



Province of Newfoundland and Labrador

FORTY-EIGHTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND AND LABRADOR

Volume XLVIII

FIRST SESSION

Number 55

HANSARD

Speaker: Honourable Tom Osborne, MHA

Wednesday

7 December 2016

The House met at 2 p.m.

MR. SPEAKER (Osborne): Order, please!

Admit strangers.

I believe I see Mayor Churence Rogers in the public gallery. We welcome him to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: We also have Hayward Shute, who's the subject of a Member's statement today, in the public gallery.

Welcome.

Statements by Members

MR. SPEAKER: For Members' statements today we have the Members for the Districts of Harbour Grace – Port de Grave, Fortune Bay – Cape La Hune, Conception Bay South, St. George's – Humber, St. John's Centre and Baie Verte – Green Bay.

The hon. the Member for the District of Harbour Grace – Port de Grave.

MS. P. PARSONS: Thank you, Mr. Speaker.

Today I recognize Mr. Hayward Shute of Harbour Grace. Mr. Shute was born in 1938 and from a young age he has been, and continues to be, a dedicated volunteer in our historic community.

Hayward truly demonstrates the example that we do not live by what we get, but rather we live by what we give. He is an active member of the Masonic Lodge, Harbour Grace, where is chaplain and a past master.

Mr. Shute is also a vital member of St. Paul's Anglican Church where he is a vestry member, a minister's warden and a prominent volunteer for the annual moose sausage breakfasts, turkey dinners and fish and brewis fundraisers.

He has taught many young people how to skate as a member of the Conception Bay North Figure Skating Club. He was also an energetic hockey player in his youth and is now a

dedicated Cee Bee's fan, of course, showing support in many town activities.

Hayward was one of the last citizens to sail on the *SS Kyle* before it found its final resting place at the head of Harbour Grace. On November 5, he and his wife Joan celebrated their 50th wedding anniversary.

Please join me in congratulations.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Thank you, Mr. Speaker.

I rise in this hon. House today to recognize the 70th anniversary of incorporation of the Town of Belleoram. Today, we pay tribute to all those who have served as mayors and councillors and all those who have served the town since their incorporation in 1946.

Beautiful, scenic Belleoram is a town of many dedicated volunteers who give their time and effort to enhance the quality of life in Belleoram. As your Member of the House of Assembly during the last nine years, I have personally witnessed the strong commitment your town has made to improving infrastructure and the programs and services that you offer your residents.

I have every confidence that all of you who serve your town will continue to do so with steadfast commitment to improve the lives of your residents and ensure the sustainability of your community. This town is rich in so many ways; your amazing musical talent, gorgeous scenery, historic sites, famous Iron Skull Festival and warm, friendly people, which always makes Belleoram one of my most favourite places to visit.

Mr. Speaker, I ask all Members to join me in congratulating the Town of Belleoram as they celebrate this momentous milestone.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

Mr. Speaker, on November 29 I had the pleasure of attending the Duke of Edinburgh's International Award ceremony at the Capital Hotel.

One of the most prestigious awards Canada offers to our young people is the Duke of Edinburgh's International Award. Established in Canada in 1963, the tri-level non-competitive program encourages youth to set and achieve goals in the areas of community service, skills, fitness and adventure.

Today, I stand to recognize six young people from my district who received gold pins and bronze and silver certificates from the Hon. Frank F. Fagan, Lieutenant Governor. Congratulations to Luke Kennedy, Kendra Bishop, Evan O'Reilly, Shawn Baker, Ryan Jones and James Keats. These students are part of COSTA, Challenging Our Students to Achieve, an initiative to support the participation of youth with cognitive and physical disabilities in the awards program.

On November 28, Emily Lush, another resident from my district – Rabbitown Community Centre received the bronze award for achievers from the Engage, Achieve, Succeed Project which involved participants from our local community centres and Waypoints. Congratulations Emily.

Mr. Speaker, these individuals have worked extremely hard in attaining their awards. I ask all Members of this House to join me in congratulating them on their achievements.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. REID: Mr. Speaker, recently I had an opportunity to visit the Western Newfoundland Brewing Company in Pasadena and tour their facilities. They are the latest producers of craft

beer in the province and the first for the West Coast.

The idea of starting a brewery originated nearly 40 years ago for Norm MacDonald, who is one of the three partners in the company. Over time, it became a retirement project. The other two partners in the company are his son Jim MacDonald and Jennifer Galliot.

The company is true to their roots and plan to keep their products connected to the West Coast of the Island. They have named their flagship beer after Killdevil Mountain in Gros Morne National Park. This Christmas, Killdevil Pale Ale and Wild Cove Cream Ale will be available on tap in several locations around the West Coast and the company plans to offer canned beer at a later date.

I ask all Members of this House to join with me in congratulating the Western Newfoundland Brewing Company on bringing their beer to market and wishing them well in their future endeavours.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: Thank you, Mr. Speaker.

Winnifred (Freddie) Walsh owns a corner store in St. John's Centre. The store has been in the family for 66 years. Freddie works 14 hours a day, seven days a week, much like her mother, Marion Walsh, did before her.

Like many small-business owners, Freddie works hard but this is not why she is outstanding. Young and old, everyone talks to generous, non-judgemental Freddie. She even keeps a stool near the cash so that children and perch and speak to her at eye level.

This store is the heart of our community. Freddie says she loves meeting the people who come through her door and helps them however she can.

She has a dog-eared notebook kept near the cash that holds long lists of handwritten numbers. These numbers represent a record of all the items that her customers need and have taken with the promise to pay for at a later date.

Times are tough for many of her clients and she never charges interest. Freddie says that almost without fail, her customers honour their small loans. Today let me repeat what Freddie must hear so often: What would we do without you?

Mr. Speaker, I ask all Members to join me in thanking Freddie for her years of community service and generosity.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Baie Verte – Green Bay.

MR. WARR: Thank you, Mr. Speaker.

Josephine Pearl McKay was born on April 11, 1916, at Jerry's Harbour, Green Bay, to John and Rocella Short. She was one of nine children. When she was 16 years old she moved to Little Bay Islands to work with Strongs Ltd. She recalls how hard she worked for \$6 a month, but will quickly say: "That bought me everything I needed."

In 1934 she married Llewelyn McKay; they had nine children. Her husband had to leave the island for work, leaving her to raise her family on her own for the most part.

Her children will tell you how good care she took of them; she was very kind to the people in the community that had less than her. She attributes her good health to hard work and exercise, of which dancing was one of her favourites. She loved to dance.

Josephine celebrated her 100th birthday on April 11 at the Springdale Retirement Centre, where she now resides in fairly good health. Josephine is the oldest resident not only of the retirement centre, but is the oldest resident of Springdale, Mr. Speaker.

I ask all Members to join me in celebrating this significant milestone with Mrs. Josephine McKay.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

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

MR. HAGGIE: Thank you, Mr. Speaker.

I'm pleased to rise in this hon. House today to recognize the work of the Gathering Place, and in particular, the work of their parish nurses. These are volunteer registered nurses helping to meet the needs of those accessing health care services from the new Downtown Health Care Collaborative clinic, an interdisciplinary health care team located at the Gathering Place in St. John's.

These dedicated volunteers and staff provide essential primary health care services for people in vulnerable circumstances. They cultivate the type of environment where independence, self-respect and dignity are fostered.

I had the pleasure of visiting the Gathering Place recently and seeing first-hand how this partnership is helping individuals at risk. Many are homeless, in less-than-desirable housing situations, unemployed, struggling with mental health issues or struggling with addictions.

Mr. Speaker, the depth of professionalism and compassion shown by the staff and volunteers at the Gathering Place is outstanding, and I commend their good work.

Mr. Speaker, when citizens have good mental and good physical health they are able to contribute to every aspect of community life. That's why our government is supporting such community agencies as the Gathering Place, expanding primary health care teams throughout the province and adopting a health-in-all-policies approach to governance and government.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Thank you, Mr. Speaker.

And for the third time, I think, in several weeks I'm going to stand up and say nice things about government. So I hope Members opposite aren't getting too nervous.

AN HON. MEMBER: It's the Christmas season.

MR. KENT: It's the Christmas season, yes.

I thank the minister for the copy of his statement today. We join with government in recognizing the great work of the Gathering Place. I, too, would like to say a special thank you to the health care professionals who are providing an invaluable service to vulnerable persons accessing care at the Downtown Health Care Collaborative clinic.

I'm also really excited to hear the minister talking about health in all policies. That's an approach I started talking about in 2014. There was real work done on that concept in the Department of Health and Community Services in the last couple of years.

In 2015, I was pleased to launch the Primary Health Care Framework. I commend the minister for following through. His plans to carry out the work that's outlined in the framework are admirable. We congratulate the Gathering Place on their great work and let's keep going.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

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

I thank the minister for the advance copy of his statement. I, too, congratulate the Gathering Place which, in such a short time, has been able to expand its services to vulnerable people in our community. I commend, as well, the volunteer parish nurses working with the Downtown Health Care Collaborative clinic for stepping in to provide much-needed health care to individuals at the Gathering Place.

I'm not downplaying it, but I also would like to see that such needed services as this were a full part of our community health care system with fully paid nurses, ensuring long-term stability and volunteers backing that up.

MR. SPEAKER: Order, please!

MS. MICHAEL: Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Service NL.

MR. JOYCE: Mr. Speaker, I am pleased to rise today in this hon. House to recognize December 1 to 7 as National Safe Driving Week. This year's theme – *Icy and Dicey: Avoid Unnecessary Risks* – is especially appropriate as we head into the winter driving season.

Mr. Speaker, in recent weeks, I have been honoured to recognize the National Day of Remembrance for Road Crash Victims and the Mothers Against Drunk Driving Project Red Ribbon campaign.

Today, I continue this safety theme by asking all motorists to learn how they can adopt safer, more defensive driving habits to reduce the risks associated with winter driving. This includes ensuring our vehicles are equipped with good winter tires and that they are well maintained to operate properly in Newfoundland and Labrador's challenging weather conditions. Residents should also adjust driving habits to allow for increased stopping distances and yield the right-of-way to snowplows, so they can do their job effectively. Just as importantly, I encourage all residents to always wear a seatbelt.

Mr. Speaker, National Safe Driving Week allows me an opportunity to renew our government's commitment to eliminate distractions behind the wheel and to speak out against driving while impaired by alcohol, drugs or fatigue.

As we move into the new year, I urge all hon. Members to join me in promoting road safety awareness in our province and in reminding all Newfoundlanders and Labradorians of the shared responsibility for keeping our roads safe this winter.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

I want to thank the minister for an advance copy of his statement. Mr. Speaker, we, too, in the Official Opposition office would like to acknowledge December 1 to 7 as National Safe Driving Week. Keeping our roads safe in order to avoid risks and collisions is a responsibility for all road users.

As winter is upon us, I remind all road users to adjust their driving habits for winter, to always drive with winter conditions in mind, to ensure that their vehicle is winter-ready and be mindful not to drive while under the influence of drugs, alcohol or fatigue.

Mr. Speaker, to me it seems ironic that while this year's theme of national safety week is Icy and Dicey, the Liberal government has decided to eliminate 24-hour snow clearing.

Thank you.

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

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

I, too, thank the minister for the advance copy of his statement. Public education on safe driving practices is good, but I'd like to see more real

action from government, such as the mandatory use of winter tires, which I encourage the minister to seriously consider.

I also urge government to reverse their 2016 budget cuts to 24-hour snow clearing on the Trans-Canada Highway. The \$1.9 million saved puts people forced to drive at night at risk.

Thank you, Mr. Speaker.

MR. SPEAKER: Further statements by ministers?

Oral Questions.

Oral Questions

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

SOME HON. MEMBERS: Hear, hear!

MR. KENT: Thank you, Mr. Speaker.

We have heard from countless people who are suffering under the revised home care model introduced in *Budget 2016*. These are individuals who can no longer receive adequate support in order to remain in their own homes.

I ask the minister: How is forcing people into personal care homes or long-term care facilities going to save any money?

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

MR. HAGGIE: Thank you very much for the question, Mr. Speaker.

With regard to home support hours, the only change that was made in the budget was not to clinical hours of need; it was simply around what one would call domestic arrangements in terms of home cleaning and meal preparation. That is capped at two hours per day or 14 hours a week and is consistent with other jurisdictions.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: But therein lies the problem, Mr. Speaker. Those domestic hours were in fact, in many cases, being used for legitimate, necessary home care that's necessary to keep people in their homes

The Liberal government has said on numerous occasions that it will put people's health before the cost.

I ask the minister: How can he support cuts to home care hours when we know those hours were used to provide critical services?

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

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

On a policy perspective, we are actually reviewing, currently, the entire home support program, in light of a review commissioned by the previous government. We have an implementation team in place.

With regard to the issue of specific hours, I accept that there were coding inaccuracies when these data were entered. Everyone on home support has an annual review. These new standards and new methods of coding are designed to reflect clinical need of the individuals at the time, and those hours are accurate and open to appeal.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Thank you, Mr. Speaker.

I'm glad the minister is following through on the home care review, but I urge him to look at the clinical needs of some of the clients that are being affected by decisions in *Budget 2016*.

For instance, a 96-year-old resident of Conception Bay South was receiving 35 hours a week home care, while at the same time availed of an extra two hours a day covered by private insurance. Unfortunately, that insurance coverage lapsed for four months. The department, instead of agreeing to cover the

extra hours, recommended that she be placed in long-term care.

How does the minister justify such a ridiculous decision?

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

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

There are several responses to that. If the Member opposite has particular details of a constituent, I would be delighted to entertain that discussion. This isn't the place to discuss those private issues.

I think the other comment I would make on the basis of hours is that with time, we know that clients' hours increase. The primary aim is the safety and health of the individual. There comes a time when home care is no longer the best place for an individual and long-term care or personal care becomes the wiser and healthier option for that individual. Without the specifics, I can't comment any further, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: I fully appreciate that the minister can't comment on specific cases, but there are dozens and dozens of cases that we have followed up on with staff at Health and Community Services and because of decisions made in *Budget 2016* we're making no progress.

An 89-year-old lady from Petty Harbour living at home, receiving 35 hours home care a week is being told that rather than giving her an extra additional couple of hours a day, she will instead have to be placed in a long-term care bed at a cost in excess of \$10,000 a month.

Will the minister consider adjusting the maximum allowable hours when it can permit a senior to remain in their own home while saving significant public funds?

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

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

As I pointed out, there is a review of the entire program underway. These factors have been highlighted. But again, at some point, these are decisions that are made by practising community-based clinicians based on the needs of the individual and what is best for their health and safety.

There comes a time when that can be best met by placing the individual in either a personal care home or a long-term care home. And without the specifics, it is impossible to comment any further, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. KENT: Mr. Speaker, this is not about assessments and coding inaccuracies, this is about people's lives. We're talking about meeting the needs of some of our most vulnerable people.

During the last election campaign, the Liberal Party promised to establish a diabetes prevention and management strategy with a diabetes database.

What is the Liberal government doing towards a provincial diabetes strategy as promised and what is the state of the provincial diabetes registry that has been nearly finished for some time?

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

MR. HAGGIE: Thank you very much for the question, Mr. Speaker.

I have several answers. We have re-enrolled in the Chronic Disease Self-Management Program for another three years. Thirty-five per cent of the people in that program self-identify as being diabetic.

With regard to the specific issue about converting a database into a registry, the gentleman opposite is well aware that it is mandated. To do that, you need a privacy impact assessment. That is done by NLCHI and was received in the department today.

The difference between a registry and a database is like a telephone. A registry is a two-way system; we can call out to diabetes once we've identified them. A database is simply like a telephone that receives data coming in. We're going to put that in place, Mr. Speaker, as soon as the regulatory requirements are fulfilled.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Two specific follow-up questions, Mr. Speaker.

During the election campaign the Liberals committed to a specific diabetes prevention and management strategy. The former Health critic and now Minister of Justice would recall the health forum we both attended where that commitment was made. When will that happen?

Secondly, in terms of the diabetes registry, it was just about completed. That was a year ago. When can we expect information from this diabetes registry to actually be publicly available?

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

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

Until the privacy impact assessment has been completed, the legislation under the *Personal Health Information Act* actually prohibits any further manipulation of the information within a database to use it as a registry. As soon as that process has been completed, the registry can begin its work.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Thank you, Mr. Speaker.

A new report released today by the Canadian Diabetes Association estimates that there are 179,000 Newfoundland and Labrador residents or 35 per cent of the population now living with diabetes or pre-diabetes. This is the highest rate by far in Canada, costing the provincial health care system an estimated \$54 million.

What specific progress has been made on the diabetes strategy that was promised last year?

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

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

With reference to that question, I would refer back to my previous answers. We have the Chronic Disease Self-Management Program. We have the registry, as soon as regulatory requirements are in place. In addition to that, *The Way Forward* document clearly references a strategy between now and 2025 to significantly address and reduce risk factors for diabetes, and that's out there too. I think taken together, that exists in the form of a strategy, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Continuing with our Chronic Disease Self-Management Program is great. I'm pleased to hear that, but it's not new and it's not what was promised during the last provincial election campaign.

Moving on to a related topic: Why did the government cut funding for test strips despite expert advice, and will they increase the current limits to support people in Newfoundland and Labrador who can't afford to buy these strips in order to self-manage their diabetes?

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

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

The changes in test strips were based on national guidelines from the Canadian Agency for Drugs and Technologies in Health and are consistent with other jurisdictions.

It's interesting the Member references the changes. Ontario also engaged in changes to line up with CADTH and they have had a little longer experience than us. They have a report that shows there has been no deleterious effect on outcomes in patients with diabetes who use the new test strip numbers.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: It's unfortunate that the minister continues to point to outdated CADTH guidelines when there's more current data available on what's happening in the rest of Canada.

There have been complaints by people with diabetes to their pharmacists, their physicians and the Canadian Diabetes Association that these new limits do not meet their needs.

Will the minister reveal today how many people who use the government program to get diabetes test strips have had to go through the special authorization process already because these new limits are not enough to help manage their diabetes.

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

MR. HAGGIE: I can certainly get that information for the Member opposite. I don't have it at hand but would be happy to table it at a mutually convenient moment.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: I appreciate the minister's response and I look forward to receiving that information.

The federal Liberals will be slashing the provincial health transfers and the Premier, on this issue, has been silent, all while other provincial leaders have spoken out strongly against the proposed move.

Is our Premier prepared to find his voice and speak up at the upcoming First Ministers' Meeting this week?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, who has been speaking out on behalf of all Canadian premiers would be the premier now the Yukon, the newly elected premier in the Yukon. As you know, there's an FMM with the First Ministers, which will include the prime minister at this meeting. It's been this prime minister who is indeed meeting with the premiers.

So I understand that Members opposite are not used to meeting with the prime minister, but indeed that meeting will exist. I can assure you that the voice of Newfoundlanders and Labradorians will be heard at the table, when we have a round-table discussion on health. It's important that we all recognize that the former administration had accepted I guess, because we didn't hear their voices too loud on what would be the new threshold that was established quite some time ago.

And on behalf of Newfoundland and Labrador, I can assure you that our voice will be heard at that table.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: I, too, congratulate the new Yukon premier on his election, wish him well and hopefully our Premier will follow suite and speak up for the residents of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. KENT: And maybe it will be covered on his Sunday night calls with the federal minister. We'll see.

The new proposed funding model will impact this province more than any other, based on our demographics. How much money does Newfoundland and Labrador stand to lose due to cuts to health transfers?

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

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

I've had this conversation on several occasions with the federal minister of Health and pointed out that we've already suffered as a result of the change from waited capitation to straight per capita disbursement of the health accord money. We've lost \$15.5 million on that. In addition, the reduction of the escalator from 6 to 3 per cent proposed in 2017 will have a further reduction of a similar magnitude.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: I'm sure the minister would agree with me that that kind of impact on our province is completely unacceptable.

So does the minister believe that a 3 per cent escalator is reasonable and justified based on the ever-increasing cost of health care?

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

MR. HAGGIE: Thank you very much for the question, Mr. Speaker.

Rather than stipulate how the money flows, my argument with the federal minister has been about the actual percentage. Traditionally when Medicare first came out, 50 cents on every provincial dollar spent on health care came from the federal government. Over the years that has fallen successively and currently lies between 17 and 18 per cent for this province. It varies by province.

Our aim, my personal aim, and with the discussions with the Premier has been to try and restore that to 25 cents as a baseline, as a starting point.

SOME HON. MEMBERS: Hear, hear!

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

MR. KENT: Pleased to hear that, and pleased to support the minister in that effort.

Many provinces thought it was downright appalling to have the federal minister insinuate that provinces were not spending health transfer funding on health care.

Do you condone such arrogance? Did you assure her that Newfoundland and Labrador does in fact spend its transfers appropriately?

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

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

I would say that my conversation with Dr. Philpott was frank and totally engaged. I think she left the room in absolutely no doubt where I stood on that matter.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: On December 1 the minister stated that: “The *Children and Youth Care and Protection Act* prevents me from identifying individual children for their own protection and privacy.”

Can the minister point us to the part of the *Children and Youth Care and Protection Act* which states that she cannot share broad provincial statistics from her department?

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

MS. GAMBIN-WALSH: In actual fact, Mr. Speaker, that particular day that I was asked that

question we have to remember that are people are home, there are family members and friends of the individuals who are deceased. I wanted to be accurate and sure that I could reveal such numbers in the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: As I’m sure the minister is aware, sections 52, 56 and 72 of the *Children and Youth Care and Protection Act* all deal with disclosure of information. All refer specifically to disclosures that would identify an individual. What I’m looking for, Minister, is provincial statistics.

Again I ask: How many children and youth are in out-of-province placements today?

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

MS. GAMBIN-WALSH: Mr. Speaker, I stand here with all the stats that are on the website and, as you can tell, there are numerous stats on our website. The protective intervention number of children, protective intervention number of families, kinship, youth services, in-care custody, provincial total: 980; Innu, Inuit, other Aboriginal, foster homes, group homes, individual living arrangements, out-of-province placements, provincial total: 30, Mr. Speaker.

The stats are here if you’d like for me to table them.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Nice to see that she has the information now, Mr. Speaker, and is sharing it with the House.

I ask the minister: How many children or youth have died or have suffered serious injury while in care or receiving services from government in the past 12 months?

MR. SPEAKER: The hon. Minister of Children, Seniors and Social Development.

MS. GAMBIN-WALSH: Eight, Mr. Speaker.

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

MR. BRAZIL: Thank you, Mr. Speaker.

Gary Nofle, the executive director of the Buchans Boys and Girls Club, said that the Premier's statement that there have been no cuts to core funding just blew him away.

I ask the Premier: Is Mr. Nofle, a 40-year veteran of the Boys and Girls Club, wrong in his assertion that you have cut his group's core funding?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

As you would know – and I'm sure the Member opposite knows because he has quite a bit of experience on this very issue. As a matter of fact, this was a decision that was made in terms of core funding versus non-core funding. So this is really the fundamental thing that's at question here as the previous minister would know.

Core funding versus non-core funding – the definitions were established, Mr. Speaker, not at all by this particular administration. The core funding versus non-core funding was established by the previous administration and we had used the very same definition.

There have also been some questions around grants, if there was notification, Mr. Speaker. Notification was sent out in May of last year notifying the various groups like the Boys and Girls Clubs that they could not depend on the same level of funding as last year.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: You know, I beg to differ with the Premier. The assertion here was that this was

core funding. It has been for 30 years is the understanding by all of these organizations.

In May, the Minister of Transportation and Works assured the James Hornell Boys and Girls Club in Buchans that a cut to their funding would not happen. Six months later, we learn that the Buchans Boys and Girls Club funding has been reduced.

I ask the Premier: What changed?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

The only obvious thing that has changed there is the mind of the previous minister. They would know that the Boys and Girls Clubs that they're just referring to right now, by their own definition last year – by their own definition, their own budget analysis that was non-core funding.

So, Mr. Speaker, the only thing that has changed there is the position of the previous minister.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: I have to clarify, again, the assertion always was this was core funding – purely core funding. Every organization understood that; our administration understood that. I, for 30 years in the volunteer sector, understood it as being that.

The club applied for \$37,440 to cover core expenses such as heat and lights, salaries and programing, but had their funding slashed by over \$10,000.

Would you not agree things such as heat, lights, salaries and programing is indeed core funding?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, the person sitting next to the Member opposite would clearly know what was identified and defined as core versus non-core

funding, because it was a definition by that former minister that actually put those definitions in place. So the assertion here of being what is core versus non-core, and added to the group that would be considered when they put in that project-based funding; Mr. Speaker, that definition was determined and put in place by the previous administration.

Now, Mr. Speaker, we've seen lots of examples where we've seen applications that people have been asked to change and so on. We use a very defined, very stringent set of guidelines so that we can support new groups like the YMCA, like the Association for New Canadians, like the kids' helpline. So we've been able to help a great number of associations provide services to our communities.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

The organizations we're referring to here were ones that were always treated as core funding, not project funding. That's totally separate. That's already documented, been there. My 30 years of experience knows that. These organizations with 40 years have already attested to that.

The executive director of the Boys and Girls Clubs of St. John's said their cuts came with no notice. This puts them in a deficit this year and it's an impossible position to make up these services this year.

What would you suggest, Mr. Premier, the community groups do? Simply close their doors?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

The funding that was for the Boys and Girls Clubs – as you know, if you look at the various budgets of those clubs, they're a very small amount. Mr. Speaker, we realize this is an

impact. They provide a great service to many organizations around our province and we value the work they do.

But there were 30-odd associations and groups last year that the prior administration said no to, Mr. Speaker. That is the same number that was said no to this year. By their own definition, they were the group that defined the Boys and Girls Clubs as non-core funding organizations.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: The Boys and Girls Clubs, along with about 20 organizations that you've cut funding through right now, were considered core funding. Some other groups we couldn't fund at the time were special project funding. Unfortunately, the money wasn't there for it.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: At this point, the core funding was imperative for the operations of these organizations. The cuts to grants to youth organizations will have a devastating impact on the communities, along with its youth and families.

Who do you expect to fill the gaps in services and programs left by the government cuts?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I can't imagine that the Member opposite would sit through a government that actually made those decisions and today is not aware of the decisions they had made.

First of all, Mr. Speaker, the Minister of Finance very clearly, early last year, made a commitment to the groups that were receiving core funding. There was an announcement of about \$70 million that was made early on into this mandate. If the Members would look, and do the proper research and search, it was almost the very same announcement that had been made in previous years by their minister of Finance, nearly \$70 million.

So in terms of core funding, there were no cuts last year, Mr. Speaker. The project-based funding through the Public Engagement office, Mr. Speaker, was based on non-core funding.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: I've had emails or calls or discussions with 32 groups who have said they've lost between 35 to 60 per cent of their core funding. They understand it as core funding, we understand it as core funding and I think the general population understands it as core funding.

What youth organizations did you consult or meet with prior to these devastating cuts, as an open and transparent government, to determine that these were the best investments for the taxpayers of Newfoundland and Labrador?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I take exception when you look at the Association for New Canadians, the kids' helpline and the YMCA. I take exception when you think about making investments into those groups that provide great services to the people of this province as not being a valuable service. That was part of what we had done this year, Mr. Speaker.

As I said, the core funding announcement based on over \$70 million last year for core funding was announced very early. For the previous minister to make assertions and to make comments that this was not the case when they made their decision – Mr. Speaker, sometimes we have to make decisions with the information that we have available to us.

They were difficult decisions that had to be made. They had refused funding for over 30 associations and groups last year. Mr. Speaker, we find ourselves in the same position this year.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Mr. Speaker, I take exception to the fact that Boys and Girls Clubs, 4-H, Allied Youth, Big Brothers Big Sisters, Scouts and Guides: all these other groups who are doing great work have had their core funding cut.

So I ask again: After considerable backlash voiced this past week in response to your government cuts to youth organizations, will you revisit this ill-informed decision and reverse these devastating cuts?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Once again I point to what is, I think, a situation that we need to address in this province, and that is how many groups access government funding in this province. In October of this year, as part of our *Way Forward*, as part of our vision statement, one of the things is recognizing how we want to support various associations because they do a tremendous service to our province.

What we will be doing is putting in place a single portal so that associations and organizations will have the certainty of multi-year funding and a single point of entry for government grants, to support their associations and to thank them for the great work they do.

SOME HON. MEMBERS: Hear, hear!

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

MS. MICHAEL: Thank you, Mr. Speaker.

The Minister of Advanced Education, Skills and Labour is in the media reportedly saying he's open to using changes to the *Memorial University Act* to change the way the university is run, adding he wants to hear the voices of all stakeholders in getting a consensus on any changes.

I ask the minister: Will he get consensus by using the same type of consultation that his government used in deciding to close 54

libraries and dismantle The Rooms, consulting after decisions are made?

MR. SPEAKER: The hon. the Minister of Advanced Education, Skills and Labour.

MR. BYRNE: Cheeky, Mr. Speaker – cheeky.

No. We'll ask all stakeholders what their points of view are. For example, we'll ask the Board of Governors if they could table their report that they're now using to examine the governance model of the Board of Regents. We'll ask the senate if they want to contribute, we'll ask MUNFA if they want to contribute. We'll engage in a broad-based discussion with MUN stakeholders.

Do you know what? The key point is Memorial University of Newfoundland is a true provincial treasure. It is an institution which gives each and every one of us great pride and we all have an ownership in it. So this institution, going into the 21st century, will indeed be something that we continue to be proud of as we are today.

SOME HON. MEMBERS: Hear, hear!

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

MS. MICHAEL: Mr. Speaker, the federal government has decided to adopt the Harper government's plan to slash annual increases in federal health transfers, costing the province half a billion dollars over 10 years.

I ask the Premier: What steps has he taken to date to stop this serious cut in our health funding formula?

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

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

I have been trying for over a year, just about, to engage the current federal minister of Health in some detailed discussions about transfers through the health accord. The Canada Health Transfer is outside my mandate and rests with premiers and Finance ministers.

We've had some difficulty getting traction there. As I said in answer to a previous question, the starting point for me is not how the money flows, but rather that at the end of it we start with at least 25 cents on every health care dollar we spend as a government coming from the federal government.

SOME HON. MEMBERS: Hear, hear!

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

MS. MICHAEL: Mr. Speaker, I ask the Premier: Does he accept the unfair formula and the drastic impact it will have on Newfoundland and Labrador? If not, what is he doing about it?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, first of all, what we'll be doing about it is we've had a voice and a discussion at the premier's table. It's been one that's been started for quite some time now. We recognize the need for more federal involvement into our health care system.

Mr. Speaker, after spending nearly 33 years in the health care sector and spending quite a bit of time at national tables on other issues impacting health care, our voice has been heard. I can assure you the Minister for Health and Community Services, using his experience, his voice has been heard.

We recognize there is a need and there is a gap. It's time for the federal government to invest more money into the health care of Newfoundlanders and Labradorians, and indeed as Canadians in general. There is willingness for them to step to the table.

SOME HON. MEMBERS: Hear, hear!

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

MS. MICHAEL: Thank you, Mr. Speaker.

Yes, the Premier will be at the table on Friday with the prime minister and others and I ask him will he, as did Premier Pallister from Manitoba,

publicly demand the prime minister stop the cut to federal health transfers and negotiate a new arrangement? Let people hear his voice.

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

There is a difference in hearing somebody's voice and delivering results.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: What we've been able to do is deliver results for Newfoundlanders and Labradorians on many federal issues, Mr. Speaker. I will not go through the exhaustive list already that we've been able to accomplish within the last year.

Mr. Speaker, I can assure you of one thing, we will bring to the federal table a very informed, very educated, a very targeted, a very specific call and areas where we believe the federal government can have an impact on the health care of Newfoundlanders and Labradorians, keeping in mind the aging demographics that we have, where per capita base funding does not work on our behalf.

Mr. Speaker, I will guarantee you this: The voice of Newfoundland and Labrador will be heard at that federal table.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The time for Oral Questions has expired.

Presenting Reports by Standing and Select Committees.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

Tabling of Documents.

Tabling of Documents

MR. SPEAKER: As required under section 51 of the *House of Assembly Accountability, Integrity and Administration Act*, I am pleased to table the annual report of House of Assembly

Management Commission for 2015-2016 fiscal year.

Further tabling of documents?

Notices of Motion.

Notices of Motion

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

MS. GAMBIN-WALSH: Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act Respecting the Seniors' Advocate, Bill 64.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

Petitions

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

MR. PETTEN: I beat you; I do not know how I beat her today.

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

WHEREAS *Budget 2016* dramatically cut home care hours to many of our provinces most vulnerable people;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to immediately reinstate the much-needed supports to those who need it and develop a plan to further address the growing needs of people requiring home care support.

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

Mr. Speaker, in presenting this petition, this is an issue I think all of us are well acquainted with within our districts. Personally, in CBS, I deal with this and a lot of issues. It's pretty heart-wrenching when you have this 35-hour hard cap it seems being enforced by the department. People want to stay home. They want to stay in their own homes. The families want to keep them home. In some family models, they need that extra one or two hours over the cap to make this work.

When you're referred to long-term care because you need 37 hours a week, as opposed to 35 – I've argued this numerous times; I'll continue to bring it up – no one can tell me that 37 hours per week home care is more expensive than putting them in a long-term care facility. There is no rationale to this policy.

The family wants to keep them home. They want to stay home. It's the way things should be. It's cheaper to keep them home but, for some reason, the government will not listen. They will not budge on this issue.

I've dealt with a lot of heart-wrenching stories of families in my own district; I know my colleagues have as well. This issue is something that I really, truly believe could be fixed with a small, incremental investment. Everything costs money, but when you're dealing long-term care and the shortage of long-term care beds, this hard-fast 35 hours, anything over and above, you're on your own.

As it was reported in the media today, Mr. Speaker, we're dealing with a man and a woman who has been together over 70 years. She's level three. He's level two. I know this is a little bit outside it, but it still brings home the point of the stress this is putting on the family unit. They're living apart because again there's no wiggle room; there's no rationale to adjust, to make improvements to the system. Long-term care beds would be a huge improvement to people who need it. I'm urging for people that want to stay in their own homes.

It's a very important issue. Families are very vocal about it, very concerned about it and it appears that everyone from elected officials' point of view our hands are tied unless the

department makes some adjustments to this totally unfair policy.

Thank you, Mr. Speaker.

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

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

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

WHEREAS government has one again cut the libraries budget, forcing the closure of 54 libraries; and

WHEREAS libraries are often the backbone of their communities, especially for those with little access to government services where they offer learning opportunities and computer access; and

WHEREAS libraries and librarians are critical in efforts to improve the province's literacy levels which are among the lowest in Canada; and

WHEREAS already strapped municipalities are not in a position to take over the operation and cost of libraries;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to keep these libraries open and work on a long-term plan to strengthen the library system.

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

Again, Mr. Speaker, I'm sure some folks think: Why are we presenting petitions on libraries when they're not being closed right now? Well, they're just in abeyance. There's been no commitment to keep them open. There's a study being done. So people are still very concerned about their libraries. They haven't been given a guarantee at all.

This particular pack of petitions that I'm presenting today is from Harbour Grace. Citizens who benefit from library services

located in Harbour Grace, Cormack, Daniel's Harbour, Norris Point, in St. George's. Mr. Speaker, when the people of Harbour Grace heard that their library was to be closed in 2017, they could hardly believe their ears.

Library volunteers and patrons were looking forward to 2018 when they would be able to celebrate the 200th anniversary of the founding of the first public library in Newfoundland. Imagine, 200 years ago we could fund libraries.

Even with the very limited resources that were available in 1818, community leaders recognized the importance of a public library. The people of Harbour Grace benefited from having a library in the town until the library was destroyed in a major fire in Harbour Grace in 1944.

In 1946, Harbour Grace joined the regional library stream that was then in place. In 1947, a major portion of the funds raised at the community fair went to the library and a new library was built in 1948, in a building known as the War Memorial Building.

As a library board volunteer in the community put it, from 1818 to 2017, everyone who lived in Harbour Grace lived in a community with a library. Unless government changes its ill-advised decision, everyone who lives in Harbour Grace after 2017 will live in a community without a library.

Mr. Speaker, I urge government once again not to force the people of Harbour Grace to cancel their scheduled 200th anniversary celebration.

Thank you very much, Mr. Speaker.

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

MR. KENT: Thank you, Mr. Speaker.

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

WHEREAS the decision of the United Kingdom to withdraw from the European Union presents new trade opportunities; and

WHEREAS the Province of Newfoundland and Labrador has an historic trade relationship with the United Kingdom; and

WHEREAS the two regions may mutually benefit from trade opportunities;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to develop an economic strategy which capitalizes on trade opportunities between the United Kingdom and Newfoundland and Labrador.

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

Mr. Speaker, I've spoken about this issue several times this session. It's about opportunity, opportunity to strengthen ties between the UK and Newfoundland and Labrador; opportunities to increase trade to support this province's economy; opportunities to create new jobs so that more hardworking families in Newfoundland and Labrador have the dignity of work.

This great province must seize this rare opportunity. Never again will the opportunity so plainly present itself to refund and improve the trade between the UK and Newfoundland and Labrador, because a queue has begun to form from Australia to India, Ghana to New Zealand, all searching to open the British economy – the fifth largest in the world – to their products and services. And Newfoundland and Labrador cannot afford to be at the back of the queue. Jobs depend on it, and government must act.

Given the hour, Mr. Speaker, I realize my time has expired, but I encourage government to take specific concrete action. On this side of the House, we're prepared to work with them to support that effort.

Thank you.

Orders of the DayPrivate Members' Day

MR. SPEAKER: It being Private Members' Day, I call on the Member for Ferryland to present his private Member's resolution.

MR. HUTCHINGS: Thank you, Mr. Speaker.

It's certainly a pleasure today on Private Members' Day to bring this resolution to the floor. I'll read it out:

BE IT RESOLVED that the House of Assembly urges government to request the Conflict of Interest Advisory Committee pursuant to section 14 of the *Conflict of Interest Act, 1995* to review the terms of employment contract of the Chief Executive Officer of Nalcor Energy and Newfoundland and Labrador Hydro and determine the appropriateness of the employment contract; and

BE IT FURTHER RESOLVED that this House urges the Lieutenant Governor in Council to ensure the Conflict of Interest Advisory Committee's report on this review be made public.

Mr. Speaker, to just give some background on this resolution and where it's coming from I'll go back and give some perspective and context of where we're to.

Back on April 21 of this year, on that day the Premier and the Minister of Natural Resources issued a joint news statement announcing the naming of the new CEO of Nalcor Energy effective immediately. Attached to that news statement was a backgrounder containing the biography of the new CEO and shows indeed the new CEO is eminently qualified to head the large hydroelectric project and our national utility, Nalcor. It shows as well the strong connection to Fortis, the major privately-owned power company.

From the perspective of that and what was announced, there's nothing wrong with taking the helm of a major private sector company. We applaud that and those who do it and step forward. We have made success out of their

endeavours and have a significant resume to show for that.

There's also absolutely nothing wrong with those who have proven themselves in the private sector. They are stepping up to serve in the public sector; going across and serving in the public sector. We applaud those and we often need that expertise coming from the private sector into the public domain. We respect that and understand it.

It is absolutely essential that those who serve in public roles have neither real nor perceived conflicts of interest. They are appointed to serve the public good, to put the best interest of the people first and foremost.

We have a piece of legislation in this province that we are all quite familiar with, the *Conflict of Interest Act, 1995*. The act has all sorts of provisions that define clear boundaries between what is acceptable and what is unacceptable for public office holders.

For example, I'll just reference a few of those. Section 3, "A public office holder shall not make or participate in making a decision in his or her capacity as a public office holder where the public office holder knows or ought reasonably to know that in the making of the decision there is the opportunity to benefit himself or herself or a member of his or her family improperly, directly or indirectly."

Section 4, "A public office holder shall not use his or her position to seek to influence a decision made by another person to benefit, directly or indirectly, a private interest of that public office holder or a member of his or her family."

Section 5(1) "A public office holder shall not use or share information that is gained in his or her capacity as a public office holder and is not available to the general public to further or seek to further, directly or indirectly, a private interest of the public office holder"

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Section 5(2) “A public office holder shall not use or share information that is gained by his or her capacity as a public office holder and is not available to the general public to improperly benefit another person.”

Finally, section 9, “A public office holder shall not engage in an activity, (a) that interferes with or adversely influences the performance of his or her duties or is likely to do so; (b) that places him or her in a position of conflict of interest, or is likely to do so; and (c) in which he or she may acquire an advantage derived from employment as a public office holder.”

Now, Mr. Speaker, these provisions have been created to draw clear boundaries between what is acceptable and what is unacceptable for those who hold public office and make decisions on behalf of the people.

The protection provided here is a protection for the public good, but it is also a protection for the individual so they’re not put in particular situations where it’s left to them to decide what may or may not be perceived or be actual conflict. That’s very important. So it’s not just about one side, it’s about both sides. Both sides; the public and the individual are clearly protected and there are clear boundaries and terms and an understanding of what can and cannot be done.

The greater decision-making ability, the greater the need to ensure that there is not room for any, even a perception of conflict of interest; oftentimes, it’s the actual perception that is of concern and that needs to be clearly defined and articulated how that can be relieved, that perception.

I understand for some time the CEO appointed was apparently without a contract. So for that period of time he would have been bound by the *Conflict of Interest Act, 1995*. In August, four months after the new CEO’s appointment, Nalcor Energy publicly released the CEO’s contract. The interesting point for us was about the comparison of the previous CEO contract and what the current contract was and how it was made up.

The former CEO’s contract, and I’ll share some of the provisions in that that was renewed in 2009, stated the following in clause 3(c), “Subject to the by-laws of Nalcor and regulations passed or approved by the Board, the Executive shall perform such duties and exercise such powers commensurate with his office as may, from time to time, be determined by the Board, and, without limitation, the Executive shall: ... not acquire, directly or indirectly, an interest in any firm, partnership, association, entity or corporation, the business or operations of which would in any manner, directly or indirectly, compete or conflict with the business or operations of Nalcor and without limiting the generality of the foregoing, neither the Executive nor any member of his family (this term having the same meaning as defined in Newfoundland and Labrador’s *Conflict of Interest Act, 1995*) shall directly hold any shares in the Fortis Inc. group of companies including Newfoundland Power excepting however interests acquired in a publicly traded corporation through retirement mutual fund(s) investment vehicles.” That would be total separate from what we’re talking about here.

So in the prior contract it was quite direct. There were no expectations that any shares would be held in any competing entity and, in particular, Fortis was actually defined in that contract.

As we move forward and a new contract was formed for the new CEO of Nalcor, we understand, through ATIPP, that when the first provision or first draft of that contract was sent, it mirrored the contract of the prior CEO of Nalcor. What we received back and was part of the new contract of the new CEO was quite different. That’s the issue we have and we look for an explanation of why that is so. I’ll get in briefly in regard to how we went through the process of asking for that information.

So the new provision in the conflict of interest for the current CEO, “The Executive shall not acquire or hold, directly or indirectly, an interest in any firm, partnership, association, entity or corporation, the business or operations of which would in any manner, directly or indirectly, compete or conflict with the business or operations of Nalcor, NLH or a company considered to be a subsidiary of Nalcor in accordance with section 13 of the *Energy*

Corporation Act, with the exception to the foregoing being that the Executive may own 5% or less of the shares of a publically traded company”

Mr. Speaker, I guess that goes to the issue of why we raised this issue and have asked, for some time, to get clarity and an explanation of why you could hold – it’s not relevant to the value, but why you could hold shares in Fortis and still operate as CEO of Nalcor and not even have a perceived indication of a conflict of interest.

Then when you compare that to the previous contract and what was in place, and you look at the current legislation and some of the parts that I’ve read out here today, we’ve asked for continuous understanding in how this is and how it came about.

Through this process, I wrote the Auditor General on August 23 and asked – based on August 11, 2016, the release of a contract of the new chief executive officer of Nalcor was released. In regard to section 4 of the contract, it includes provisions related to conflict of interest and specifically the *Conflict of Interest Act, 1995*, which obviously, anybody appointed to a public body would have to adhere to.

At that time I asked the Auditor General to review that contract in regard to the *Conflict of Interest Act, 1995*, and the *Energy Corporation Act* and render an opinion in regard to if there was a conflict, either perceived or otherwise, that would exist. I specifically asked that the review done of the current CEO contract and the prior CEO contract, on a comparative level, that it outlined here the significant change that was there.

So the letter from the Auditor General came back on August 31, responded to me, and said: “The *Conflict of Interest Act, 1995* provides guidance around issues of conflict of interest and sets out processes for determining and reporting on potential conflicts and administrative processes. Section 14 of the *Act* requires that the Lieutenant-Governor in Council” – Cabinet – “appoint a Conflict of Interest Advisory Committee. Among other duties, the Committee shall ‘advise a head of an agency or deputy

minister as to whether a public office holder is in a conflict of interest.”

The Auditor General said: “In my view, seeking the views of this Committee would be the most appropriate first course of action to take to determine if there has been a contravention of the *Act* or if the appropriate processes around potential conflict of interest have been followed.”

Subsequent to that, on September 12, I wrote the Premier in accordance with the advice from the Auditor General, which he said you take advantage of this provision in regard to the Committee and reviewing a possible conflict. On September 12, I wrote the Premier and I referenced the Auditor General’s letter to me and asked that he appoint a Committee, do a review in the context of what I described before, certainly make that available once the review is done and secure for all those involved, the public, and for the individual that it’s clear and concise, that there’s no conflict of interest, or if there is or perceived, then make that fully aware and versed to all concerned.

I didn’t get a response from the Premier in regard to my letter. To date, I have not received it. So I guess that’s why we’re here in the House of Assembly today and this motion has come forward in asking that the House recognize the importance of the motion and that it actually be dealt with, because it hasn’t been to date.

As I said, conflict of interest is extremely important in office holders. This has nothing to do about an individual’s qualifications or whether they’re able to do the job. It’s simply regarding the legislation, what it says, and that there’s openness and transparency in regard to a decision rendered, why it is rendered and how it’s tied to the actual legislation. It’s all about protecting the people of the province from real and perceived conflict of interest.

Having strong conflict provisions not only protects the people, it also protects those who serve by enabling them to say, if they ever suggested to, that they are governed by strict conflict of interest provisions put in place to protect the public good. As I said, that’s why we find ourselves here today.

In addition to the letters that I wrote, I've asked questions here in the Legislature to the Premier and to the Minister of Natural Resources in regard to bringing clarity to some of this. Again, we haven't received clarity. We've got references to the fact that there have been a lot of discussions.

One day the Minister of Natural Resources said to me the Committee has reviewed the conflicts, they have done a thorough analysis, and I went a little bit further and asked Mr. Marshall to remove himself from anything with regard to Fortis, for example, any discussion around that, even though he's not in conflict. So based on that, I asked, well, has the review been done in accordance with the Committee that's supposed to be struck, and could you make that available?

The response to that was a copy of the act is available to the Members at all times and, of course, it does detail what the conditions are under which must be followed – which again doesn't respond to our requests: number one, if the review was done; number two, if we could see the result of that.

Again, we're not looking for the information in regard to an individual on their financial disclosures. That's not what we are looking for. We're looking for the decision, based on the conflict of interest legislation and why someone holding shares, no matter what the value is in this particular circumstance, why it's not a contravention of the conflict of interest legislation.

So again we asked further. There was reference to the Minister of Finance talked about – I think the Minister of Natural Resources told me it was the board; the board had made the decision. The Minister of Finance, I think, referenced the fact that the Public Service Commission ensures that all those individuals that work in the public sector are reviewed. As the minister, she has already said the CEO for Nalcor certainly has complied and has gone above that. So again, we're not sure if it's been done or it hasn't been done, or where it actually stands and the rationale for it. That's why we bring the issue here today.

The last point I make is that the Minister of Natural Resources referenced the fact that the

individual only holds less than the 5 per cent threshold that is required under the act. My understanding, there's no threshold in the act. So she referenced the fact that there was 5 per cent. To the best of our knowledge, there is no reference of 5 per cent in the conflict of interest.

MR. SPEAKER (Dempster): Order, please!

MR. HUTCHINGS: So I look forward to discussion today and debate.

Thank you.

MR. SPEAKER: I remind the hon. Member his time for speaking has expired.

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Thank you, Madam Speaker.

Madam Speaker, I am pleased to speak to this private Member's resolution today, and hopefully will be able to answer some of the Member's opposite questions as we work through the debate this afternoon.

I do want to say that prior to getting into public office and being elected by the people of the district that I represent, I had been in business for over 30 years; and I would suggest to this House, quite successfully. So successfully that I had been recognized by the then Leader of the Opposition, now Premier of the Province, for my work; and also, I might add, by the Member for the District of Ferryland when he was a minister under the former administration.

I can assure the Members of this House that I understand what conflict of interest is and what it is not. I would remind the Members of this House that a person's actions in this area will speak for itself.

It's very easy to sit on the sidelines and accuse people of conflict. I can tell you that people in this position are very conscious of their responsibility. It is taken very seriously. We in this House should not, in a cavalier way, suggest otherwise. I certainly believe that the Members

of this House would not recklessly throw around suggestions that respectable business leaders would not act in less than an honourable way.

What I'd like to do, Madam Speaker, for the remainder of my time is speak to the process that happens as part of the legislation that governs conflict of interest for those that serve the public in the province.

The private Member's motion that's before us today is requesting the Conflict of Interest Advisory Committee to review the terms and employment contract of the CEO of Nalcor Energy and Newfoundland and Labrador Hydro.

As the Minister Responsible for the Public Service Commission, I'd like to take a few minutes to go over the *Conflict of Interest Act* and how it is applied by the Independent Appointments Commission and the Public Service Commission.

The creation of the Independent Appointments Commission and the expansion of the mandate of the Public Service Commission to deliver an independent merit-based appointment process is indeed a significant step towards ensuring that the most qualified people are appointed to the many agencies, boards and commissions that deliver important services to the residents of Newfoundland and Labrador.

It is also a significant step in ensuring the process for appointing individuals to agencies, boards and commissions is open and transparent. This process is intended to ensure that the most qualified people are appointed to the many agencies, boards and commissions, as I said, that deliver important services to the residents; and all individuals have an opportunity to apply for an opening on an agency, board or commission which may be of interest to them.

Each applicant will be considered based on their skills, their qualifications as well as their experiences. Prior to candidates being recommended by the Independent Appointments Commission for a tier one board or for a tier one board by the Public Service Commission, all individuals must complete a conflict of interest and a personal disclosure statement.

The *Conflict of Interest Act* has been in force since January 9, 1998, and its application to a public office holder or a person who receives a salary or other remuneration, in whole or in part for money, voted by the Legislature. This includes all public servants, including those that are employed by agencies, boards and commissions. It also includes political staff, including those employed by the House of Assembly; however, it does not include MHAs, as MHAs are governed by the House of Assembly legislation.

The act also applies to post-office employment. A public office holder, or entity in which the public office holder holds more than 10 per cent interest shall not enter into a contract or receive a benefit for 12 months following employment with a department unless the deputy minister issues a waiver to permit the contract following mandatory consultations with a Conflict of Interest Advisory Committee, or a contract is awarded by a public tender.

According to the act, if you're employed by a government department, an agency, board or commission, you must not release, directly or indirectly, information or documents which are confidential, use information obtained at work to your advantage or another's advantage, use your position to influence a decision to benefit you or a member of your family, accept a contract for additional services from your employing department, and accept a gift or personal benefit that is connected, directly or indirectly, with the performance of your duties.

Public office holders are also expected to know the legislation, recognize conflict or potential situations of conflict, avoid conflict situations and advise deputy ministers in writing of potential existing conflicts.

Under the act, there is a Conflict of Interest Advisory Committee in place whose role is to respond to formal conflict of interest inquiries, provide advice and recommendations regarding conflict of interest to deputy ministers, monitor the administration and enforcement of the act and educate public office holders on conflict of interest.

Specifically, Madam Speaker, I will speak this afternoon of Mr. Marshall as it relates to conflict

of interest and to state that Mr. Marshall is not in a conflict of interest and his contract is consistent with the *Conflict of Interest Act*.

As has been stated in this House by my hon. colleague, Mr. Marshall is fully aware of any potential conflict and his requirements under the *Conflict of Interest Act*. He has confirmed his holdings in publicly traded companies are substantially less than the 5 per cent limit referenced in his contract.

The Department of Justice and Public Safety was consulted on this matter and advised that Mr. Marshall's previous position with Fortis and his current ownership of shares in private corporations does not constitute a conflict of interest, in and of itself, but that conflicts of interest may arise in certain situations and Mr. Marshall is required by the act and his employment agreement to disclose the same at the time those issues arise.

For even greater certainty, the Minister of Natural Resources has requested that Mr. Marshall recuse himself from any ongoing and future activities regarding decisions respecting Fortis because of the potential, actual or perceived conflict of interest. And this was done to ensure there is absolute clarity and certainty on this matter.

Madam Speaker, Members opposite certainly have the important job of questioning government's processes and government's decisions, but as the Minister Responsible for the Public Service Commission, as well as the *Conflict of Interest Act* in relationship to work of the Public Service Commission does, I want to assure the Members of this House that the work that needed to be done has been done as it relates to this specific individual and his contract as an employee, working on behalf of the people of the province.

And I would remind the Members of this House of the comments that I made in the opening, that I think every Member of this House takes very seriously a conflict of interest and I don't believe that Members of this House are suggesting that business leaders, respectable business leaders, would act in any other way than honourably.

That the provisions under the *Conflict of Interest Act* require those business leaders, those leaders like Mr. Marshall, who has been acknowledged by the Members opposite here for his credentials, would require him to do anything but operate in a real and an actual situation, or perceived situation, where there's a perceived conflict of interest that he would recuse himself, I think, sets a very high standard for Mr. Marshall, one that I am confident that he will continue to meet and work towards.

Thank you, Madam Speaker.

SOME HON. MEMBERS: Hear, hear!

MADAM SPEAKER: The Speaker recognizes the hon. the Member for Mount Pearl North.

SOME HON. MEMBERS: Hear, hear!

MR. KENT: Thank you, Madam Speaker.

And thanks to the Member for Fortune Bay – Cape La Hune as well for her spirited support.

I'm pleased to rise to speak to this motion today. It's a private Member's motion and it's an important one. I would echo a few of the final words of the Finance Minister. Everybody in this House takes issues related to conflict of interest very seriously. And nobody would accuse, in this instance, Mr. Marshall or anybody else of being anything less than honourable. But that's not what this resolution is about today.

In fact, nobody on this side of the House, for one second since his appointment, has questioned the reputation or integrity or character or capability or experience of Mr. Marshall. He's a strong, proven business leader and I wish him every success in his role at Nalcor. That's not what we're here to talk about today.

It might be what the Finance Minister would like you to believe we're here to talk about today, but it's not what we're here to talk about today. She spent a chunk of her time, for the 16 minutes she spoke, talking about the Independent Appointments Commission.

Madam Speaker, Mr. Marshall's appointment didn't go through the Independent Appointments

Commission. So I question the relevance of those comments today. Yes, it's great to talk passionately about conflict of interest and successful business leaders, but let's get back to what this motion is really about.

As my colleague pointed out, to understand where this resolution is coming from, you need to go back to April 21 of this year. On that day, the Premier and the Minister of Natural Resources issued a joint news statement announcing the naming of a new CEO of Nalcor Energy effective immediately. Attached to that news statement was a backgrounder containing the biographer of a new CEO.

I think it's important to read most of that bio into the record because while it indeed shows that the new CEO is eminently qualified to handle a large hydroelectric project, it also shows his strong connection to Fortis which is a major privately owned power company.

The bio says, and I quote: "... served as President and CEO and Director of the Board of Directors of Fortis. Mr. Marshall's career with Fortis spanned 35 years and he was at the helm as President and CEO for more than 18 years. Mr. Marshall served as the Chairman of FortisBC Holdings Inc (formerly, Terasen Inc). He was a Director of Fortis Properties Corporation. Mr. Marshall was a Director at FortisAlberta Inc., and FortisBC Inc. He has been Independent Director at Enerflex Ltd. since 2011 and he is Chair of its Human Resource Committee. He served as the Chief Executive Office of Fortis Inc. Mr. Marshall served as the President at Fortis Turks & Caicos. He served as an Interim President and Interim Chief Executive Officer of Fortis Properties, a subsidiary of FortisBC Inc., from April 1, 2005 to May 2005. Mr. Marshall served as the Chief Operating Officer of Fortis Inc. He joined Newfoundland Power Inc., in 1979. He served as the Chairman of FortisBC Energy Inc. until December 31, 2014. He served as Chairman of Central Hudson Gas & Electric Corp., until December 31, 2014. Mr. Marshall served as the Chairman of the Board at FortisBC Energy Inc. until December 31, 2014. He served as the Chairman of FortisAlberta Inc., from April 17, 2007 to February 2008 and served as its Director from June 2004 to April 2011. Mr. Marshall served as a Director of FortisBC Energy Inc.

from November 2007 to December 31, 2014 ... He served as a Director of Maritime Electric Company Limited, FortisOntario Inc. and Belize Electricity Limited. He served as a Director of Fortis Inc. between October 1, 1995 and December 31, 2014. He served as Director of Caribbean Utilities Co. Ltd. from 2000 to December 31, 2014; He served as the Director of Newfoundland Power Inc. from 1992 to December 31, 2007."

So these are just excerpts, Madam Speaker, but they certainly establish his career long association with Fortis and the company's various entities. It's all so obvious that the gentleman has an extreme level of experience and has lots of qualifications. Nobody is questioning that for a moment, but what we need to highlight here, respectfully, in this debate today is the lengthy association with Fortis and the company's various entities.

And Fortis is certainly a success story in Newfoundland and Labrador. It's one of the province's private sector success stories and, no doubt, the current CEO of Nalcor had a great deal to do with that success and should be commended for that.

Nothing we say here today is questioning his integrity or capabilities, not at all. In fact, the review we are requesting is actually intended to protect him. The review we're requesting is actually intended to protect Mr. Marshall from allegations of conflicts of interest that may be raised because of his unique, unprecedented interest in Fortis as the CEO of Nalcor.

Fortis, of course, is the parent company of Newfoundland Power which is in a direct relationship with Nalcor's Newfoundland and Labrador Hydro component. That's its current relationship. Whether there may be other relationships in future or whether the current relationship might change are things we do not know, but they are absolutely things we should be concerned about.

If such things were to happen then the current CEO could be in, or perceived to be in, a difficult situation in terms of conflicted interest. To understand the nature of the province's current and potential relationship with Fortis, let's take a look at the scope of Fortis.

So it's profiled on its website – I have limited time, so I won't read the full profile for you, but just to give you a sense of why there should be some concern: "Fortis Inc. has its origin in the formation of St. John's Electric Light Company in 1885 in the province now known as Newfoundland and Labrador. That company eventually became Newfoundland Light & Power Co. Limited which became the first wholly owned subsidiary of Fortis Inc. Fortis was created as a holding company in 1987 with the mission to expand and diversify. Today, Fortis is a leader in the North American utility industry with assets of approximately \$47 billion and 2015 revenue of \$6.7 billion. Our 8,000 employees serve utility customers in five Canadian provinces, nine U.S. states and three Caribbean countries."

Among the Fortis companies is Newfoundland Power. Newfoundland Light and Power, as it was formerly known, first sold stock to the public in 1949. Today, Newfoundland Power is an integrated electric utility and the principle distributor of electricity on the Island portion of Newfoundland and Labrador. Peak demand in 2015 was 1,359 megawatts. It has over 650 employees, 262,000 electricity customers, 12,000 kilometres of distribution lines, 139 megawatts of installed generating capacity, of which 97 megawatts is hydro.

Another Fortis company is Maritime Electric Company. In 1990, Fortis Inc. made its first investment outside the Province of Newfoundland and Labrador with the purchase of Maritime Electric Company Ltd. Maritime Electric has delivered power to customers in PEI since 1918. Today, Maritime Electric is the principal electric utility, serving 90 per cent of the Province of Prince Edward Island. Maritime Electric met a peak demand of 264 megawatts in 2015.

There are other Fortis companies as well. Fortis Ontario first entered the Ontario market in 1996 and is a large player in the Ontario market. Another Fortis company is Central Hudson. Fortis acquired CH Energy Group in June of 2013, and it's involved in electricity distribution in the mid-Hudson River Valley in New York State.

Other Fortis companies include: Fortis Alberta; Fortis BC; ITC, which operated in Minnesota, Michigan, Iowa, Illinois, Missouri, Kansas, Oklahoma; and UNS, which operates in Arizona, and there are companies in the Caribbean.

My point is the company is enormous. It's involvement in hydroelectricity development and hydroelectricity distribution is enormous.

Nalcor also has its sights set on becoming enormous; extending its reach into the same markets that Fortis is in, but in a different way. Nalcor is Newfoundland and Labrador's publicly-owned energy corporation, not a privately-held corporation. Nalcor's stakeholders are not just some of the people, but all of the people of this province. Serving the people's best interest is Nalcor's goal.

Fortis, on the other hand, serves the best interest of its private shareholders – and there's nothing wrong with that, but that is the reality. We need to understand the distinction between the two.

In the mid-90s, the government of Premier Clyde Wells embarked on a plan to privatize Newfoundland and Labrador Hydro. Many people remember what happened next. There was widespread public outrage, so much so that the plan was halted and hydro remained in the hands of the people, as it should.

In 2007, the Williams government produced Newfoundland and Labrador's first comprehensive energy plan. The plan was modelled on the experience of Norway, a poor coastal jurisdiction of Scandinavia until they established Statoil.

Statoil took a hand's on role in developing the country's oil and gas resources offshore and their massive hydro potential. After two-and-a-half decades of producing enormous wealth to raise the standard of living and improve programs and infrastructure, Norway established a legacy fund. Norway is today an economic powerhouse fueled on green hydro power which it is also exporting for profit while leading in the oil and gas sector worldwide.

Nalcor was our way to achieve self-reliance by taking the very same path that Norway has

proven. It's one of the most important pillars of our party's long-term strategic economic plan, but here's the problem. If the assets we own are sold off to private interests, our capacity to harness these resources for economic self-reliance could be lost.

Having seen a Liberal government try once before to sell our hydro assets, and it's not that long ago, and recognizing that Fortis, or it's company Newfoundland Power, might well have been one of the bidders, we wonder if the new CEO of Nalcor has ever looked at the assets of Nalcor as something Fortis might like to own and profit from. Whether he's looked at it, there are perhaps other people within the Fortis organization that have. That's a question. It's fine for the Finance Minister to get on with some kind of bizarre show of righteous indignation today, but it's a question that we have every right to ask in this House of Assembly, Madam Speaker.

When a CEO is permitted by his contract to continue to have a vested interest in Fortis, a company that deals with Nalcor through Hydro and Newfoundland Power, then we have every right to wonder if the perception of conflict of interest crosses the line. Someone needs to make that determination. A Conflict of Interest Advisory Committee is the body established under the *Conflict of Interest Act, 1995* to investigate this very kind of situation. That's its role and this is a situation where its role is clearly warranted.

In the term sheet spelling out the conditions of the federal government's 2013 loan guarantee for the Muskrat Falls Project, we see a provision that states: There shall be no sale or change of control of any borrower or subsidiaries except as among the parties and no sale of any material project assets. There should be no sale or change of control of Nalcor.

When the Premier spoke some months ago about wanting to sell assets of the province to raise money to reduce the deficit, he left the perception that everything was on the table. We were right to ask if any assets held by Hydro or Nalcor might be on the table.

The Muskrat Falls term sheet does not cover everything that Nalcor manages but, what's

more, the province has just entered into an extended loan guarantee agreement with the Government of Canada. We understand the term sheet is not yet written. Might it overwrite some of the terms of the original term sheet? Could it open a door that right now is closed? Are there talks going on about that? Who knows, because in this province we don't learn those kinds of things from our own government. We learn those things from other governments or by other means. The lack of openness makes people uncertain, it makes them suspicious, it makes them distrustful and it makes them concerned.

SOME HON. MEMBERS: Oh, oh!

MR. KENT: Madam Speaker, the peanut gallery across the way is alive and well today. They may not like what I'm saying, but at least it's the truth.

The Minister of Natural Resources is saying it's not. I challenge her to stand in this debate and explain why, because she knows it's the truth, Madam Speaker, and that's what is so concerning about this whole debate. Who can blame people in Newfoundland and Labrador for being concerned?

We've asked if the new term sheet will prohibit Nalcor from selling assets. We haven't been given a clear answer, so naturally we are concerned. Indeed, Fortis' Newfoundland Power, as a power distributing utility, is already intertwined with the Muskrat Falls Project and affected by project management decisions.

I only have a minute left, Madam Speaker. Is the Liberal government setting us up for something? The new CEO of Nalcor quietly brought Hydro-Québec officials into the Muskrat Falls site. We know there are talks going on with Quebec despite earlier denials. We're not being given a clear picture of government's plans for Nalcor.

What might they be discussing with private sector players such as Fortis? When would we find out, at the eleventh hour? How do we know what might be going on behind the scenes and how it might impact this province? People are concerned. These are questions that we have every right to ask.

When we look at this government's track record of handling the former CEO severance, talks with Hydro-Québec, budget cuts, layoffs, tax hikes, people aren't going to simply settle for the government opposite saying trust us – or that's not true, as the Minister of Natural Resources just said – when there's so much at stake.

Nalcor controls our wealthiest assets, and that's worth untold billions of dollars. We have to make sure there are no conflicts of interest that compromise the best interests of the people in Newfoundland and Labrador. That's why this motion matters and that's why this debate matters today, Madam Speaker.

MADAM SPEAKER: Order, please!

I remind the hon. Member his time for speaking has expired.

SOME HON. MEMBERS: Hear, hear!

MADAM SPEAKER: The Speaker recognizes the hon. the Minister of Natural Resources.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: Thank you, Madam Speaker.

Before I get into the content of my remarks today, I want to address a couple of questions that the hon. Opposition has asked. I think it's very interesting, Madam Speaker, where they talk about Mr. Marshall is eminently qualified for his job, he's honourable. They read out his bio that clearly indicates the level of skills, the level of knowledge, the level of integrity of this honourable gentleman.

Madam Speaker, I think it's very, very interesting that in one sense they talk about how eminently qualified and how world class and world renowned he is, and then the other side of the discussion they raise issues of – and I have a couple of quotes here – the possibility of selling off assets, the possibility of setting us up for something.

Madam Speaker, I think we're going to talk today about whether or not conflict of interest is an issue with this eminent CEO and I'm very happy to give full details of what this government has been able to ensure for the

people of this province. But I'll also say there is no such effort at this point – and I don't think at any point in our future, especially under this government – where we would not be able to give full disclosure of information that is required.

The Member opposite talked about discussions going on with the Province of Quebec. Madam Speaker, we've been very clear of when we've been speaking with Quebec and what we've been speaking about with Quebec. It has nothing to do with Muskrat Falls. We did invite members of Hydro-Québec to come to visit the Upper Churchill Project. They are part owners of CF(L)Co and it was important that they came to see their assets because they were under new management.

Madam Speaker, I'd like to speak today to discuss the private Member's motion requesting a conflict of interest Advisory Committee to review the terms of the employment contract of the CEO of Nalcor Energy. This matter has been thoroughly reviewed and it has confirmed that Mr. Marshall is not in a conflict of interest.

The Minister of Finance has clearly indicated the requirements under the act. But as the resolution speaks to the conflict of interest Advisory Committee, let me just speak to that for a moment. A Conflict of Interest Advisory Committee currently exists under the *Conflict of Interest Act, 1995*, and is active in addressing pertinent matters with the public service.

The purpose of the Committee is to advise the head of an agency or the deputy minister as to whether a public office-holder is in a conflict of interest. I would note that the role of the Committee is to look at activities or private interests to determine if there is a conflict of interest. The matter of the content of Mr. Marshall's contract doesn't fall in that role; it would fall to the Department of Justice and Public Safety for advice.

Over the next several minutes I would like to itemize for you the steps that were taken by our government to ensure Mr. Marshall is not in a conflict of interest. Soon after the time of Mr. Marshall's hiring, Justice and Public Safety provided some initial general advice and indicated there was no issue with regard to

conflict of interest, particularly on the 10 per cent shareholdings test under the act.

In July – specifically July 22 – Mr. Marshall did contact me by letter, disclosing he was an independent director of the board of Enerflex. He requested confirmation that this does not represent a conflict of interest. On July 27, mere days later, I wrote to the Public Service Commission requesting they facilitate the referral of this request to the Conflict of Interest Advisory Committee for appropriate review and to advise on findings.

On September 1, I received a response from the Public Service Commission. The Conflict of Interest Advisory Committee had considered my request and advised there was no conflict – no conflict – unless Enerflex bid on work for Nalcor, in which case, appropriate disclosure recusal action should be considered. Enerflex does not do any business in Newfoundland and Labrador at present.

Mr. Marshall has also disclosed his shareholdings. He confirmed that in all instances holdings are substantially less than the 5 per cent limit referenced in his contract. Mr. Marshall's share ownership was subsequently discussed with the chair of the Conflict of Interest Advisory Committee, the Department of Justice and Public Safety, as well as with the Deputy Minister of Natural Resources.

Justice and Public Safety advised that Mr. Marshall's previous position with Fortis and his current ownership of shares in private corporations does not itself, alone, constitute conflict of interest. The department provided me with advice on how to respond to Mr. Marshall appropriately to protect against potential conflict.

In early November, I wrote to Mr. Marshall, and I would like to read a portion of that letter to you. I quote and I will table a copy of this letter: "Enerflex does not do business with Nalcor or its subsidiaries at this time and the Committee does not view your directorship with that company as presenting a conflict within the meaning of the Act. Furthermore, the Department of Justice and Public Safety advises that neither your previous position with Fortis, nor your current ownership of shares in private

corporations, constitutes any automatic form of conflict of interest under the Act. Instead, as contemplated by the Act, potential conflicts have to be identified as they arise on an operational basis. As a result, given the importance of the obligations imposed by the Act, I respectfully ask that in addition to your disclosure requirements under the Act in the event of potential conflict, you notify me if you become aware that the companies of which you or members of your household are either a shareholder or a board member begin to do business with Nalcor or its subsidiaries, or if at any time you own more than ten percent of the shares of any corporation."

Further, I noted in my response to him that, "good governance would require you" – this is under perceived conflict – "to recuse yourself from any strategic, policy or commercial decisions or transactions which directly involve any company for which you may have a direct conflict. As there may be a perceived conflict of interest with Fortis Inc. and its subsidiaries, please ensure you are removed from the decision making process with prospect for material effect or benefit to Fortis Inc. or Newfoundland Power generally."

I shall table a copy of that letter, Madam Speaker.

In closing, I would like to note that as public office-holders we are all bound by the *Conflict of Interest Act*. This applies to me, to you, to Mr. Marshall, or any person who receives a salary or other remuneration for money voted by the Legislature.

We all have an obligation to disclose potential conflicts of interest as they arise. Mr. Marshall is a very experienced director. I believe all hon. Members of this House agree to that. He is eminently qualified. He is world class and world renowned. He understands how conflict of interest works; furthermore, Mr. Speaker, he is a lawyer and he understands the rules under the act. In addition, further oversight will be provided by the new board of directors of Nalcor Energy to ensure adherence to the *Conflict of Interest Act*.

As I've said, Mr. Speaker, he is a renowned business leader. He brings a wealth of

experience and knowledge to Nalcor Energy. His leadership and expertise is helping to develop all aspects of the organization, including the Muskrat Falls Project, for the benefit of the people of this province. We are very fortunate to have him as CEO of Nalcor Energy and I again repeat, he is not in any conflict, nor I believe he ever will be.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Thank you so much, Mr. Speaker.

I'm going to start out today by reiterating once again no one here is questioning the integrity or the competence of the current CEO. What we are questioning, Mr. Speaker, is what is in the best interests of the people, and ensuring that we hold government accountable to protecting the people of Newfoundland and Labrador, regardless of who sits in the chair as CEO of the corporation. This motion here today is all about integrity and protection of the public purse in the best interest of we, the people.

I'm going to talk a little bit about Muskrat Falls in terms of its project. Going into the election last year one of my biggest fears was that a new government, a new Liberal government, given that it used Muskrat Falls politically for years and condemned the project for political gain for years, that they would do something to intentionally harm it, Mr. Speaker. I pray to God every night that won't happen, but we, as a people, have a right to be concerned and to ask questions. Muskrat Falls is a good project; even the Liberal government opposite recognizes that. In fact, the Minister of Finance was one of its biggest champions in moving the project forward.

The project will generate billions of dollars in export sales in years to come. Those billions of dollars, Mr. Speaker, are going to come, as I said, from sales of excess energy, as well as the dividend shares that are owned by the people of Newfoundland and Labrador, who have endured so much as a result of this project and who really deserve to benefit from the billions of profits

that this project will start to generate, come 2021.

This motion is all about ensuring that we, the people, are the beneficiaries, not a handful of private sector individuals or Hydro-Québec, for that matter. This project will generate wealth for the people of Newfoundland and Labrador. That's why the Liberals haven't cancelled it because they know it is a good project for Newfoundland and Labrador.

When a government develops a strong track record, Mr. Speaker, of being open and forthright with the people it serves, those kinds of questions don't play on people's minds. But this government doesn't have such a track record, so we have to be especially vigilant in asking the tough questions to ensure the best interest of the people of our province are being protected and not compromised. That's one of the reasons we need to ask the tough questions about potential conflicts of interest. It's the reason we need an independent review by a body that the conflict of interest legislation has established to examine such matters.

Denying such a review only fuels the fire and raises greater concerns that something is up. If there is nothing to hide, then follow the legislation and let the Committee do its work. If something is flawed, it would be wrong to fail to identify it and fix it. If nothing is flawed, we will have the word of the Committee to put public concerns at ease. But until the Committee is allowed to do its work, we have nothing but the words of the Members opposite who say trust us.

And frankly, after the handling of the former CEO's severance, the talks with Hydro-Québec, the budget cuts, the parkway posters, the flag policy, the layoffs, the tax hikes and so forth, people aren't going to settle for a simple "trust us" when there's so much at stake.

Nalcor controls our wealthiest assets, worth untold billions of dollars. We want to make sure those who manage these resources have no conflicts of interest that compromise the best interests of the people who own these resources: the people of Newfoundland and Labrador.

Mr. Speaker, we want to ensure that no one other than the people of Newfoundland and Labrador continue to own these assets that will bring them great wealth, not only –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. PERRY: – commencing in 2041, but enhancing our ability come 2041 as well.

Conflict of interest is one of the most serious concerns a government must address, and there's a reason for that. There are plenty of examples around the world of public officials taking advantage of their control of the public purse to benefit themselves, their families and their friends.

One of the fundamental principles of democracy is that people must be protected from those whose personal interest conflict with the public interest. If you serve in public office, your dealings must be above reproach. And the way to ensure it is to put in place and enforce strict laws against conflict of interest, Mr. Speaker.

If there are real conflicts or perceived conflicts, there must be bodies established to identify those conflicts and address them effectively. Cabinet ministers are bound by such provisions, MHAs are bound, public office holders throughout the public service are bound and the CEO of Nalcor is bound, regardless of whether that CEO is John Doe. What we're talking about here, again, I will say is protecting the interests of the people of Newfoundland and Labrador.

I'm going to talk a little bit about the two different conflict clauses for the former CEO and the current CEO and point out how the wording of the contract has been changed.

The former CEO's contract was quite clear. Clause 3(c) stated, the executive shall "not acquire, directly or indirectly, an interest in any firm, partnership, association, entity or corporation, the business or operations of which would in any manner, directly or indirectly, compete or conflict with the business or operations of Nalcor and without limiting the generality of the foregoing, neither the Executive nor any member of his family (this

term having the same meaning as defined in Newfoundland and Labrador's *Conflict of Interest Act, 1995*) shall directly hold any shares in the Fortis Inc. group of companies including Newfoundland Power excepting however interests acquired in a publicly traded corporation through retirement mutual fund(s) investment vehicles."

The new CEO's contract is very, very different. Clause 4 states, "The Executive shall not acquire or hold, directly or indirectly, an interest in any firm, partnership, association, entity or corporation, the business or operations of which would in any manner, directly or indirectly, compete or conflict with the business or operations of Nalcor, NLH or a company considered to be a subsidiary of Nalcor in accordance with section 13 of the *Energy Corporation Act*, with the exception to the foregoing being that the Executive may own 5% or less of the shares of a publically traded company" Glaring difference, Mr. Speaker.

That exception is no small exception. A 5 per cent share in Fortis is no small matter. The former CEO had no such allowance. The new CEO not only has a 5 per cent allowance, but he has a career-long association with a private company that deals with the company he now manages on behalf of the people of the province.

Again, I want to reiterate, Nalcor is the people's company. Nalcor will generate billions and billions and billions of profits and those profits rightfully belong to the people of Newfoundland and Labrador. We have to do everything we can to ensure they remain for the people of Newfoundland and Labrador, not to the hands of a few private shareholders or entities like Hydro-Québec. They belong to the people of Newfoundland and Labrador.

This is not something we can simply dismiss without review and, on the face of it, what we have to be sure of is that there is no real or perceived conflict of interest, Mr. Speaker. This change in the wording of the contract can leave some with that perception.

It's not just about Nalcor, it's about any public corporation and how the taxpayers' interests of Newfoundland and Labrador are best protected. The *Conflict of Interest Act, 1995*, Mr. Speaker,

has legislation that would settle the question. The long title of the *Conflict of Interest Act, 1995*, is An Act Respecting Standards of Conduct for Non-Elected Public Office Holders and it would apply to the CEO of Nalcor.

Section 14 of this act states the following: “(1) The Lieutenant-Governor in Council shall appoint a Conflict of Interest Advisory Committee. (2) The Committee shall (a) comprise 5 persons, an official of the Public Service Commission, a senior official of the Department of Justice and 3 other persons representing government departments and agencies of government; (b) monitor the administration and enforcement of this Act to ensure consistency of application to public office holders; (c) advise deputy ministers and chief operating officers on their duties under this Act; (d) advise a head of an agency or deputy minister as to whether a public office holder is in a conflict of interest; (e) have the duty to educate public office holders as to what constitutes a conflict of interest; and (f) certify whether an interest is an excluded private interest.”

So it is for the Conflict of Interest Advisory Committee to ensure the consistency of application to public office-holders, to advise a head of an agency or deputy minister as to whether a public office-holder is in a conflict of interest and to certify whether an interest is an excluded private interest. That is their role established by law and this is where the law must apply, Mr. Speaker.

As we were preparing for the debate today we did a jurisdictional scan. We looked across the contracts for other hydro corporations across the country, Mr. Speaker. Let’s take a look briefly at the *BC Hydro Code of Conduct*. Let’s see what happens there.

They have a *Code of Conduct* document posted on their website and it states very clearly what a conflict of interest is. Who must follow their code: “The Code applies to BC Hydro and its subsidiaries, including all directors, and full-time, part-time, casual, and executive team employees.”

In their statement regarding conflict of interest this is what they say, Mr. Speaker: “We’re responsible for making business decisions fairly,

honestly and in the best interests of BC Hydro. Actual or apparent conflicts of interest raise doubts about the integrity of BC Hydro and the impartiality of our decisions and actions. We must all avoid any situation that may give rise to an actual or apparent conflict of interest.”

I’m going to skip on now, Mr. Speaker, because there are so many scans there. I’m quickly going to run out of time.

They do say at BC Hydro, you have to ask yourself some of these questions: “Could my actions or conduct undermine the public’s confidence in my ability to do my work or compromise the trust that the public places in BC Hydro?... Do I, or my friends or relatives, stand to gain anything through my relationship with a third party doing business with BC Hydro?... Do I feel under any obligation to a third party that does business with BC Hydro due to my relationship with that third party?”

“If the answer to any of the above questions” – and there are more than that Mr. Speaker, questions listed – “is ‘yes’ or ‘perhaps’ or could be perceived by third parties to be ‘yes’ or ‘perhaps,’ you may be in a conflict of interest and should seek advice from your manager, or the Ethics Officer or Code Advisor (as applicable).”

All we’re asking for today is that the 1995 act be enforced and the committee be put in place. We think it’s a very reasonable request. I’d be baffled if Members opposite don’t support it, Mr. Speaker.

Manitoba Hydro’s Code of Conduct; they also have one. Their section 7 refers to conflict of interest: “We avoid situations that could result in a conflict of interest, or the perception of a conflict of interest, such as: pursuing private interests that could improperly influence the performance of our employment duties; or using a position with the corporation for personal gain.”

Hydro-Québec Act, let’s look at that: “A board member who exercises functions within the Company on a full-time basis shall not have a direct or indirect interest in a body, enterprise or association that places the board member’s

personal interests in conflict with the Company's interests."

Mr. Speaker, I'm quickly going to run out of time. Unlike some of my colleagues who spoke here today and didn't use their full time, I'd really like to have an additional half an hour because there's so much.

This motion is so important to the people of Newfoundland and Labrador because Nalcor represents billions of dollars to, we, the people. It is our responsibility, as Members of government, to ensure that the people of Newfoundland and Labrador – no one other than the people of Newfoundland and Labrador – realize the benefits and the profits that will be made by Nalcor in years to come.

Nalcor, too, has a *Code of Conduct*. They even offer tips to avoid a conflict of interest. Some of them are: "Do not participate in making a decision where there may be an opportunity to improperly benefit an individual or family member – directly or indirectly."

"Nalcor Employees cannot personally enter a contract with an outside company or vendor, except under the following circumstances: the contract existed before the individual became a Nalcor employee, the contract was awarded by public tender, the contract was made in an emergency, the contract is for goods and services which cannot be provided by any other vendor."

The Nalcor *Code of Conduct*: "Price-fixing, bid-rigging, kickbacks or any other similar activity related to competitions are never acceptable. Any employee who engages in these sort of activities will be subject to immediate termination"

MR. SPEAKER: Order, please!

I remind the hon. Member that her time has expired.

MS. PERRY: Thank you so much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Placentia West – Bellevue.

MR. BROWNE: Thank you, Mr. Speaker.

It's always an honour to rise here in the House of Assembly. It's an honour to represent my constituents of Placentia West – Bellevue. I thank all Members who have participated here in debate today.

The Member for Fortune Bay – Cape La Hune wanted more time. It's not about quantity; it's about quality I say, Mr. Speaker. I think it's important that we're all held to account for what we say here in this Chamber.

Some comments were made, Mr. Speaker, with regard to Muskrat Falls. I'm surprised it took so long for it to get raised on the Opposition side since they seem so proud of their legacy project that has almost financially drowned the entire province. She talks about how the Liberals came to power and couldn't cancel or wouldn't cancel the project because they realized how good it was. Well, perhaps it was because they had everything bundled up so well over there that the all the contracts and costs were already expended, that to do so would have sunk us into more financial ruin.

So we didn't really have much of a choice other than continue with the PC legacy project that is now called Muskrat Falls. We see every day in Question Period here in the House of Assembly, it's almost a topic every day. It just shows the total lack of planning and ability of management that went into this project that there's problem after problem after problem.

So I will get back to the resolution, which is something that the Opposition Members didn't do. They went to great lengths, Mr. Speaker, getting up and talking about Mr. Marshall and his eminent qualifications, before then going on to tout conspiracy theories about Fortis trying to buy Nalcor and the government of this province trying to come in and privatize the assets, which couldn't be further from the truth.

Mr. Speaker, what we see here in this resolution today, as per the norm when it comes to the Progressive Conservatives, is a total lack of research and understanding of what they're talking about. So I will echo what has been said in terms of conflict of interest.

It's extremely important. I believe that all Members of this House, both government and Opposition, realize, understand and appreciate that public office-holders, whether that means you're an MHA or a Cabinet minister, or a CEO or a chief operating officer of an agency, or work in any kind of public capacity, Mr. Speaker, it's very important that the decisions these decision makers take, that the people of the province can trust that those decisions are taken in the public interest and not in the private interest.

It's very clear in the act, and I won't go through it all but I will refer, though, to section 14(1) of the act, which is very specific. It says, "The Lieutenant-Governor in Council shall appoint a Conflict of Interest Advisory Committee." This is done, Mr. Speaker. This is in place.

Now the resolution put forward by the Official Opposition is calling on government to put this committee in place. It's already done, Mr. Speaker. It's already in action and it already makes decisions based on conflict of interests, potential conflicts that are referred to them. That really is the crux of the issue here. How does the conflict of interest legislation work? I would expect that Members opposite would know about that; however, it appears on the basis of the resolution and the comments coming forth, Mr. Speaker, this is just not the case.

Ultimately, per the act, a minister, a deputy minister or the chief of a department would be the ones deciding whether a conflict exists. If a situation arises where an individual feels they might be in conflict, they usually raise that with the head of the department and then the head of the department can refer that to the committee.

As the Minister of Natural Resource has just stood in this House, Mr. Speaker, and explained the process she went through only this summer with Mr. Marshall, where a potential conflict may have very well arisen that Mr. Marshall felt needed to be addressed. He wrote the minister and the minister then referred that to the committee and it came back there was no issue.

So, once again, we need to look back at the process and what is actually in place and what exists because it's quite clear, Mr. Speaker, that this government values transparency and

openness. Contrary to what the Member for Mount Pearl North said, because if I recall, he was one of the ones who stood up for Bill 29 and supported secrecy. Then we had to empanel a \$1.1 million commission to overturn it all.

It's quite rich, Mr. Speaker, it's quite rich. I'm only here one year, and I just sit back and I look. I haven't become jaded just yet as a politician. I still have my normal looking lens on, and I look at things and I say, well how hypocritical. Really, is this true what I'm hearing? Are my ears telling the truth?

A Member stands up in the House talking about openness and transparency when it was Bill 29, the most infamous piece of legislation that compared us to countries in Africa and the like, Mr. Speaker, about secrecy and you have the gall to stand up here in the Chamber and say that this government isn't open. Mr. Speaker, it's quite rich. I must say it's quite rich.

SOME HON. MEMBERS: Hear, hear!

MR. BROWNE: Mr. Speaker, I digress. Maybe their researchers can do some more research for them the next time, but I can tell you that I have absolute confidence in Stan Marshall. I have absolute confidence in Mr. Marshall and his ability to steward us through this rough time.

Mr. Speaker, I can't help but laugh, because I just think back to the comments from the Member for Mount Pearl North equating Nalcor to Statoil. Well, I'll have to do a very comprehensive review of Statoil and what they've done, but I don't think they've plunged Norway into debt. I can guarantee you of that, and I don't think there's a project they're shepherding through that has been so massively off schedule and cost to the point where there are issues almost every day.

All I can say, Mr. Speaker, is that I have full confidence in the process. The legislation speaks for itself. To follow this resolution would be putting time and resources to a process that has already been followed, and we know the Members opposite are fond of offices, strategies and committees for committees. It was a hallmark of their period of governance. Have an issue, throw some money at it, create an office and never check up on it again. There was never

any follow up; never following to on the outcomes, Mr. Speaker, and this is another attempt.

Instead of bringing a resolution of substance to the House of Assembly, it's another political theatre, a day here in the House of Assembly when the Opposition takes control of Private Members' Day. Instead of debating a motion of substance, we're here talking about a process that has already been followed. In fact, we've enhanced upon that because Mr. Marshall's contract has already gone to the Department of Justice, has already been reviewed at that level and nothing has been determined to see Mr. Marshall into a conflict of interest.

I would also wonder, Mr. Speaker, we know, as the Minister of Finance has alluded to, that we've now put in place the Independent Appointments Commission. We know that prior to this there were a number of political appointments to Newfoundland and Labrador Housing, such as John Ottenheimer, Len Simms; perhaps the Chief Electoral Officer, Paul Reynolds. There were also appointments as the chair of the board of Nalcor.

These were all very political, partisan appointments. Were they subjected to the treatment that they're now asking the government to subject Mr. Marshall to? I wonder, Mr. Speaker, I venture to guess they weren't. I can say this government values transparency. I certainly think I do.

I'm a taxpayer of this province, as are all Members of this House, and I would never want to see a public office holder in a position where they can use their influence and power to benefit themselves or their families. We are extremely confident that is not the case here.

To vote for this resolution, this political theatre is all you can call it, Mr. Speaker, to vote for this would be to duplicate and to add work upon what has already been done. As far as I'm concerned, after the deficit they left behind for us, we have to be putting money where its best used, not at frivolous motions supported by the Opposition.

Mr. Speaker, with that, I will just reiterate again, I have full confidence in Mr. Marshall.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BROWNE: I have full confidence in the ability of this government to hold people to account.

Mr. Speaker, I will tell you right now, to finish on this point I shall, back to what the Member for Fortune Bay – Cape La Hune said, that this government did not cancel the Muskrat Falls Project because we thought it was so wonderful.

Well, Mr. Speaker, the size of the deficit, they projected a \$1.1 billion deficit last year. It turns out it was well over \$2 billion, and to suggest we did not take a second look at that project because we loved it so much, because it was just so wonderful, Mr. Speaker. Well, I can tell you, I take great offence to that. I can tell you, we did take a second look at it but it was just so bungled up in committed costs that we were already sinking with it.

We have put a team in place at Nalcor, a new board of directors, a new CEO and a team in place at the Department of Natural Resources to effectively manage this process and to effectively manage this project. Because right now, we have to take on this project that we inherited, Mr. Speaker, to ensure the people of Newfoundland and Labrador have the best value for their money going into that project and to see everyone benefit from a project that the Member for Fortune Bay – Cape La Hune thinks will generate – and I quote – billions and billions and billions and billions, but that remains to be seen. I certainly hope she's right, but at this point I have a fair degree of doubt.

To finish, I will say, in terms of conflict of interest, Mr. Marshall's contract has gone to the Department of Justice –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BROWNE: – and gotten the seal of approval. A specific instance that he referred to the Minister of Natural Resources has gone to the committee that already exists, that the

Opposition is asking us to strike, and it has all been determined to be above board.

That is so important, that the people of Newfoundland and Labrador understand that and know that, Mr. Speaker. Because we would never put the taxpayers of this province in such jeopardy as what was done constantly by Members of the other side. So I say thank you, Mr. Speaker, and I look forward to the other presenters.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

Before I recognize the hon. Member for St. John's East – Quidi Vidi, I have been advised that I should have recognized you prior to recognizing the hon. Member, and I apologize for that.

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

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

I do acknowledge your recognition; I appreciate that.

I am happy to be able to stand today and speak to this private Member's motion which has been put forward by the Official Opposition. I think it's important to note, especially because of what my former colleague said, that the resolution recognizes that there is a conflict of interest committee in existence that is put in place as part of the *Conflict of Interest Act*.

What the resolution is asking for is that the government request that Committee, not a new one, but that Committee, "to review the terms of employment contract of the Chief Executive Officer of Nalcor Energy and Newfoundland and Labrador Hydro and determine the appropriateness of the employment contract; and BE IT FURTHER RESOLVED that this House urges the Lieutenant-Governor in Council to ensure the Conflict of Interest Advisory Committee's report on this review be made public."

Now, it's very interesting, the Minister of Natural Resources got up and gave us a whole history of what she called conversations between her and the Committee. What she tabled was her letter to the chief executive officer of Nalcor, but did not table any documentation of discussions that went on. When you read reports of that Committee, for example, the last report was the report for 2015-2016, the report points out, and I think this is very significant, in 2015-2016, there were 14 formal requests for advice that were received by the Committee and there were informal consultation services in response to 18 inquiries.

I'd really like to know if the government really did, and if the minister was really involved in this discussion, number one, was it a formal process or an informal process, and why don't we have documentation.

General speaking, I am told that the Committee doesn't publish reports; however, they respond to letters that are sent to them concerning issues of conflict of interest. So did the minister send a letter? Was there anything in writing? What the minister should be tabling here is all of that documentation, not just her letter to the chief executive officer. We want the proof.

If the minister, if that paper exists and she can show that all this took place, then if she had stood when she was first questioned in this House and answered it and put those out then, we wouldn't be having this motion here today.

This government who calls itself so open and transparent – well, when you read through the Question Period and the responses from the minister, there was no openness and transparency. Finally today, we were forced into this situation. And if those documents exist, and the minister is indicating she has them, then table those and show us that the Committee was contacted and then show us what their response was, not just her letter to the chief executive officer.

That's all that had to happen, Mr. Speaker. I really look forward to seeing if that is going to happen. It's not irresponsible of the Opposition to be asking this question. People out there, the public is asking the question. The Opposition brought that question to this House because the

public want to know. It is obvious when you know the history of what went on, and it has been put out here a couple of times today, that the contract with the current CEO of Nalcor, that contract was custom written because of the personal situation. That's not a condemnation of Mr. Marshall, but that's a reality. Because of his personal situation, there was a contract that was custom written that changed what the contract had been with the former CEO.

The government so wanted Mr. Marshall in that position – and he very well may be the best person in that position – that they actually custom wrote his contract; that's the reality. There was a draft contract in June which doesn't mention the shares, but the one that he signed is the one that talks about less than 5 per cent shares.

So if all of that custom writing involved discussions, formal discussions between the minister and the Committee, the Conflict of Interest Advisory Committee, then that documentation should be put out here to be shown openly so that people will know for sure what this went through.

I know the minister mentioned the Department of Justice, and I'm not saying the Department of Justice doesn't have the skills; they obviously do. The Department of Justice is actually a part of the Advisory Committee. One of the ADMs of Justice right now, I think, was on that Committee, but that's only one piece of the Committee. The Committee includes the Public Service Commission, the Human Resource Secretariat, Transportation and Works and the president of the College of the North Atlantic. They're the members of the Committee. I didn't give names to all of these people, but this is public knowledge. If we could get it, it's public knowledge. If people want it, they can get it.

So it's not enough to tell me what the Department of Justice said, I want to know what the Committee said and I think that's what my colleagues in the Official Opposition want to know as well. Let's put it all out. Let's stop the games over this and get everything out there. And if it turns out – and I'm not saying that is the case – that the Conflict of Interest Advisory Committee wasn't consulted as a Committee formally and that we don't have anything in

writing from them, then I say, yes, I want that request to happen. Because that's what should have happened, and if it has, give us the proof that it did.

I ask the minister that if she's had that proof and she's going to table it here today because she sort of indicated physically across the room that she does, then I ask her why didn't you, weeks ago, present that to us. I don't understand.

And having said that, Mr. Speaker, I don't think I have anything else to say. I think I've made my points fairly clear.

Thank you very much.

MR. SPEAKER: The hon. the Member for Mount Pearl – Southlands.

MR. LANE: Thank you, Mr. Speaker.

I'm glad to take a couple of minutes now and speak to this private Member's motion. I think the Member for St. John's East – Quidi Vidi certainly echoed my thoughts on this. I do want to say, as other Members have said, this has nothing to do with Mr. Marshall or his credentials, or his integrity or anything. Nobody is questioning that on either side of the House, I'm sure. That's not the issue at all.

AN HON. MEMBER: No, b'y.

MR. LANE: I'm hearing someone say: No, b'y. Well, I say to whoever is saying that: No, b'y, it's not. It's got nothing to do with Mr. Marshall as an individual. Mr. Marshall today could be Mr. Jones tomorrow. That's not the issue.

And what's been raised here I believe is a very legitimate concern. I will say that I, too, wrote the Auditor General back a couple of months ago about this particular situation. Of course, I had also written him and met with him for him to go into Nalcor and start having a look around to see what's going on there, because I believe the people's faith in Nalcor is certainly diminished over the last number of years. It's important that the Auditor General go in there and try to restore the people's confidence in our Crown corporation – of which we are the only shareholder, I might add.

In addition to that particular effort, I also wrote the Auditor General about this specific issue, and I'm glad to hear the Member for Ferryland also did that. I guess what the Auditor General has suggested in his wisdom, is that this matter is to go before the Conflict of Interest Advisory Committee, as per section 14 of the *Conflict of Interest Act*, and let them review the matter to determine if indeed there is a conflict or if there isn't. That's all that's being asked for here. I don't think it's an unreasonable ask.

If that has been done, as has been said, if that has been done and that documentation – that review has been done and there's documentation saying it went through this process, which is outlined in the act and which has been recommended by the Auditor General, if that has happened, then there must be documentation. Surely goodness we don't have a *Conflict of Interest Act* that says matters of potential conflict of interest would go through this committee and they're just going to pick up the phone, give their advice verbally and hang up, and that's the end of it.

Surely goodness, if it went through that process there would have to be documentation surrounding the discussion that was had, the issues that were looked at and what their findings were and so on. Surely that would have to exist. If that has been done, because the minister has indicated that she – well, I'm not quite sure, to be honest with you, what she said. She talked about the Department of Justice and she talked about the Public Service Commission. She did talk about a committee.

I'm not sure if the committee she referred to is the same committee we're talking about in this particular resolution and in the act. I don't know if it's that committee or not. I'd love to have clarification if it is or if it isn't. But if she has gone through that committee, then there has to be documentation. All we're asking for is, show us the documentation. Show us the rationale as to how they determined there was, indeed, no conflict of interest. That's all we're asking for. That's what people want to know. People deserve to know that.

When you look at the fact that the former CEO, as I understand it, had a contract and in his contract it said that he could not own any shares

in any businesses that were doing business with Nalcor. It said he couldn't have any, zero; not less than 10 per cent, not less than 5 per cent, it said zero. He could have none.

I believe, I haven't actually seen his contract, but in speaking to the Member for Ferryland, I believe it specifically talked about Fortis, specifically said he could have no shares whatsoever in Fortis. So if the former CEO could have no shares in Fortis, and that was in his contract, then why would it change? Because somebody new comes in who does have shares in Fortis, all of a sudden we're going to change the contract.

I've listened to questions being asked in the House of Assembly by the Official Opposition in particular on issues around this and the answers I keep hearing is that Mr. Marshall is not in a conflict because he is following the guidelines that are laid out in his contract. I have no doubt that he is. The problem is not about whether he is or isn't abiding by his contract. The issue is around is the contract itself an issue? That's the question.

What the Auditor General has suggested is the appropriate mechanism to get the answer to that question is to go through this committee, under the *Conflict of Interest Act*, and let them make that determination as to whether or not the contract itself is an issue. Not whether Mr. Marshall is following his contract, because I believe he is. I'm sure he is, but is that contract in itself proper? Particularly, given the fact that the former CEO's contract said he could have no shares, no shares whatsoever, in Fortis or in any other company but now the new guy can have less than 5 per cent, I believe is the number.

Whether it's 5 per cent, 25 per cent, 95 per cent or 0.5 of a per cent, the fact of the matter is that Nalcor is doing business with Fortis, and if Fortis should benefit from those dealings and their profits should increase and so on, well then so does all the shareholders. They will benefit personally. Whether a shareholder owns 1 per cent or 90 per cent, they are still benefitting. Then we have issues around family members. Do families own shares in Fortis as well. That's another issue that we need to find out and we need to make sure there are no concerns there.

This is not about saying that Mr. Marshall is doing anything wrong. I am sure he is following his contract. The concern is with the contract itself. That is the issue. It's with the contract itself, and is that contract proper. The only way according to the law, to the act, what it says and on the advice of the Auditor General is to bring it through this particular conflict of interest committee and let them render a decision.

All we're saying in this resolution is (a) if you haven't done it, you need to do it; and (b) if you've done it or if you decide to do it, once it's done provide the House of Assembly, provide the public with a copy of that decision and the rationale as to why there is no conflict of interest.

I cannot understand, for the life of mem why every Member in this House of Assembly wouldn't vote in favour of that. There's nothing to not vote – I cannot comprehend why all Members in this House would not vote in favour of that motion. There's nothing to hide. If it's done and it's done properly, then that's it, end of issue. The issue is over. It goes away and everybody has some confidence that everything is fine, but when you leave those types of issues hanging and you don't provide the information, all it's going to do is lead to more skepticism, it's going to lead to more mistrust and it's going to continue to diminish the confidence that people have in their own company.

I have to say again for the record, it is our company. We own it. He might be a shareholder of 5 per cent or less in Fortis; we are shareholders of 100 per cent in Nalcor.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: One hundred per cent. It is our company. It is our money. We own it. Everybody at Nalcor works for us, including the CEO. We have a right to know that everything is done properly. No one is saying it's not done properly, but we just need to have that process take place and to have that documentation and to have it presented to us publicly so we all know and can be confident that everything is above board the way it should be and that there are no conflicts and there are no issues, and then we can move forward.

Everybody wants to move forward. It is in our best interest that Nalcor succeed. They're going to have a huge impact on our collective futures; they really are. We have to make sure everything is done the way it should be done and everything is done in our best interests, because we own the company. So that's all that's being recommended here in this private Member's resolution.

I've got to say – because I will make one response to the Member for Burin – Placentia West – I think that is the name of the district – when he says there's nothing of substance to this private Member's motion. I was kind of shocked when I heard him say there's nothing of substance. This is a huge issue.

If you want to talk about nothing of substance, it's only a couple of weeks ago we stood in – well, I didn't, but some Members stood and debated a pilot project for nighttime paving that's going ahead anyway. It's going to go ahead; it doesn't need approval of the House, nothing. And we spent the whole afternoon talking about something that's already going to happen. That's what we did.

And now we're going to call this, we're going to say there's no substance to this. My God, no substance to something like this – a company that's spending billions of dollars, our dollars. It is very important, Mr. Speaker, that we just get these answers.

I will certainly be supporting the motion; I hope all Members will. There's no reason why everybody wouldn't support this.

Thank you, Mr. Speaker.

MR. SPEAKER (Osborne): If the hon. Member speaks now, he will close debate.

The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I want to thank everybody today, those who participated in the debate on the motion. I certainly recognize the Minister of Finance, the MHA for Mount Pearl North, the Minister of Natural Resources, the MHA for Fortune Bay – Cape La Hune, the MHA for Placentia West –

Bellevue, the MHA for St. John's East – Quidi Vidi and the MHA for Mount Pearl – Southlands.

It was a full discussion, I certainly think and I think most Members do. It's a significant motion and important when you look at the overall operations of government, you look at the conflict of interest legislation and you look at we have people that hold positions of authority, very senior positions, very qualified individuals that come in and have vast experiences and hold those positions. In this case, we've recognized the ability and talents and experience of this actual individual. That's not the issue here, talking about his qualification. The issue is in regard to the conflict of interest legislation, is it being adhered to and the public is made known how it's been adhered to.

It's not so much about the contract itself because the contract has changed dramatically, as we talked about today, from what existed prior to this CEO, the prior CEO and what the current CEO has today. Basically the conflict of interest has been changed. It would appear to address his personal circumstances in regard to holding shares in Fortis. That's fundamental to the issue of what we wanted to have defined.

This has gone on for quite a while. In August, I wrote the Auditor General, I mentioned before, and asked the Auditor General if he could look at this and the Committee in regard to the conflict of interest and take a look and tell us if this was appropriate and it was in accordance with the act and whether it was in accordance with the relationship to the prior CEO and the contract that was there.

The Auditor General got back to me and basically said there's a provision under the legislation, article 14 I think it is, that a conflict of interest committee would be struck by the Lieutenant Governor in Council, Cabinet, to specifically look at this issue, render a decision and you should do that first.

He certainly recognized that it was an issue of content, I believe, and he gave me that direction to proceed with that. As it was the Lieutenant Governor in Council, I did write the Premier as well on September 12 and asked for that specifically, referenced what the Auditor

General had said, what his recommendations were in accordance with the legislation that this Committee be struck. To date, I have not got a response to that request.

That's certainly problematic in and of itself because we think it's important, and I think we've heard people today that certainly see it as important in regard to having it addressed.

In commentary last week, I've asked questions here in the House directly to the Premier, directly, I think to the Minister of Natural Resources. The Minister of Finance has commented back then. I asked for the update on that letter to the Premier and on the request to have this Committee struck and, respectfully, we've had a variety of answers. We've had: This was done by the board of Nalcor. We've had: This went to the Public Service Commission. We've had that a committee reviewed it but no one ever told us whether it's the Committee under the legislation, whether a report was done, whether it's available. I did ask in Question Period: Is it available; can we see it? But again no clarity, no transparency in regard to what has transpired with this issue.

Again today, some more information added from the Minister of Natural Resources when she got up and said she had letters she had sent and responded to, and sent to Justice and various departments that looked at it and that sort of thing. What this motion is all about is clarity and openness. Under the legislation an Advisory Committee is struck to look at the particulars of this case. That was recommended from the Auditor General. I proceeded to have that done, no response; asked in Question Period what's the activity, what's gone on here, again, not the response that we should get. Today, we get other information provided to us which is not sufficient.

This motion is about once and for all let's follow the legislation, let's follow what the act says, let's direct this Committee to review this contract, give an opinion in regard to whether it's in keeping with the legislation, in regard to someone holding shares is identified here – the share value is not an issue. Whether it's \$1,000 or \$5 million, it doesn't matter; the issue is the same. That's what we have asked to be looked

at, that's what this motion is all about and that's why we brought it to the House today.

So what this would bring would have been openness, clarity, and transparency to this issue. I certainly hope Members would vote and support this motion. It would put it to rest, one way or the other, in terms of having it addressed in accordance with the legislation, would bring it forward.

As I said, this has gone on now for almost three months, asking for the information and asking that it be addressed. It's a serious issue we believe, and certainly Members have articulated that. It is an issue of significance and importance any time you're talking about a conflict. Whether perceived or otherwise, it is extremely important. And certainly that is what this motion is all about is addressing it, and I certainly ask all Members in the House to seriously consider this as it is a significant issue and it's important to have this resolution adopted. Then we'll move forward and urge government to take the action that the resolution is asking the House to do today.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Is the House ready for the question?

All those in favour of the motion?

SOME HON. MEMBERS: Aye.

All those against, 'nay.'

SOME HON. MEMBERS: Nay.

AN HON. MEMBER: Division.

MR. SPEAKER: Division has been called.

Division

MR. SPEAKER: Are the Whips ready?
Opposition Whip ready?

All those in favour of the motion, please rise.

CLERK (Barnes): Mr. Hutchings, Mr. Kent, Ms. Perry, Mr. Petten, Ms. Michael, Mr. Lane.

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

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

Mr. Speaker, the ayes: six; the nays: 27.

MR. SPEAKER: Order, please!

I declare the motion defeated.

It being Private Members' Day, the House is now adjourned until 1:30 p.m. tomorrow.