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HANSARD

*Speaker: Honourable Tom Osborne, MHA*

Thursday

6 April 2017

The House met at 2 p.m.

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

Admit strangers.

Please be seated.

The hon. the Minister of Finance and President of Treasury Board.

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

**MS. C. BENNETT:** Mr. Speaker, I move, seconded by the Premier, that this House approves in general the budgetary policy of the government.

**MR. SPEAKER:** The motion is that the House approve in general the budgetary policy of government.

The hon. the Minister of Finance and President of Treasury Board.

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

Mr. Speaker, it is a pleasure to rise in this Honourable House today to deliver a budget that is fair and balanced and continues our government on a path to realizing our potential and returning our province to surplus by 2022-23.

Budget 2017 continues our government's commitment to strong fiscal management and builds on the principles outlined in The Way Forward, which is our vision for sustainability and growth.

Mr. Speaker, in the wake of the serious fiscal situation facing Newfoundland and Labrador, we have taken a smart and focused approach. We continue to take an evidence-based approach to how projects, as well as programs and services are supported. At every opportunity we need to perform due diligence and achieve the best possible outcomes. The measures we are taking will benefit future generations – our actions today will help realize our long-term potential.

The magnitude of the fiscal challenges that we inherited cannot be understated. The easy

solution would have been to ignore the situation and pass the problem on to future generations. Instead, we chose to make some very difficult and responsible decisions for the long-term benefit of Newfoundland and Labrador.

In last year's budget, with only four months in office, we knew that unless we increased revenue, we could not pay for basic programs and services. Without the measures taken our province would have faced serious challenges with rating agencies and banks. Some believe it could have even led to bankruptcy. Our government made hard choices and asked taxpayers to dig deep into their pockets so we could close the gap between our revenues and our costs. We are on a path to gain control of our finances and strike the balance between better spending controls and valuable investments in communities, people and the economy.

Mr. Speaker, Budget 2017 reflects progress. It reflects a methodical and responsible approach to more effectively managing the delivery of public services and our fiscal situation. We will continue the work that will reshape the delivery of services in Newfoundland and Labrador. At every opportunity we will work to achieve the best possible outcomes.

Mr. Speaker, we are thankful to the women and men in this province who challenge and remind us daily that we must do our best because the province deserves no less.

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

**MS. C. BENNETT:** Aware of the challenges that lay before us, and the rightful expectations of residents, I will now outline our fiscal environment and continued progress.

#### **Fiscal Review – 2016-17**

In Budget 2016 we projected a deficit of \$1.83 billion. Over the course of the past twelve months expenditures have been reduced and revenues have improved. This has led to a revised deficit of \$1.1 billion.

#### **Fiscal Forecast**

Mr. Speaker, in last year's budget our government outlined a seven-year plan to return this province to surplus. Today I am happy to announce that we are currently ahead of our forecasting in terms of deficit projections and we are on track to return to surplus in 2022-23.

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

**MS. C. BENNETT:** Before we get into the details of our forecasting, it is important to understand some of the underlying economic assumptions that have shaped our thinking for Budget 2017.

As you know, Mr. Speaker, following years of continued expansion, the Newfoundland and Labrador economy has been impacted by several factors such as the transition of several major projects from the development to production stages combined with an overall decrease in commodity prices. That being said, there are also several emerging developments that hold promise for Newfoundland and Labrador. This is highlighted by the first oil being expected from the Hebron field later this year, along with increases in production levels in the province in 2018, and for several years to follow.

We are optimistic about the future of our offshore oil industry.

We believe that Hebron will be one of a number of future developments in our offshore. Through the work of the Oil and Gas Industry Development Council, we will also position our province as a preferred location for development. This brief is supported by the past three years of offshore licence auctions, as well as exploration and development.

While challenges are being faced in the fishing industry, the seafood sector continues to be a significant contributor to our province, particularly in rural areas. In 2016, seafood production value reached a high of \$1.4 billion and directly employed over 17,000 people. Significant opportunities exist in the aquaculture industry, and we will double production capacity while expanding into a new region of the province, Mr. Speaker.

Growth and development is not only found on the sea, but also on land.

Muskrat Falls is generating benefits for workers and businesses by contributing approximately \$12 million per week to the provincial economy.

Mining continues to be an important part of the economy, with 2017 bringing increased construction activity of the underground mine at Voisey's Bay, the completion of Canada Fluorspar's mine in St. Lawrence, and significant output increases from the Long Harbour Nickel Facility.

Lumber production is expected to increase to approximately 83 million board feet, along with increases to the volume and value of newsprint produced. Our forestry sector continues to find its footing in a competitive global market and our government will continue to support this important part of our economy.

The provincial agri-foods sector is a diverse and growing component of our economy. Farm receipts are expected to grow across all sectors of the agriculture industry in 2017.

Mr. Speaker, the growth of our tourism industry is particularly exciting as it is generating economic wealth in all regions of the province. This has been enabled by improvements in transportation infrastructure, capacity and tourism marketing.

#### **Nalcor/Muskrat Falls**

Mr. Speaker, since forming government, we have taken steps to improve the governance of Nalcor Energy. Under their new leadership, performance of key projects has improved – specifically the Muskrat Falls project. In Budget 2017, the Provincial Government is making an equity investment of \$485.4 million in Nalcor Energy, which is a reduction of more than \$800 million from last year.

Our government in collaboration with Nalcor committed to controlling costs and ensuring all necessary steps are taken to identify and mitigate any remaining engineering and construction risks as Muskrat Falls proceeds.

Mr. Speaker, our vision for the province does not include the doubling of electricity rates. It is not acceptable for residents to pay excessive electricity rates.

Future electricity rate management is a priority for our government. Nalcor has been directed and committed to sourcing income of \$210 million to lower electricity rates starting in 2020-21, with this preliminary rate reserve growing to \$245 million in the following fiscal years. We are committed to ensuring that electricity rates are competitive and will undertake work to further define activities to lower power rates and arrange the dollars required.

Since coming into office, our government has also been working with our federal colleagues to secure a commitment of additional load guarantee support for Muskrat Falls. As a result of these efforts, we secured a commitment of support of up to \$2.9 billion.

### Price Assumptions

Mr. Speaker, with all these factors in mind, let us turn our attention to the price of a barrel of oil and the US-Canada exchange rate.

In Budget 2017, we are forecasting oil at \$56 USD per barrel. This is a prudent estimate, based on current forecasts, but we know too well the volatility of oil, so we are estimating cautiously.

Budget 2017 also forecasts the US-Canada exchange rate to be 75 cents. This estimate is based on the average of eight forecasts and is, again, a prudent estimate based on best information available.

The full details of these assumptions will be able to be found on the Department of Finance's website.

### Revenue

Mr. Speaker, I am happy to confirm to the people of this province that there are no new taxes or fee increases in Budget 2017.

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

**MS. C. BENNETT:** Mr. Speaker, our government is responsive to the needs of Newfoundlanders and Labradorians. In 2017 residents will benefit from two reductions to the Temporary Gas Tax. Beginning on June 1, we

will reduce the gas tax by 8.5 cents per litre; on December 1, 2017, we will reduce it further by four cents per litre, for a total reduction of 12.5 cents per litre. We will review the remaining four cents as part of the 2017 fall fiscal update.

As communicated in last year's budget, tax increases must be balanced with tax competitiveness. We will initiate a comprehensive independent review of the tax system this fiscal year, which will be completed within our current mandate.

Our province continues to lead Canada in terms of revenue generation on a per capita basis.

### Expenses

Mr. Speaker, we have been clear that our province has a spending problem. On countless measures, our province has led Canada in expenditure per capita, without the necessary outcomes to demonstrate value for money.

Launched last year, The Way Forward has provided our departments and agencies with a guiding document to review expenditures and prioritize investments. Two key elements are important in the short-term of this fiscal year, zero-based budgeting, and the implementation of a more efficient and balanced management structure.

As we proceed, it is important to manage government benefits and salaries as they are a significant expenditure of the Provincial Government totaling \$3.3 billion.

In recognition of our challenging fiscal situation, our government will propose legislative changes to implement a wage freeze for management and all non-union employees for the current fiscal year. This includes core government and agencies, boards and commissions.

Over the past year, our government, through careful planning and smart decision-making, has reduced expenditures by \$283 million as a result of zero-based budgeting, changes to the management structure, savings to agencies, boards and commissions, annualized savings, as well as actuary and accrual adjustments. These are responsible choices for our government to make, Mr. Speaker.

The projected annual deficit for Budget 2017 is \$778 million, which is below our targeted deficit of \$800 million.

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

**MS. C. BENNETT:** Mr. Speaker, when our government took office, the previous administration had a borrowing requirement of \$2.4 billion. That was financed through \$400 million in bonds, with the balance funded through 91 day T-Bills.

For Budget 2017, we have reduced our borrowing by \$2 billion, down to \$400 million.

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

**MS. C. BENNETT:** This marks a significant improvement in stabilizing the fiscal situation.

### Investing in Priority Areas

Mr. Speaker, the job of government is to govern and the fiscal crisis is not, nor should it be our sole focus. We have a job to do, and that job extends beyond the balance sheet.

Before we finalized this budget, we took the time to properly consult with stakeholders. While all the input of all groups was considered, in particular I would like to thank the Women's Policy Office for the important role they played in working with departments to ensure that the perspectives of women were considered. We must recognize when inherent inequality exists within the province, and take positive action to implement measures directly aimed to address the inequalities and improve the lives of those who are impacted.

Our government takes great pride in the announcements we have made today with respect to expenditures that support communities and individuals in Newfoundland and Labrador.

### Education and Skills Development

Mr. Speaker, our government has prioritized the education of children and youth and the creation of a skilled workforce as being essential to the economic growth and sustainability of our province. We also appreciate that learning is life-long, starting in the early years of a child's

life. In this year's budget we are making smart investments that will bring long-term benefits to all regions of this province.

Today I am proud to announce \$3.3 million in annual increases to support early childhood educators and families.

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

**MS. C. BENNETT:** We are adding \$2 million to the Child Care Subsidy program to reduce daycare costs for low and middle income families. We are also increasing the Early Learning and Child Care Supplement by \$1.3 million, and providing early childhood educators with an increase in the supplement of \$1 per hour.

Budget 2017 continues our commitment to full day kindergarten with an allocation of over \$13 million to continue this program.

Mr. Speaker, this government remains committed to the principles of inclusive education, of promoting the right of all individuals to attend school with their peers and to receive appropriate and quality programming. Accordingly, we are allocating approximately \$120 million for inclusive education, including an additional \$500,000 to increase student assistant hours.

The Premier's Task Force on Improving Educational Outcomes is completing their important work and will be providing recommendations to improve our education system. Their work is supported by a \$100,000 investment.

Mr. Speaker, our government appreciates the importance of investments in educational infrastructure as it contributes to a modern learning environment. This year, \$53.8 million has been allocated for new school construction, extensions, renovations, and priority repairs and maintenance for K-12 schools.

We are restoring the \$652,500 operating grant which will be added to the \$10.7 million of funding provided to the Provincial Information and Library Resources Board, Mr. Speaker. This grant will allow time for the independent review of the provincial library system to be completed,

and for its recommendations to be considered by both the board and government.

We recognize that for many individuals, a post-secondary program of study is required for the labour market. Our government continues to provide significant support for accessible and affordable public post-secondary education.

Memorial University is a cornerstone of education and skills development. It is a driver for economic activity and for youth to prepare themselves to lead our communities and our business sectors.

This year, we are providing over \$316 million to Memorial University. This represents the highest public investment as a percentage of a university's general operating revenues of any university in Canada.

In addition, over \$89 million is being provided to the College of the North Atlantic and its 17 campuses so they can continue their important work.

Our government is committed to maintaining the existing tuition freeze at Memorial University and the College of the North Atlantic.

Through changes to the Student Loan Program, we are now able to maximize access to the federal portion of the loans before any provincial contribution. This federal-first student loan policy provides the same overall funding to students, and provides the province with annual cash savings of \$12.6 million.

Budget 2017 also provides funding for many programs and services to maintain a skilled workforce and to prepare Newfoundlanders and Labradorians to meet emerging labour demands.

### **Safe and Sustainable Communities**

Mr. Speaker, safe communities provide individuals with peace of mind knowing that they, and their families, are relatively safe from harm. A recent decision from the Supreme Court of Canada, known widely as the Jordan decision, has resulted in unprecedented challenges to our justice system; but our government is committed to meeting these challenges head on.

In Budget 2017, we are investing over \$2 million in a number of justice and public safety initiatives, including planning for a new court complex in St. John's, measures to avoid unreasonable delays in trials and actions to address the increasing demands on the Supreme Court – Family Division. Furthermore, there will be renovations to the Supreme Court in St. John's and funding for planning to replace Her Majesty's Penitentiary.

In an effort to divert non-violent offenders from custodial sentences, we will determine the feasibility of a drug treatment court. This program would involve specialized court monitored treatment and community supports for individuals who commit non-violent offences caused by drug addiction.

This province, by utilizing available federal funding, is committing \$250,000 to establish a Sexual Assault Response Pilot Program. The program would provide victims of sexual assault with an independent legal advisor in order to increase their understanding of the court process.

Mr. Speaker, we are a province that has a deep culture and economic connection to the ocean. It has sustained our coastal communities for generations and been the livelihood of many.

Our government is committed to an inquiry into the search and rescue operations of our province to ensure that we are supporting the safety of our people.

As part of The Way Forward, we are committed to utilizing all available leveraged funding. That is why our government committed \$43.5 million towards infrastructure to leverage \$70.6 million in federal contributions through the Clean Water and Wastewater Fund.

We are also making a provincial commitment of \$35 million in project approvals over the next two years to leverage \$25 million in federal funding through the Small Communities Fund of the New Building Canada Fund. We have also committed \$15 million of provincial funds to leverage federal funds for National and Regional Projects of the Provincial-Territorial Infrastructure Component of the New Building Canada Fund.

Mr. Speaker, municipalities in Newfoundland and Labrador need help to lay the foundation for their future, have access to the resources they need to operate effectively, and have access to funding to assist their residents during unanticipated crises. Budget 2017 helps municipalities across all fronts.

As noted in March by the Minister of Municipal Affairs and Environment, we are committed to over \$100 million in multi-year capital works and municipal capital works projects. Beyond that, we are providing communities with long-term planning windows to enable them to better access provincial and federal funding.

Our new infrastructure program will provide residents of this province with improved access to high quality water, better wastewater treatment, and enhanced disaster mitigation and incentivizes communities to collaborate regionally to share infrastructure and services.

Mr. Speaker, we are also committing \$22 million to keep municipal operating grants at their current levels and increasing the municipal portion of the provincial gas tax revenue. The municipal share of gas tax revenue will increase by one-third, bringing the total commitment to \$7.1 million.

We are also providing \$2 million to the Special Assistance Grant program to assist communities with emergency and small capital works needs. Finally, we are committing \$1.88 million for municipalities to obtain new firefighting vehicles and equipment. This is a continuation of the value we have placed on firefighters and builds on our new presumptive cancer legislation.

### Healthy Living

Mr. Speaker, through an overall commitment of more than \$4 billion, Budget 2017 demonstrates our government's support of such areas as mental health, healthy living, infrastructure, and seniors' support.

I would like to take a moment to pause and express our sincere thanks for the outstanding work of the All-Party Committee on Mental Health and Addictions. They took their work seriously and provided meaningful

recommendations for government; and government takes its duty seriously as well. Accordingly, we are committing \$5 million to advance the committee's recommendations, and are being supported by an initial investment of \$1.4 million in federal funding, which is a part of the agreement made under the Canada Health Accord for mental health.

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

**MS. C. BENNETT:** Through Budget 2017, our government will support family doctors, nurse practitioners, nurses, social workers, and paramedics to expand primary health care teams through an investment of \$2.5 million.

We have made a multi-year commitment to infrastructure investments in health. This commitment includes \$43 million in repairs and renovations to health facilities and the replacement and upgrading of medical equipment. It includes \$13.2 million to advance the replacement of Western Memorial Hospital. It includes \$7.5 million to advance the replacement of the Waterford Hospital, and \$4.6 million to increase long-term care capacity in Corner Brook and Central Newfoundland, Mr. Speaker.

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

**MS. C. BENNETT:** We also know that the most effective health programs are the ones that support healthy living and wellness. That is why we are committing \$1.79 million to the Community Healthy Living Fund. This fund will provide for sports and recreation facilities and infrastructure.

We are also going to encourage youth to use those facilities and infrastructure. We are committing \$1 million toward active living programs that are targeted towards youth.

Competition has been shown to increase participation rates across certain youth populations. So we are committing \$571,200 to support sport development initiatives and travel. Additionally, we have seen that we are more than capable of competing nationally and internationally, so we are committing \$681,000 to support the Canada Games teams and other high-performance athletes, Mr. Speaker.

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

**MS. C. BENNETT:** Wellness also encompasses more than activity; eating is an important component of healthy living. That is why we are committing \$1.3 million to healthy eating, supporting groups such as the Kids Eat Smart, Food First NL, and the School Lunch Association.

Sometimes healthy living is about adding activities, sometimes it is about stopping bad habits. We are continuing our support of smoking cessation by contributing \$325,000 to the Newfoundland and Labrador Lung Association's Smokers' Helpline.

Recognizing the important role that community groups play in delivering programs and services, \$115.2 million is being provided in operational funding to community groups in this province. This includes the commitment to maintain core funding for 2017-18 while a multi-year grant funding systems have been developed.

### **Supporting Seniors and Vulnerable Residents**

Mr. Speaker, the Provincial Government is committed to greater equity for persons with disabilities. We continue to work side by side with our stakeholders, community groups, and individuals to help ensure people with disabilities can participate in their communities.

Achieving full inclusion requires a new way of thinking, and our government is seeing accessibility and inclusion take hold as part of our daily lives and our decision making. Integrating the knowledge and experience of persons with disabilities continues to be vital in the development of our programs, policies, and services.

Our government has committed to a number of initiatives such as the development of an inclusion-based disabilities act, and accessible taxi and vehicle programs, to help people with disabilities remain active participants in their communities.

Through an investment of \$120 million we will be maintaining the Newfoundland and Labrador Income Supplement, and Seniors' Benefit. Combined, these programs assist 155,000

individuals and families in our province, Mr. Speaker.

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

**MS. C. BENNETT:** Every day, child protection social workers in our province work to assess the safety of children and make decisions to ensure their protection.

We also know that it is essential to modernize our approach to child protection. That is why we are committing \$305,800 to train our child protection staff in a new decision-making model for the Protective Intervention Program. This new model supports professional judgement by providing individuals with up-to-date and efficient decision-making tools.

We know that housing is critically important to vulnerable populations. Finding a suitable home and maintaining that home are daily challenges to some. Our government recognizes this, and is responding accordingly.

To provide on-site outreach services to help promote housing stability and self-reliance to those at risk of homelessness, we are continuing our annual commitment of \$1 million.

We are also allocating \$10.6 million to the Rent Supplement Program. This program is administered, in collaboration with private landlords, to allow lower income households access to more housing options. Mr. Speaker, it is also important to note that 54 per cent of the clients of this program are seniors.

We also are committing \$7.6 million to supportive living. This money will go to 37 non-profit and community-based groups that operate 51 projects throughout the province. Those organizations help individuals with complex needs find and maintain long-term housing.

Budget 2017 involves the development of a responsive, integrated and sustainable approach to complex care management based in the community. We need to provide care in the home and in the community where possible and appropriate, and in a hospital only when necessary.



Through the Canada Health Accord, our province will receive \$87.7 million over the next 10 years for home and palliative care, including \$2.9 million in 2017. We will invest \$2.5 million into a Home First Program, designed to provide the necessary supports to individuals so they can stay in their home as long as possible.

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

**MS. C. BENNETT:** Mr. Speaker, to help reduce high energy costs for lower income individuals, we will be investing \$5 million over three years in a new Home Energy Savings Program. Grants will be provided for low-income households for cost-effective home upgrades to improve energy efficiency. A new Home Energy Efficiency Loan Program will offer low-interest financing for energy efficiency home upgrades.

Mr. Speaker, we also know that while the work of all community groups is important in their particular areas, some community groups focus on especially vulnerable populations. Recognizing this need and the fact that core funding has not increased for many of these groups for some time, Budget 2017 is providing \$7.8 million in total funding to transition houses.

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

**MS. C. BENNETT:** This amount includes \$780,000 in new funding to help protect women and children fleeing from violence.

We are also increasing total funding to over \$3 million for community groups that service women in the area of violence prevention, mental health, career counselling, and advocacy. This annual increase of over \$400,000 recognizes that our difficult fiscal situation may disproportionately impact certain members of our society. We cannot forget our duty to act for all citizens, and to provide them with the supports that meet their individual needs.

### **Indigenous Communities**

Our government supports Indigenous communities and is focused on investments, programs and services that improve their social, health and economic well-being.

Later this spring, for the first time in our province's history, the Premier will lead a roundtable discussion with the province's Indigenous leaders to discuss matters which are important to them and to ensure that our government's programs and services reflect their needs.

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

**MS. C. BENNETT:** An example of this commitment is our participation in the National Inquiry into Missing and Murdered Indigenous Women and Girls. Through this process, we will work collaboratively to ensure that our country does a better job of making decisions that reflect the needs of Indigenous people. Budget 2017 includes \$285,000 to establish a Family Information Liaison Unit to provide services to those who are participating in the national inquiry.

### **Labrador**

As a government, we appreciate the cultural and economic contributions of Labrador. This is the reason why we joined with community stakeholders to raise the Labrador flag on our province's borders with Quebec – we appreciate the importance of the flag.

To link communities and provide people with greater access to important services, we are investing \$55.7 million to advance the hard surfacing of the Trans-Labrador Highway. Not only does it link Labradorians but it also provides a direct link to mainland Canada, Mr. Speaker.

To enhance the winter highway trail system on the north coast of Labrador, more than \$300,000 will go towards a new groomer. This will be the final addition to fleet upgrades and will help the winter trail system to remain open.

We also appreciate the unique challenges that exist in Labrador in terms of the delivery of justice and have identified the strains on the court system in Happy Valley-Goose Bay.

To make the court safer for those using its services, we are investing approximately \$370,000. With this investment, the number of Sheriff's Officers will be increased, and an

additional court manager will be hired to assist in the scheduling and administrative matters.

It is important that all of our province's youth have the opportunity to participate in sport competitions. In particular, we appreciate the costs associated with travelling from Labrador to the island and are committing \$730,000 to the Labrador Travel Subsidy for championships that are held on the island portion of the province.

From an environmental perspective, it is important that we secure a greater understanding of the region's caribou population as it has an immense connection to the heritage of Labradorians. To support this activity, we will be allocating \$100,000 per year for the next two years for the Labrador Caribou Initiative.

In this fiscal year, we will also conduct environmental assessments of the former military radar sites in Labrador.

Other investments that we are continuing this year include \$100,000 in operational funding for the Combined Councils of Labrador and \$50,000 for the Labrador Aboriginal Nutritional and Artistic Program.

These initiatives are in addition to the programs and services that are being delivered through all departments in Labrador.

Mr. Speaker, I highlighted earlier that we are phasing out the Temporary Gas Tax.

Accordingly, on June 1, the rebate for Labrador Border Zones, which was set at 10 cents per litre last year, will be reduced to 1.5 cents per litre until December 1, at which time it will be discontinued. These areas are Labrador West (which include Lab City and Wabush) and Southern Labrador (from the Quebec border to and including the community of Red Bay).

As implemented in 2016, the Temporary Gas Tax on the north coast of Labrador will continue to be reduced to the point that the price per litre does not exceed \$1.55 or the temporary gas tax has been fully reduced.

## Infrastructure

Mr. Speaker, analysis has shown that targeted infrastructure investments are a key driver of economic activity. They provide valuable jobs during construction and support continued economic growth once operational. Our government spoke with key stakeholders with industry and the public, and what we heard was clear; plan further in advance.

Accordingly, our government is proud of our commitment to a five-year, \$3 billion infrastructure plan.

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

**MS. C. BENNETT:** Mr. Speaker, this will result in the equivalent of 4,900 full-time jobs on an annual basis. It will also allow businesses to better plan, and most importantly, Mr. Speaker, it allows cost savings to be passed on to government.

Just as an example of how better planning leads to better outcomes, two years ago this province paved approximately 166 kilometres of road at a cost of \$53.3 million. Last year, we paved 256 kilometres of road for \$47.7 million. That is 90 more kilometres of road, for \$5.6 million less, Mr. Speaker.

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

**MS. C. BENNETT:** We have also made significant multi-year commitments to roads. We are committing \$77.2 million to the Provincial Roads Program and \$21.2 million to continue the development of the Team Gushue Highway. We are investing in roads because they are a tangible connection for us across this vast province.

## Industry and Business

Mr. Speaker, we have set a stronger, more diversified province as a priority in realizing Newfoundland and Labrador's potential. Through investments in health care, education, transportation infrastructure and directly in small businesses, we are supporting community and economic growth.

Budget 2017 recognizes the need for strengthening Newfoundland and Labrador's economic foundation and providing real actions to achieve our goals. Through strategic investments in industry and business, we can build the foundation to long-term success.

Newfoundland and Labrador is home to increasingly innovative and knowledge-driven industries – whether it is in ocean technology or aerospace or defence, our companies are operating on the global stage. Our province's advanced technology sector is valued at more than \$1.6 billion and employs close to 4,000 employees.

Through available business and economic development programs we will assist them as they expand their markets and ultimately expand their workforce.

Our \$14.4 million investment in economic and business programs will also support communities and other groups as they identify projects that can serve as a catalyst for new business activity.

Mr. Speaker, our government is proud of our culture and our rich tourism products. We must continue to identify product opportunities where we can leverage this uniqueness.

This year, we are contributing more than \$20 million to support culture and heritage initiatives.

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

**MS. C. BENNETT:** In addition to this funding, we are also allocating \$13 million to continue to market our tourism destination and we are increasing the Newfoundland and Labrador Film Development Corporation's Equity Investment Program by \$2 million.

As a government, we believe that there is an untapped potential in our province's more traditional, rural-based industries. We see these industries as holding the potential for job creation and new economic activity.

In particular, our fishery has sustained our communities and economy for generations. Through investments we can support younger

people and existing fish harvesters to capitalize new opportunities in an old industry.

Through Budget 2017, approximately \$5 million is available for investment in the wild fishery and aquaculture industries. This funding will leverage significant investment from the private sector and the Federal Government.

Some examples include funding for the Aquaculture Capital Equity Investment Fund and the Seafood Innovation Transition Program, which supports technology and innovation in harvesting, processing, aquaculture, and marketing.

As we prepare for the revitalization of the cod fishery, our Fisheries Advisory Council, with an investment of \$100,000, will provide industry stakeholders with the opportunities to present advice on important issues.

Mr. Speaker, in February our government announced that we would be making more Crown land available for agriculture development. This is an example of how our government is creating an environment for entrepreneurs to excel while improving our province's ability to be more food self-sufficient.

To assist these efforts, we are increasing the available land for agriculture; effectively doubling the land mass available for this industry. By giving the land back to Newfoundlanders and Labradorians we are making significant investments in our future.

We recognize that our role in growing this industry and are committing \$3.9 million to continue the five-year, \$37 million Growing Forward 2 initiative, which is a cost-shared project with the Federal Government.

Budget 2017 is committing \$3.25 million to the Provincial Agrifoods Assistance Program so that we can continue developing agriculture land, growing the industry, and improving our food self-sufficiency. We are also committing \$1 million to continued research in crops, such as canola, that may now be able to be grown successfully in our province. Finally, we are committing \$500,000 to continue development of our provincial cranberry industry.

Mr. Speaker, now is not only the time for investments off our coast, but it is also the time for investments on, and under, the land. Mining and resource extraction is a significant contributor to the economy of this province, employing some 7,000 people. As an example, Tata Steel has built a \$1 billion iron ore processing facility on the Labrador Trough. While the sector is currently experiencing a general reduction in global commodity prices, the cyclical nature of the industry holds promise that when prices will again rise, and it is the job of government to help industry prepare for that growth when that happens.

It is generally the best informed companies that succeed in the global mining industry, and a comprehensive geological survey is providing Newfoundland and Labrador with a competitive edge to attract investment. That is why we are proud to continue our commitment to close to \$5 million in the Geological Survey which maps our diverse geology and provides sophisticated geoscience. By expanding on the database of available geological information, we can attract global investments to our shores. In addition, we are investing \$1.7 million for the Mineral Incentive Program including an additional \$200,000 for the Junior Exploration Assistance Program over the next two years to encourage mineral exploration and support the mining industry.

We can also foster additional investments by acting as a funding partner for new developments which is why we are committing \$8 million to an Investment Attraction Fund, designed to encourage and support foreign direct investment in Newfoundland and Labrador.

### Conclusion

Mr. Speaker, our path is certain. With The Way Forward providing us with the guiding principles of developing a smarter approach to governance and management, we are methodically and responsibly redesigning government to address the economic, social, and fiscal challenges that we face.

Our focus will always be on positioning our province to be an ideal place to raise a family, with a competitive work and business environment. In order to return to fiscal balance

we must think and act in a way that is long term. We can no longer afford to be bound by short-term reactionary thinking.

This budget reflects our commitment to a stronger economic foundation, a more efficient public sector, better services and better outcomes.

Mr. Speaker, we would like to thank all those that provided input into this budget. The many submissions we received have helped shape our decisions. I would also like to acknowledge the tremendous amount of work that is done by public service employees, especially in the days leading up to the budget. Their expertise and professionalism in our departments is evident to us and we place great value in the work that you do.

Mr. Speaker, we still have a ways to go, but our government is confident that we are on the right path.

Thank you.

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

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

**MS. C. BENNETT:** Mr. Speaker, I move, seconded by the Premier, that the debate be adjourned.

**MR. SPEAKER:** The motion is that debate be adjourned.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, budget debate adjourned.

**MS. C. BENNETT:** Mr. Speaker, I wish to inform the House that I have received a Message from His Honour the Lieutenant Governor.

**MR. SPEAKER:** All rise.

The following message has been addressed to the hon. the Minister of Finance and President of Treasury Board:

As Lieutenant Governor of the Province of Newfoundland and Labrador, I transmit Estimates of sums required for the Public Service of the Province for the year ending 31 March 2018, in the aggregate of \$7,327,757,400, and in accordance with the provisions of sections 54 and 90 of the Constitution Act, 1867, I recommend these Estimates to the House of Assembly.

Sgd.: \_\_\_\_\_  
Lieutenant Governor

Please be seated.

The hon. the Minister of Finance and President of Treasury Board.

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

Mr. Speaker, I move, seconded by the Premier, that the message, together with the Estimates, be referred to the Committee of Supply.

**MR. SPEAKER:** It is moved and seconded that the message from His Honour the Lieutenant Governor, together with the Estimates, be referred to a Committee of Supply.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, that the House resolve itself into a Committee of the Whole Supply, Mr. Speaker left the Chair.

### Committee of the Whole

**CHAIR (Dempster):** Order, please!

We will now take a few moments to distribute the budgetary documents to all hon. Members.

(Budgetary documents are distributed.)

**CHAIR:** Order please!

The hon. the Government House Leader.

**MR. A. PARSONS:** Thank you, Madam Chair.

I move that the Committee rise, report progress and ask leave to sit again.

**CHAIR:** The motion is that the Committee rise, report progress and ask leave to sit again.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

**MR. SPEAKER (Osborne):** The hon. the Deputy Speaker.

**MS. DEMPSTER:** Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report progress and ask leave to sit again.

**MR. SPEAKER:** The Chair of the Committee of Supply reports the Committee have considered the matters to them referred and have directed her to report that they have made some progress and ask leave to sit again.

When shall the report be received?

**MR. A. PARSONS:** Now.

**MR. SPEAKER:** Now.

When shall the Committee have leave to sit again?

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

**MR. SPEAKER:** Tomorrow.

On motion, report received and adopted.  
Committee ordered to sit again on tomorrow.

**MR. SPEAKER:** Notices of Motion.

**Notices of Motion**

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

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

Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act.

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

The hon. the Government House Leader.

**MR. A. PARSONS:** Mr. Speaker, I give notice, by leave, move that the composition of the Committees for Estimates will be: the Resource Committee will consist of Members for the following Districts: Baie Verte – Green Bay, Cape St. Francis, Conception Bay East – Bell Island, Exploits, Fogo Island – Cape Freels, Harbour Grace – Port de Grave, St. John’s East – Quidi Vidi, and Stephenville – Port au Port.

The Government Services Committee will consist of the Members for the following Districts: Torngat Mountains, Bonavista, Burin – Grand Bank, Ferryland, Harbour Main, Mount Pearl North, St. John’s East – Quidi Vidi, and Stephenville – Port au Port.

The Social Services Committee will consist of Members for the following Districts: Cartwright – L’Anse au Clair, Baie Verte – Green Bay, Burin – Grand Bank, Fortune Bay – Cape La Hune, Harbour Main, St. George’s – Humber, St. John’s Centre, and Topsail – Paradise.

Mr. Speaker, I further give notice and by leave move, number one, the following Estimates will be referred to the Government Services Committee: the Department of Finance, Consolidated Fund Services, and the Office of the Chief Information Officer; the Public Service Commission, the Human Resources Secretariat, and the Women’s Policy Office; Service NL; Government Purchasing; and the

Office of Climate Change; and the Department of Transportation and Works.

That the following Estimates be referred to the Resource Committee: the Department of Advanced Education, Skills and Labour; the Department of Fisheries and Land Resources; the Department of Tourism, Culture, Industry and Innovation; and the Department of Natural Resources.

That the following Estimates be referred to the Social Services Committee: the Department of Children, Seniors and Social Development, and the Newfoundland and Labrador Housing Corporation; the Department of Education and Early Childhood Development; the Department of Health and Community Services; the Department of Justice and Public Safety; and the Department of Municipal Affairs and Environment.

Mr. Speaker, I also wish to advise Members that on Monday, April 10, 2017, at 9 a.m. the Government Services Committee will meet in the Chamber to review the Estimates for the Public Service Commission, along with the Human Resources Secretariat, and the Women’s Policy Office of the Executive Council.

I further advise Members that on Monday, April 10, 2017, at 6 p.m. the Resource Committee will meet in the Chamber to review the Estimates for Fisheries and Land Resources.

**MR. SPEAKER:** Is it the pleasure of the House to adopt the motion?

All those in favour, ‘aye.’

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, ‘nay.’

Carried.

The hon. the Government House Leader.

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Premier, that the remaining Orders of the Day do stand deferred and that this House on its rising do adjourn.

**MR. SPEAKER:** The motion is that this House do now adjourn.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

This House stands adjourned until tomorrow at 1:30 in the afternoon.

On motion, the House at its rising adjourned until tomorrow, Monday, at 1:30 p.m.