it's a little bit scary. Mr. Speaker, maybe in fact she's going to remove that levy even earlier than seven years. One would hope, and if she can assure us that's not the situation, then my most sincere apologizes because what I heard tonight –

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

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

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

What I heard tonight was that there was a seven-year plan and the levy was temporary. Maybe she didn't mean to put those together like that, but that sure sounded to me like what it was. I'm hoping then, Mr. Speaker, I am hoping I am wrong. I really, really am hoping I am wrong. I am hoping we are not having seven years of this lack of vision, this lack of hope.

Mr. Speaker, our Newfoundland and Labrador, we have among some of the richest resources in our grounds, in our earth, in our water and in our people, and nothing, none of that was celebrated in this budget and none of that was highlighted. Not once did she talk about really investing in our people. Not once did they say we have a plan where we can work together to get out of this mess, because the people are willing to do that.

Now, the other thing I find kind of interesting is that the Minister of Finance and the government are woefully complaining that we here, the Third

Party, has kind of derailed their budget, that we've kind of derailed people's understanding of what's going on. Well, Mr. Speaker, I'd like to point out there are 31 Members on the other side of the House and a number of them are Cabinet Ministers. So with all their resources and all the people that are working for them, they probably have hundreds of staff, counting staff for Cabinet ministers and in their departments, and then all the staff they have in their offices, and lots and lots of money to do the work they need to do, lots of money and lots of staff.

Well, here with my colleague from St. John's East – Quidi Vidi and myself, we're only two over here and we can actually count our staff complement, probably on one hand. So I'm not so sure how my colleague and myself and our staff complement, that we could probably count on one hand –

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

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

**MS. ROGERS:** I'm not so sure how we could derail their whole budget. It's a mystery to me.

We've been accused of fear mongering. Again, we're only two with that small component of staff. We have very little money in our budget to be able to do the work that we think we need to do in order to be an effective opposition, but I believe we're doing it.

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

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

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

It's a mystery to me how the Minister of Finance and some of the Members on the other side could blame us for derailing the whole messaging of their budget, for fear mongering. When in fact, Mr. Speaker, I can't tell you how our phones do not stop. This is not a complaint, but our phones are non-stop. You hang up one – while you're talking on the phone there are other people leaving messages saying they are so worried about what this budget is doing to them.

Do you know what we do, Mr. Speaker? We talk to them and we say, okay, let's kind of figure it out. Maybe you're going to be eligible for the Income Supplement or maybe you're going to be eligible for the Seniors' Benefit. Let's look at what you got and let's see what's out there that's available for you.

Mr. Speaker, for some people we can allay a little bit of their fear but for many people, a lot of people have it figured out on their own. As a matter of fact, we see our role – because government has handled this so poorly, we have seen our role as trying to allay people's fears.

I was at the apartment building on Brazil Street this evening, which is an apartment building that houses some of the poorest and most vulnerable people in St. John's. The poverty that I saw is absolutely devastating. There people living in those apartments, they're just studio apartments. It's only one room and a bathroom. Most of them pay \$600 or \$650 a month. Most of them are either on Income Support or seniors on OAS and GIS. Because as we know, we have the highest percentage of seniors on OAS and GIS.

Their rent is \$600 to \$650 a month, plus heat and light. None of them have rent supplements and it is heartbreaking.

There are a number of people there who don't even have beds. They're going to be hit by the extra HST on stuff. Their food is going to cost them a lot more. None of them have gotten an increase. None of the people who are on Income Support have gotten an increase. I don't know in how many years, but most of them are going to have to live on – because they don't have rent supplements and because they are on Income Support, most of them live on about \$90 every two weeks. That's about \$180 a month. That covers their food. That covers transportation. That now covers all over-the-counter medications.

There was a woman that I met and she has severe diabetes, and she has a very badly infected foot. The medication her doctor prescribed is over the counter. It's a certain type of pill that's not covered by our drug plan. She has to pay \$60 for that, plus she has to pay a lot of the other over-the-counter drugs she needs.

I have no desire to fear monger anybody, none whatsoever – none whatsoever. These are the realities.

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

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

**MS. ROGERS:** I see our role is to say to people, okay, how can we help you? What can we get? What are the programs available? What kind of help can we get for you?

There are realities of this budget. Aside from people who are on the lowest income in our province, people who are on Income Support or seniors who are on OAS and GIS, among most of them are women. Because we do have the highest percentage of seniors on OAS and GIS, most of them are women. A lot of them, women who didn't have paid work outside the home, who raised their children and helped populate our province.

Then, the other groups of people that are really affected by this are people in around the \$40,000 and \$50,000 range. A lot of them might be young families. Young families who are paying a mortgage. Young families who are paying car payments. Their house insurance has gone up considerably because of the taxes on their house insurance, taxes on the insurance for their cars, increase in registering your car, and then there's that levy. There's been a lot of talk about that levy, Mr. Speaker, and what we do know about that levy is that it's such a regressive tax. There's no fairness about it at all, none whatsoever.

I know I've used this example in the House a number of times, but I'd like to say it again because it just illustrates how unfair the levy tax is. I believe that all the people who worked so hard on this budget, they weren't interested in making unfair taxes. I don't think so. I think it wasn't intentional to make it so unfair, but something went amiss, something went wrong. This is not working out well. It's really not working out well for the people of the province. Again, maybe because there was so much activity in the line by line by line cutting –

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

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

**MS. ROGERS:** – rather than having a broader vision about how to lift us as a province out of this really difficult financial situation we are in, how to stimulate our economy, how to get people to work.

Rachel Notley's plan for Alberta, her budget was called Jobs Plan. That's what we would have hoped for our own province because our people are used to working really hard, and they want to work hard. We've heard from so many people.

A few times I've heard from seniors who are saying I wish I had the money to help. If I had more money I would put it in as well to help. I'm not making that up. That's what people have said to us. They've said that at our town halls. It's kind of heartbreaking.

The other day when I was walking down one of the streets in my district a young woman came out and she said, Gerry, I just want to thank you so much for all the work you're doing. She said, this is my nan and she's lived in this house for over 60 years. She said I'm really worried about her. Her municipal taxes have gone up, the tax on her home insurance has gone up, food's more expensive. She's hardly doing it now. She said I'm really worried about her. She said, I'll pay what I can, but my nan has nothing. She can't, it's too hard on her.

People are being reasonable. I believe the people of the province want to be reasonable and want to be part of the solutions. It's unfortunate that this government hasn't come up with the solutions that involve the people of the province besides picking their pockets. Picking the pockets of the people – that P3 approach, picking the pockets of the people and squeezing the life out of people.

Now, we haven't created the negative feeling that people have about this budget. Again, my colleague and I, we're just two with – count on one hand our staff component. We haven't done that, and we have so few resources. When you look at the resources across the way and the people – they've hired, they have communications people, they got consultants, they have it all. So it's kind of interesting that

the budget isn't resonating with people as they'd hoped it would.

I think what government has to do is not bash us and blame us –

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

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

**MS. ROGERS:** – but maybe what government has to do is look at, why is their budget not resonating with people. Why is it not resonating with people? Do you know why? Because I think people are figuring it out themselves.

We haven't written pamphlets that go to everybody's house that say anything about the budget. We don't own media companies. Government has the resources to kind of sell this budget and it seems not to be selling.

It is my hope, Mr. Speaker, that government, instead of this line-by-line-by line cutting, to shift their gaze. To shift their gaze, to look at the horizon and say, really, to what end? What is the ultimate plan? What is the ultimate plan they have for this province that would include the people of the province? What is the plan? What are they looking at down the road besides just cutting line by line and cutting debt and deficit? That's important too, but that seems to be all there is. That seems to be the substance and there's no other substance.

It is my hope, Mr. Speaker, that they lift their gaze, look at the people of the province, look into the future, listen to what people are saying, because people have it figured out on their own. They don't need me to tell them.

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

**MS. ROGERS:** They have it figured out on their own.

Thank you very much, Mr. Speaker.

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

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

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

I know I only have a few minutes. I'm going to try to speak a bit fast because there are a few issues that affects the department here.

I just heard the Member for St. John's Centre talking about she don't fear monger. How about that \$20 million slush fund you said is in the Department of Municipal Affairs? Your co-leader stands up today and says it's only \$20 million for municipal capital works. Can you get together and discuss what the \$20 million is for?

Mr. Speaker, I'll make a suggestion. Why don't they show up to Estimates and why don't they ask questions at the Estimates? Then they'll know what's in the Estimates book, Mr. Speaker.

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

**MR. JOYCE:** They'll know what's in the Estimates.

I heard the Leader of the Opposition tonight – I don't usually say much but there are only so many times you can listen – when he was saying: Well, once you make a commitment you have to stand by it. I'll show you four to five commitments that he made when he was the minister of Health and Leader of the Opposition for the hospital in Corner Brook and not one was ever fulfilled, Mr. Speaker.

The other thing, he got up today picking on the Member for Lab West and Cartwright L'Anse au Clair about picking up for Labrador, how he's the big saviour. Guess what? When there were realignments of seats, guess what? He even said three is enough for Labrador. They don't need four seats in Labrador. He was the premier who brought that in to put three seats in Labrador, to take away a seat because of the vastness in Labrador, Mr. Speaker. Now, all of a sudden he's the big saviour for Labrador.

I remember the Member for Ferryland talking about capital works. I don't think there's anything wrong with spending on capital works but I'll tell what's wrong, I say to the Member for Ferryland. When you have infrastructure, \$20 million for three years, you spent it all in two and you write every town council in this Province of Newfoundland and Labrador and say have your letter in by November 3 for

capital works, knowing there are zero dollars in it – to all the councils in the Province of Newfoundland and Labrador.

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

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

**MR. JOYCE:** That's the difference, Mr. Speaker. When you stand up on that side of the House and you want to say we have to be fair, we have to be upfront with the people, look in the mirror. I can tell you, I've been over on that side. I've seen how many times the Leader of the Opposition announced the hospital. I've seen the letters sent out by the former minister talking about the municipalities. Get it in; we need your letter. They forgot to say one thing: There's zero money in there.

Mr. Speaker, I have lots more times to say – I'll say to the Third Party, if you want a briefing on Municipal Affairs, I'll happily give it to you because in Estimates, obviously, you didn't get the facts straight.

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

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

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

The motion is that the Report of the Government Services Committee be concurred in.

Is it the pleasure of the House to adopt this motion?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Carried.

**AN HON. MEMBER:** Division, Mr. Speaker.

**MR. SPEAKER:** Division has been called.

### Division

**MR. SPEAKER:** Are the Whips ready?

All those in favour of the motion, please rise.

**CLERK (Ms. Barnes):** Mr. Andrew Parsons, Ms. Coady, Mr. Joyce, Mr. Byrne, Mr. Haggie, Mr. Hawkins, Mr. Crocker, Ms. Cathy Bennett, Mr. Kirby, Mr. Trimper, Mr. Lane, Ms. Dempster, Mr. Browne, Ms. Gambin-Walsh, Mr. Mitchelmore, Mr. Edmunds, Mr. Letto, Ms. Haley, Mr. Bernard Davis, Mr. Holloway, Mr. Bragg, Ms. Parsley, Ms. Pam Parsons, Mr. Warr, Mr. Finn, Mr. Reid, Mr. Dean, Mr. King.

**MR. SPEAKER:** All those against the motion, please rise.

**CLERK:** Mr. Hutchings, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten, Ms. Michael, Ms. Rogers.

Mr. Speaker, the ayes: 28; the nays: 8.

**MR. SPEAKER:** I declare the motion carried.

On motion, Report of Government Services Estimates Committee, carried.

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

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

Mr. Speaker, given the hour of the day I would now move, seconded by the Minister of Municipal Affairs, that this House do now adjourn.

**MR. SPEAKER:** It's been moved and seconded that the House do now adjourn.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

This House stands adjourned until tomorrow, 2 o'clock, being Private Members' Day.

On motion, the House at its rising adjourned until tomorrow, Wednesday, at 2 p.m.