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Speaker: Honourable Tom Osborne, MHA

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The House met at 1:30 p.m.

MR. SPEAKER (Osborne): Order, please!

Admit strangers.

I'm delighted to welcome to the Speaker's gallery today Mr. Max Porter, who's the subject of a Member's statement. He's joined by his daughter Patricia Rideout.

Welcome.

SOME HON. MEMBERS: Hear, hear!

M. SPEAKER: As well today in the public gallery we have members of the Dover Town Council: Mayor Tony Keats, Town Clerk Yvonne Collins and Councillors Rob Wiseman and Alvin Johnston.

Welcome.

SOME HON. MEMBERS: Hear, hear!

Statements by Members

MR. SPEAKER: For Members' statements today, we have the Members for the Districts of Lewisporte – Twillingate, Topsail – Paradise, Exploits, Cartwright – L'Anse au Clair, Torngat Mountains and Stephenville – Port au Port.

The hon. the Member for Lewisporte – Twillingate.

MR. D. BENNETT: Thank you, Mr. Speaker.

I rise in this hon. House to recognize Chloe Gale of Lewisporte. Chloe is a graduating student of Lewisporte Collegiate and a very accomplished pianist and singer. At the age of four, Chloe began playing the piano under the direction of Mr. Lindy Whitt. She has won numerous awards over the years at the Kiwanis Musical Festival in Grand Falls-Windsor, including a six-time Rose Bowl winner.

This year Chloe won the Bernice Edwards Memorial Award for Best Piano Performance. She also took home the Cole Award, for the second time, for the most outstanding performance of the festival.

At the end of the evening the Kiwanis Club presented Chloe with a \$3,000 scholarship for continued studies in a music faculty of an accredited university, for which she will be attending Memorial University in September.

As a result of her outstanding performances, Chloe was also recommended to participate at the provincial Music Festival on May 12-13 at the Gordon Pinsent Centre for the Arts.

I ask all hon. Members to join me in congratulating Chloe Gale on her numerous awards and wish her much success at the provincial competition and also in her future endeavours.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Topsail – Paradise.

SOME HON. MEMBERS: Hear, hear!

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

Mr. Speaker, this year's winter carnival Snow and Ice in Paradise was bigger and better than ever before. From February 10 to 19, the Town of Paradise celebrated its winter carnival and featured events for citizens of all ages to enjoy. The Town of Paradise came together and celebrated the splendor of winter, which featured fun activities for adults and children alike. To name a few, some of the events were a pre-teen dance, a family sliding day, skating, family roasting fires, retirement centre visits and fireworks to end off the celebrations.

These events bring communities and families together for a fun-filled 10 days of healthy outdoor activities. I'd like to thank the numerous volunteers, the town staff, mayor and councillors, corporate sponsors, all who had a contribution to make this very successful event possible. Without their support and dedication, and without everyone working together, it certainly would not have happened as successfully as it did.

Mr. Speaker, I ask everyone to join me in congratulating the Town of Paradise on another

successful winter carnival, and adding the quality of life to the community.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Exploits.

MR. DEAN: Mr. Speaker.

The Kiwanis Club of Grand Falls-Windsor is celebrating 50 years as a chartered club of Kiwanis International. It boasts 40 members, some with 25 to 45 years of service.

Mr. Max Porter, who resides in St. John's, is still a member in Grand Falls-Windsor. He was the first president of the club and the first festival chairman.

Central NL Kiwanis began in 1959 and had many local musicians desiring to perform and be adjudicated in a music festival without having to travel to St. John's. Working diligently, they held the first festival on April 10, 1961 with over 300 entries.

The Central NL Festival is still the largest outside of St. John's. Former participants are found globally, working within the music industry. Some have returned home to adjudicate. The 52nd Central NL Music Festival ran from March 26 to the 31st of this year.

The Kiwanis Club supports other organizations: the Beaumont Hamel Army Cadets, Kids Breakfast Program, Community Food Bank, South and Central Health Foundation, as well as other local causes.

Mr. Speaker, I ask all hon. Members to join with me in congratulating the Central Kiwanis Club on 50 years of community service.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MS. DEMPSTER: Thank you, Mr. Speaker.

I rise today to honour Andy Turnbull, a young indigenous businessman whose leadership and vision are making a difference in the Labrador business community and, indeed, the province.

Since 2012, Andy has been the CEO of Nunacor, a business development arm of the NunatuKavut Community Council. Andy and his team have helped grow Nunacor into a diversified operation, with four subsidiaries all now positioned to capitalize on emerging opportunities.

In 2016, Andy was honoured as one the Top 50 CEOs in Atlantic Canada by Atlantic Business Magazine. This award recognizes the most accomplished, forward-thinking and community-minded executives in Atlantic Canada, and it was very well deserved.

I'm especially proud, Mr. Speaker, of Andy as he hails from my home community of Charlottetown. I worked with him in my previous role as an employment counsellor in various capacities, and I knew from the beginning that Andy would achieve great success and make us all very proud.

The face of business is changing in our province, Mr. Speaker, and indigenous leaders like Andy are leading the way.

I ask all hon. Members to join me in recognizing Andy Turnbull and congratulating him on all his extraordinary accomplishments to date.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. EDMUNDS: Thank you, Mr. Speaker.

I rise today to recognize the Ethel Pijogge Memorial Spring Festival recently held in Hopedale. I had the pleasure of participating in the opening and it was a fantastic event.

While there are always lots of great activities like snow sculpting, an ice fishing derby and lots

of food, the main event is the Ethel Pijogge memorial dog team race.

I want to congratulate Perry Voisey who took first place, as well as Edward (Buddy Morgan) Winters who came in second, and third place went to Rex Voisey.

There was one female musher this year; Amy Tuglavina took up the challenge and did a great job. I'm sure she'll be back to compete again.

Mr. Speaker, I would be remiss if I did not mention the passing of Elder Doris Flowers. She was a tremendous volunteer in Hopedale and a number of festival events were postponed to pay tribute to this great lady.

The Ethel Pijogge Memorial Spring Festival brings our entire community together to celebrate the coming of spring, our community and our unique way of life.

I ask all hon. Members to join me in congratulating the organizing committee and volunteers who make this happen year after year. They build community spirit and Hopedale Pride.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Stephenville – Port au Port.

MR. FINN: Thank you, Mr. Speaker.

Mr. Speaker, in 1885, Michael Francis Abbott started a tinsmith shop in Port au Port. This shop progressed into a lobster canning plant as Michael partnered with Harry Haliburton in the early 1900s. Their success saw expansion throughout the peninsula. They owned several wharfs and transported goods to markets in Boston and overseas.

By the early '70s, Abbott & Haliburton was more than a household name. They now owned seven different general stores throughout Port au Port. The business eventually moved into building supplies where it's operated today by the fifth generation of the Abbott family.

Last Monday, April 3, tragedy struck as the business's main building was destroyed by fire. The 132 year history of this family business tells a story of a dedicated and compassionate family that met challenges head on and evolved with a changing economy. The resiliency of the Abbott family is very much alive, as owner Bill Abbott is already beginning the rebuilding process.

I ask all Members to join me in acknowledging the remarkable contribution Abbott & Haliburton has made to the economy of Port au Port and wish them well in their rebuilding efforts.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I stand in this hon. House today to mark the 100th Anniversary of the Battle of Vimy Ridge which took place on April 9, 1917, and the Battle of Monchy-le-Preux which took place on April 14, 1917.

The Battle of Vimy Ridge saw four Canadian divisions fighting together as a unit for the first time and resulted in a victory over German forces. By April 12, the Canadians captured Vimy and, many historians will say, this forged a new sense of national identity.

Mr. Speaker, despite the gallantry and the determination, over 3,500 soldiers paid the ultimate sacrifice, and for this, we owe our gratitude.

To honour the fallen, the Canadian National Vimy Memorial stands in France as a tribute to all Canadians who served during the First World War. The French government granted use of the land for the Memorial and battlefield site to the people of Canada "freely and for all time."

The Canadian National Vimy Memorial is of only two National Historic Sites located outside

of Canada; the other, of course, being the Beaumont-Hamel Newfoundland and Labrador Memorial, a tribute to all Newfoundlanders and Labradorians who served during the First World War.

Mr. Speaker, this week will also mark the 100th Anniversary of Monchy-le-Preux which occurred on April 14, 1917.

Arguably this is Newfoundland Regiment's greatest victory, where we saw "10 men who saved Monchy." They stood off – they stand out as many heroes of the great World War. These 10 men held off the enemy for over 11 hours before relief arrived, keeping the Germans from advancing into the vital battlefield position.

Mr. Speaker, afterwards, the British commanding officer declared 40,000 men would have been required to recover Monchy had the German's captured it.

In honour of this valiant act by the Newfoundland Regiment, a bronze caribou now stands steadfast guarding the French village.

As part of the events related to this year's anniversary, the Minister of Tourism, Culture, Industry and Innovation is in France to commemorate and remember the Newfoundland Regiment's involvement in the Great War. He also joins his federal colleagues, including Prime Minister Trudeau, to honour the role that Canada played in these significant events.

Mr. Speaker, today I invite all hon. Members to join me in honouring our soldiers on the centennial anniversaries of Vimy Ridge and Monchy-le-Preux.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

I thank the Premier for an advance copy of his statement today. The victory at Vimy was a defining moment for Canada. It's considered by many historians to be a significant event in our

country's progress towards full independence from Britain.

While it was a monumental day for Canada, it was also a defining time for the Newfoundland Regiment whose great victory at Monchy saved so many from certain death.

As the Premier stated, it's undoubtedly one of the greatest victories by the Newfoundland Regiment – arguably one of the greatest victories of the entire war. Our nation and our provincial identity was built upon the shoulders of those brave soldiers, 3,500 of them, who paid the ultimate sacrifice; a number that would total over 60,000 over the course of the First World War.

We join with all Newfoundlanders and Labradorians, along with the entire country, in thanking those who bravely fought in the Battles of Vimy Ridge and Monchy-le-Preux. We promised them we would remember, and that's exactly what we have done, and I trust we'll continue to do that for generations to come. They deserve nothing less.

We will remember them.

SOME HON. MEMBERS: Hear, hear!

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

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

I too thank the Premier for the advance copy of his statement. Whether Vimy Ridge or Monchy-le-Preux, we must all honour the promise, lest we forget. The sacrifices made by these young men must be remembered. To forget may doom us to repeat the past.

As French President Hollande said yesterday in marking the event, nationalism leads to destruction. We owe it to the young men who died to remember the past, learn to put aside our differences, and work together to ensure a better future.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MS. GAMBIN-WALSH: Mr. Speaker, on Saturday evening Sports Newfoundland and Labrador held its 10th annual Stars and Legends Gala. I rise today to recognize the award winners and hall of fame inductees.

The 2017 award recipients are: Senior Female Athlete of the Year, Heather Healey, baseball; Senior Male Athlete of the Year, Sean Cleary, softball; Junior Female Athlete of the Year, Camryn Bonia, athletics; Junior Male Athlete of the Year, Liam Hickey, wheelchair basketball and sledge hockey; Executive of the Year, John Cowan, rugby; Volunteer of the Year, Shane Dunphy, soccer; Coach of the Year, Noel Strapp, wrestling; Team of the Year, Team Gushue, curling –

SOME HON. MEMBERS: Hear, hear!

MS. GAMBIN-WALSH: – Official of the Year: Ryan Garland, baseball.

This year's Newfoundland and Labrador Sports Hall of Fame inductees were: Gerald Lomond in the Builder category, gymnastics; Rod Snow in the Athlete category, rugby); and Glenn Stanford in the Athlete/Builder category, soccer/basketball/hockey.

Mr. Speaker, I would like to thank the provincial sport organizations, along with the many athletes, coaches, managers, parents and volunteers who support athletic excellence at every level. Our government is committed to continued support for sport, recreation and healthy living at all levels.

I ask all Members to join me in congratulating this year's honourees for their hard work, dedication and contribution to sport in Newfoundland and Labrador.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Thank you, Mr. Speaker.

I thank the minister for an advance copy of her statement. Mr. Speaker, on behalf of my colleagues in the Official Opposition, I would like to congratulate all of the 2017 Stars and Legends award winners, and the Hall of Fame inductees.

I wish to congratulate Heather Healey, Sean Cleary, Camryn Bonia, Liam Hickey, John Cowan, Shane Dunphy, Noel Strapp, Team Gushue and Ryan Garland on their awards. I would also like to congratulate the individuals introduced into the Sports Hall of Fame: Gerald Lomond, Rod Snow and Glenn Stanford.

Our province is indeed very lucky to have a high calibre of competitive athletes who continually make us proud. They truly inspire those who around them to become more involved in sport, both recreationally and competitively.

Mr. Speaker, the Stars and Legends awards are not only great accomplishments for the athletes, but are great accomplishments for their parents, families, coaches, volunteers, managers and the entire sporting and recreation community in our province as well.

I also like to take a moment to congratulate Team Gushue on their most recent accomplishment of being awarded the gold medal at the Men's World Curling Tournament last evening. We continue to be proud of this rink and wish them all the best 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.

I, too, thank the minister for an advance copy of her statement. Congratulations to all of the 2017 award winners, Stars and Legends indeed, and thanks to all the volunteers who make this possible. It is so important that we support our province's young athletes in following their dreams and provide help to those who wouldn't have the means otherwise – just look at these results – and to honour our seasoned athletes

who have illustrious careers here and abroad, and have brought recognition to our province.

Bravo to all for their tremendous achievements!

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

Before we proceed to Question Period, I'd like to recognize a former Member of the House in our public gallery: Mr. Percy Barrett.

SOME HON. MEMBERS: Hear, hear!

Oral Questions

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

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

Mr. Speaker, last year's *Budget 2016* created 300 new taxes and fees and in *Budget 2017* with all those fees remaining in place, except for one being modified, excess taxes are smothering the economy and people.

I ask the Premier: How is this your *Way Forward* when the financial burden remains squarely on the shoulders of hard-working Newfoundlanders and Labradorians?

SOME HON. MEMBERS: Hear, hear!

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

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

I thank the Member opposite for the question this afternoon. As the people of the province have come to understand, last year's significant situation that we found ourselves in as a government required very significant action. As part of that action, there were a series of decisions that were made to enable us to then go to the market to borrow what was in the vicinity of just over \$4.9 billion.

We had to complete the borrowing program for the former administration, who did not have

borrowing in place. We had to complete the borrowing program for what we needed to do for our fiscal year. Because the deficit is lower, we were also able to borrow a little bit for the coming year.

Mr. Speaker, the Member opposite has heard me speak regularly on a tax review. When we complete that tax review, we will be providing the people of the province more clarity on where taxes can be anticipated over the next number of years.

SOME HON. MEMBERS: Hear, hear!

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

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

I appreciate the response from the minister. The Liberals still have their hands in the pockets of the people of Newfoundland and Labrador with this budget.

I'll ask the Premier: What relief is there in the budget for hard-working Newfoundlanders and Labradorians who are suffering at the extreme expense of the taxes and fees?

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, one of the things that we did as part of this year's budget was make sure that we looked at the impacts and the reality of the Newfoundland economy, and we made very purposeful decisions around three particular items. One was to announce a \$3 billion infrastructure plan that will provide the opportunity for the equivalent of 4,900 full-time positions every year during that plan to help with looking at the vacuum that was created in our economy by the former administration.

We also made the decision that it was appropriate to reduce the temporary gas tax, which will be reduced by 12.5 cents in June, another four in December, including HST; that's 14.4 cents. And \$122 million invested in a Seniors' Benefit and the Newfoundland Income Supplement are substantial ways that we are

working hard to support Newfoundlanders and Labradorians.

SOME HON. MEMBERS: Hear, hear!

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

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

Budget 2017 simply continues the overwhelming burden placed on hard-working Newfoundlanders and Labradorians right throughout our entire province. I appreciate the minister's answers but it doesn't tell us and it doesn't tell the people of the province what new measures are included in the budget that will provide some relief to those hard-working people who are struggling because of these taxes and fees.

What's there for those people?

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, I want to thank the Member opposite for providing me the opportunity to stand up again because one of the items that we did speak to the people of the province about last week in our budget was a rate management reserve. Our government felt it was extremely important to provide the people of the province with the initial view, the preliminary view, as to what we feel is reasonable when it comes to lowering electricity rates in the future.

Nalcor has been directed and is committed to creating these reserve funds. For those individuals in the community who continue to feel uncertainty about energy prices, we thought that was an extremely important thing to explain to the people of the province, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

We've been telling people for months and months – years actually – that their rates will not double, and it was just rhetoric by Members opposite. They finally agreed to tell the people the truth and tell them their rates won't double.

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: Mr. Speaker, GDP, investment, exports, employment and household incomes are all expected to decline under this budget while, at the same time, the cost of living and unemployment rate is going to increase.

With all indicators going in the wrong direction, why should the people of the province suddenly begin to trust this government? Their *Way Forward* doesn't appear to be a way forward; it's simply a way backwards.

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, I'd remind the Member opposite that saying you're going to do something and doing something are two different things.

SOME HON. MEMBERS: Hear, hear!

MS. C. BENNETT: We've actually given the people of the province clarity.

Mr. Speaker, the other thing I'd mention to the Member opposite when he talks about the economy, part of what we're also trying to do is to look at, through *The Way Forward*, the opportunity to create over some 9,000 positions by achieving targets that we've established. We are looking broadly across the economy. Mr. Speaker, the people of the province deserve the truth; they don't deserve a false hope that was propagated by the Members opposite.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

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

That's the Minister of Finance who campaigned on dozens and dozens of promises during the election, and has not delivered on any of them – has done the complete opposite, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: Mr. Speaker, on the same day that the government announced they would partially reduce the Liberal gas tax that the minister just referred to, gas prices skyrocketed seven cents per litre. And as they do each year this time a year, as we approach summer, the cost of fuel anticipated will continue to increase. People are struggling. I've made that quite clear, and Newfoundlanders and Labradorians have made that quite clear.

I ask the minister: Will you commit to completely remove the Liberal gas tax on June 1, this year?

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, the Member opposite is, I believe, erroneous. We have said we were going to address the deficit, and we have done that. We have said we were going to commit to a seven-year plan, and we continue to remain committed to those targets.

We have told the people of the province that we will fix the stability of the Treasury and then turn our attentions to growing the economy and supporting Newfoundlanders and Labradorians in a broader way, without focusing singularly on megaprojects and oil, and that is exactly what we have done.

SOME HON. MEMBERS: Hear, hear!

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

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

Their election platform also had 33 plans to make a plan. We haven't seen many of those yet either.

So, Mr. Speaker, I ask the Minister of Finance to make a commitment in the House here today: Commit not to replace the reduction in gas tax with a new carbon tax.

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, the Member opposite, I am sure, would have sat through technical briefings on Thursday where officials would have provided him and Members of his caucus with the specifics around our plans of the gas tax.

As we have communicated to the people of the province, our intention is to reduce the gas tax effective June 1 by 12½ cents and another four cents on December 1. The reason we can implement that tax reduction on June 1, is that we need to make sure that we give the wholesalers the opportunity to reflect that price. Including the HST, that is a total reduction of 14.4 cents.

We have also communicated to people of the province that in the fall fiscal update we will be giving them clarity on the remaining portion of temporary gas tax, which is what I said last year, which is exactly what it was: a temporary tax, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

At a time when Newfoundlanders and Labradorians are struggling to get by under the weight of the Liberal government's excessive taxes, does the minister think that it is reasonable to reopen Marble Mountain and offer a three-day free-for-all on the backs of the taxpayer?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Parliamentary Secretary to the Minister of Tourism, Culture, Industry and Innovation.

MR. HOLLOWAY: Thank you, Mr. Speaker.

I thank the Member opposite for the question. This is my second time in the history of this House to be able to stand as a parliamentary secretary and respond in Question Period.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLOWAY: To just get to the Member's question, we've been working with Marble Mountain Development Corporation for the past year, and we're always looking to diversify – we want to save money for the taxpayers of this province. There are significant investments that have happened in Marble Mountain Development Corporation.

Opening up Marble Mountain for three days through Easter is really an investment. We want to attract new people to come in and experience the hill so that, as next year goes forward, we'll have more people that will likely take advantage of the hill and have the ski experience.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: Thank you, Mr. Speaker.

With all the Liberal tax and fee increases, people are struggling, and you think it's a priority to give away free tickets and ski rentals?

MR. SPEAKER: The hon. the Parliamentary Secretary to the Minister of Tourism, Culture, Industry and Innovation.

MR. HOLLOWAY: As I said, Mr. Speaker, this is about an investment into an experience for people on the West Coast. Marble Mountain has been a tourist destination for 29 years in this province, and certainly we have over 100 small- and medium-sized businesses that also reap benefits from Marble Mountain. We would see that by opening up and providing more opportunity for people to come into Marble Mountain that there would also be spinoffs and

economic development opportunities for more companies on the West Coast.

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

MR. PETTEN: Thank you, Mr. Speaker.

Mr. Speaker, just two weeks ago, the minister stated it was costing \$5,000 a day just to keep Marble Mountain open.

I ask the parliamentary secretary: What will be the cost to open Marble Mountain on Easter weekend?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Parliamentary Secretary to the Minister of Tourism, Culture, Industry and Innovation.

MR. HOLLOWAY: Mr. Speaker, yes, certainly it costs about \$11,000 a day to operate Marble Mountain, but we got to look at that there are other things that happen at Marble Mountain. Lift passes are one thing, but people come and they stay at accommodations, they buy gas, and they purchase food and other things when they're in the West Coast area. So there are all kinds of spinoffs that will come in addition to providing these free lift passes on Easter weekend.

SOME HON. MEMBERS: Hear, hear!

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

MR. PETTEN: So just to be clear, Mr. Speaker, it was \$5,000 a day last week or two weeks ago, now we're up to \$11,000 a day. Maybe the government opposite can subsidize White Hills and our other ski resorts in the province just like they're treating Marble Mountain, if you want to be fair. This is ridiculous, Mr. Speaker.

At one point, the minister claimed it would be cost neutral but then the local MHA during an address to the Greater Corner Brook Board of Trade announced that all tickets and rentals will be free for all three days. Don't you think this is an irresponsible waste of taxpayers' money?

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

MR. BYRNE: Mr. Speaker, what would be absolutely irresponsible would be to take an asset like Marble Mountain Development Corporation, Marble Mountain itself and not maximize it to its full potential. We had two options: status quo where we would actually see visitation and user ship of Marble Mountain decline in future years because people were becoming very, very disgruntled, very frustrated by the fact that we needed a stronger customer service base here.

We would have lost revenue by people not buying tickets in future years, but the other thing we realized is that in order to grow Marble Mountain you have to get new skiers, you have to get more people interested in the sport and the way you do that you give them an opportunity.

On one weekend – one weekend – a year you come out and say: Why don't you take up the sport for a weekend, we'll offer you free lift tickets and free rental equipment? And that is how you grow an opportunity.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

It was a great speech, but I'm not sure if it made any sense.

The cost of living in Newfoundland and Labrador is rising faster than any other province in Canada. The people are hurting and (inaudible) of this budget leaves them little reprieve.

I ask the Minister of Finance: What actions in the budget will address the growing rate of inflation and a rate that's twice the national average?

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

MS. C. BENNETT: Mr. Speaker, I thank the Member opposite – earlier, in answering a

question from the Leader of the Official Opposition, I wanted to make sure I provided clarity around the reduction in the temporary gas tax. I want to make sure that the Member opposite understands it's 12½ cent reduction in the entire year; 8½ in June and four in the fall, in December. When you add HST to that, that's 14.4.

I would say to the Member who just asked the question, that's a very meaningful action by this government to help deal with the issue that he just raised.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I'm still not sure what the answer to the question is. It's twice the national average. What's government going to do about it?

The Minister of Finance says she plans to freeze the cost to government over the next five years. With an inflation rate of approximately 3 per cent, how much will she have to cut to maintain this freeze on a go-forward basis?

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, what we've said is that we must spend within the context of what is reasonable based on general revenues. The former administration chose to spend oil royalties as if they were a guaranteed income. While we're certainly grateful that last year we benefited from increased production and a slightly increased price per barrel, our government recognizes that continuing to spend in a way that doesn't reflect what is reasonable from general revenues is something the people of the province won't be able to afford, nor will they stand for.

When it comes to inflationary risks, what we're doing is working on changing the culture of spending, and we're going to keep working on it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: I remind the minister the spending increase from the 2015-2016 budget, in her own budget – in order to prevent an increase to the cost of government over the next five years, the minister will have to cut over \$1 billion from programs and services.

I ask the minister which services are you going to cut and when will you provide the details.

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

MS. C. BENNETT: Mr. Speaker, it's interesting, the former administration, in their budget in 2015 shared a plan with the people of the province that had spending in fiscal '17-'18 almost at \$8.4 billion. At the end of that year, in December of 2015 and when our government provided a fiscal update for that year, we were forecasting spending for this year to be \$8.6 billion because the former administration had failed to forecast increased expenses, and also some of their election promises, Mr. Speaker.

We have taken spending down from that December 2015 number of \$8.6 billion to \$8.1 billion in this budget, Mr. Speaker, and we're going to be methodical and responsible in the choices that we make going forward to continue to reduce spending.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the people of the province will have three more years of the Liberal levy. The Minister of Finance stated recently that the levy is law. Can the minister confirm that the Liberal government has the ability to change the law and remove the levy today?

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: Mr. Speaker, just for clarity, the Member opposite is referring to the temporary deficit levy. As he is well aware, this House voted on the terms and conditions of that temporary tax. It expires in December of 2019 exactly as we had shared with the people of the province. We actually made some modifications last year to the deficit levy, Mr. Speaker, to ensure that we could get out of that tax as quickly as we can.

We're undertaking a comprehensive tax review, and we look forward to providing the people of the province with further clarity on where our tax regime will go within our mandate.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Mr. Speaker, I'd advise the Minister, we didn't vote from this side of the House.

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: Mr. Speaker, Moody's, one of the world's most reputable credit-rating agencies, says the budget delivered by the Liberal government last week is a momentum killer. It says the spending problem remains.

Can the minister explain why they're not addressing this issue?

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

MS. C. BENNETT: Mr. Speaker, I'm perplexed by the Member opposite. What Moody's said, quite frankly, was that they wanted to continue to look towards the decisions that we're going to make in the next year to reflect that we can actually hit our target again.

I'm very pleased that we were able to present our target for fiscal '16-'17 and meet that deficit target, and actually beat it significantly. I'm very

pleased that we have a budget coming before this House that lowers that number from \$800 million to \$778 million. I'll look forward to the ratings agencies seeing the proof of our actions coming next year.

I can tell the Member opposite that we are not going to disrupt the economy by massive layoffs and program cuts; we're going to be methodical and responsible in the decisions we make based on the best interests of the people of the province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: I can tell the minister what did disrupt the economy is 300 fees and the levy that they implemented last year, and the economic indicators are going the wrong way in this province.

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: Mr. Speaker, this year's budget doesn't include a buffer to protect against a drop in oil price. Last year, you built in \$125 million buffer that would be reinstated in 2018.

I ask the minister, why leave out this year and reintroduce it in 2018.

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

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

I want to correct the Member opposite. If he took the time – and I'm sure he will later today – to look at *The Economy* document from last year's budget and *The Economy* document from this year's budget, he will see that there are modest improvements in key indicators – not all of them, but there are some key indicators that have improved over last year, Mr. Speaker. So I want to correct that.

Secondly, when it comes to the oil price, we, in discussions with an economist roundtable – first one ever held in this province by a Finance Minister – discussions with our own staff, we recognize that the real risk in the oil price is in

the out-years, and that's what we reflected in our plan, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

Minister, in your speech on Budget Day you said: The job of government is to govern, and the fiscal crisis is not, nor should it be, our sole focus. Could you please clarify that statement?

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

MS. C. BENNETT: Mr. Speaker, last year after some 3½ months, four months, in government we were faced with a very significant challenge to the Treasury. We made choices and decisions at that time that would enable us to do the borrowing program that we needed to do for their year, for our year and some of this year that we are debating in the House, Mr. Speaker.

Our job now, after stabilizing the Treasury, is to focus on the fiscal, the social and the economic impacts and the choices we can make to make sure we are bringing our province, as the Premier has said, on the path to sustainability and growth, Mr. Speaker. That's exactly what we're doing.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

Minister, you said government's job extends beyond the balance sheet. Can you please tell us what is your plan to grow the economy?

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

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

The budget outlined, and we outlined before the budget, the \$3 billion investment that's being made over five years for multi-year

infrastructure that will result in the equivalent of 4,900 positions every year for those five years, on average. The Premier, several weeks ago, in *The Way Forward* in setting specific targets for us as a province and as a Cabinet and as a government to achieve, those targets, when achieved, will create some 9,300 equivalent, full-time positions, Mr. Speaker.

Our government is very focused on the diverse pieces of our economy to ensure that Newfoundlanders and Labradorians in every corner of our province have an opportunity to experience growth.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

Economists disagree that your plan will grow the economy.

SOME HON. MEMBERS: Hear, hear!

MR. BRAZIL: I ask the minister: The Budget Speech also mentions a wage freeze; when will the Liberals wage freeze for public service employees come into effect?

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

MS. C. BENNETT: Mr. Speaker, I'm not sure what economist he's talking to, but there have certainly been economists that I've talked to and spoke to and had dialogue with who have indicated that the choices that we are making as part of this budget are going to help and support our economy.

Mr. Speaker, I want to correct, again, an error from the Member opposite. What we announced in last week's budget was a wage freeze for management and non-unionized employees as a result of this budget and that we intend to bring in legislation. The Member opposite is referencing a broader group of employees. If he has information that he wants to share and let me

know exactly where he got it, I will be sure to answer that question.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

There is a lot of chatter going on amongst Members. In particular, I point to the Member for Conception Bay South. I'm asking the co-operation of all Members in the House. The only person I wish to hear from is the person identified to speak.

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

MR. BRAZIL: Thank you, Mr. Speaker.

I thank the minister for clarifying that. I take, from that statement, that there will be no wage freeze for the public service in the negotiations here, which is good for them to hear, no doubt.

Budget 2017 identified \$283 million in savings. I ask the minister to provide some detail on where these savings will come from.

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

MS. C. BENNETT: Mr. Speaker, I want to again take a moment to correct what the Member opposite said in his preamble. We are in active bargaining with our public sector employees. Some of them are in the process of active bargaining, some are getting ready to go into active bargaining, and some have actually moved into the conciliation phase.

The Member opposite has not had, to my knowledge, the privilege of sitting at those tables, nor has he had an opportunity to look at the issues that we have put on the table as the employer, or what the employees have put on the table through their representatives. I ask the Member opposite to stop making assumptions on facts that he doesn't have, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

It takes close reading of the *Budget 2017* documents to learn that it basically is a continuation of the choices government made in last year's disastrous budget. I'd like to get confirmation of details about some of the hardship that people in the province will continue to face.

So I ask the Minister of Finance: Will she tell the people of the province her forecast for year-over-year change in the average household income in the coming year?

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

MS. C. BENNETT: Mr. Speaker, the information that the Member opposite is asking, I don't have at the top of my memory in this particular afternoon session. I will be pleased to provide her with that information once I speak to officials.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MS. MICHAEL: I'm shocked with that answer from the Minister of Finance, Mr. Speaker. All she has to do is open up the economic indicators booklet and she has her answers.

SOME HON. MEMBERS: Hear, hear!

MS. MICHAEL: I ask the minister: Will she tell the people of the province her forecast for year-over-year change in retail sales in coming year?

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

MS. C. BENNETT: Mr. Speaker, I'm not sure what the Member opposite is trying to achieve with her questions. Just like she referenced that I could look at the numbers in the book, which I don't have memorized at this particular point –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. C. BENNETT: – the Member opposite has the ability to look at that as well, Mr. Speaker, and it's in the document.

MR. SPEAKER: Order, please!

I remind all hon. Members that props are not permitted in the House.

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

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

We know that they are in the document, and that's exactly why we would like the minister to tell the people of the province exactly what the future of the province is looking like right now.

SOME HON. MEMBERS: Hear, hear!

MS. ROGERS: I do believe that the people of the province want to know.

So I ask the minister: Will she tell the people of the province her forecast for changes in the cost of living in the coming year?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, as you'd know, there's an exhaustive amount of work that goes into preparing a budget. Mr. Speaker, the Minister of Finance and President of Treasury Board has outlined answers to the people of this province in some very detailed economic indicators that are in the book. The Members opposite are quite aware of that book. It's online right now. It's available right now; they have it right now. They're complaining that this information is not available.

Mr. Speaker, the minister put that out there to the people of this province quite clearly on Thursday. So stop the fear mongering; the information is out there. There is nothing that this minister is withholding.

SOME HON. MEMBERS: Hear, hear!

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

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

Absolutely, that information is in that book, and let's ask the minister now to tell the people of the province her forecast for changes to the unemployment rate in the coming year.

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

The minister has already told Members in this House; she's told the people of this province, Mr. Speaker. What I would like to know, in an interview by the economist from the NDP, the economist who gives advice to the NDP, who stood in front of the media with the Member opposite right next to her, she said clearly to the people of this province that they want to see thousands of reductions within the public sector. Is that your wishes, I say to the Members opposite? Is that what you said? Because I had that discussion with you outside on Thursday.

So why doesn't the Member opposite tell the people of this province where you stand; do you support your economic advisor?

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: It's a mystery to me, Mr. Speaker. We don't have an economist in our caucus.

I ask the minister: Apart from the changes to the gas tax –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

Order, please!

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

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

I ask the minister: Apart from the changes to the gas tax, do the increases in hundreds of fees she announced in last year's budget remain in effect?

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

MS. C. BENNETT: Mr. Speaker, our province and our economy is going through a transition, and the reality is that that transition is a result of multiple megaprojects that are coming to an end, poor planning on behalf of the former administration in diversifying the economy and our government is focused on making sure that we can do everything we can to support the economy.

Moving on the gas tax, when we still have a \$778 million deficit, is an important decision to support the economy. Investing \$122 million in a program that helps low-income individuals and seniors, a program that the Members opposite refused to talk about, is an investment in our economy.

SOME HON. MEMBERS: Hear, hear!

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

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

Notices of Motion

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

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

I give notice that I will move as the Member for Topsail – Paradise, seconded by the Member for Cape St. Francis, the following private Member's resolution for Wednesday, April 12:

BE IT RESOLVED that this House condemns the government for maintaining all but one of the 300 tax and fee increases they imposed on people in last year's budget, while failing to be forthright and accountable in disclosing information and while failing to nurture the conditions for economic growth across Newfoundland and Labrador.

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the private Member's motion put forward by the Member for Topsail – Paradise will be the motion we will bring forward on Wednesday, Private Members' Day.

MR. SPEAKER: Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

Petitions

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 removed the provincial point-of-sale tax rebate on books, which will raise the tax on books from 5 per cent to 15 per cent; and

WHEREAS an increase in the tax on books will reduce book sales to the detriment of local bookstores, publishers and authors, and the amount collected by government must be weighed against the loss in economic activity caused by higher book prices; and

WHEREAS Newfoundland and Labrador has one of the lowest literacy rates in Canada and the other provinces do not tax books because

they recognize the need to encourage reading and literacy; and

WHEREAS this province has many nationally and internationally known storytellers, but we will be the only people in Canada who will have to pay our provincial government a tax to read the books of our own writers;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government not to impose a provincial sales tax on books.

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

Mr. Speaker, I've stood in this House numerous occasions, almost every day that the House has been open in this session, with this particular petition that is signed by people from all over the province. They are academics. They are writers. They are people who don't have a whole lot of money but acknowledge how important it is, how important literacy and reading is to the people of the province.

Mr. Speaker, one of the most regressive, short-sighted, ridiculous taxes that have ever been imposed in the history of this province and this government just had the opportunity to rescind this tax, and what did they do? They're continuing it on – a tax that makes no sense whatsoever (a) to the well-being of the economy, to the well-being of booksellers, to the well-being of writers and to the well-being of the general population.

We all know how important literacy is. We all know how important education is. Some of the people who are bearing the brunt of this unseemly tax are students. Some of whom are paying an extra few hundred dollars a semester for their textbooks, already students who are burdened with all kinds of expenses and to impose taxes on textbooks where it's not done anywhere else in the country – and we know how incredibly important it is, education particularly, in a time like this in our economy. It makes no sense, Mr. Speaker.

Thank you.

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 humbly sheweth:

WHEREAS the Adult Dental Program coverage for clients of the Newfoundland and Labrador Prescription Drug Program under the Access and 65Plus Plans were eliminated in *Budget 2016*; and

WHEREAS many low-income individuals and families can no longer access basic dental care; and

WHEREAS those same individuals can now no longer access dentures;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the government to reinstate the Adult Dental Program to cover low-income individuals and families to better ensure oral health, quality of life and dignity.

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

Mr. Speaker, moments ago, we heard another Member raise concerns about one of the cuts that we experienced in the previous budget that still remains in this current budget that was recently announced. That related to the book tax that's now in place. Well, the cuts to the Adult Dental Program and to the Newfoundland and Labrador Prescription Drug Program should not be forgotten either.

This budget, this year, is just as hard on low-income families and just as hard on seniors living on fixed incomes in our province than the last one. Of the 300 new taxes and fees, only one was partially adjusted; the other 299 remain in place. So that's what we're dealing with in this year's budget.

People are finding it harder to live here. People are finding it harder to work here. This year's budget does nothing to address those concerns.

So today, I'm rising to present this petition on behalf of low-income families, on behalf of low-income individuals, particularly seniors who are struggling with the cost of living and struggling to meet some of their basic needs.

During the previous administration, the Adult Dental Program was created. There was major expansion and improvement to the Newfoundland and Labrador Prescription Drug Program. So it's really hard to watch that being undone in the last budget and again in this year's Liberal budget.

Seniors are dealing with increased costs for home care. Home care hours were cut over the past year as a result of Liberal government decisions. There were cuts to the Prescription Drug Program that affects seniors, low-income individuals and others as well. There was a reduction in diabetic test strips that are available to individuals living with diabetes in our province.

As I said, people are dealing with an increased cost of living as a result of changes that this government made. This budget is no better than last year's budget. People are still struggling and some of their basic needs will no longer be met as a result of decisions by the Liberal government.

There is a better way, Mr. Speaker, and the decisions that have been made by this government are just simply irresponsible and people deserve better.

SOME HON. MEMBERS: Hear, hear!

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

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

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 US Center for Disease Control now estimates that Autism Spectrum Disorder, ASD, affects one in 68 children, which

represents a 30 per cent increase from the estimate of two years ago; and

WHEREAS early diagnosis of ASD is essential because there is a critical developmental period when early intervention is vital for future success of children with ASD; and

WHEREAS in other provinces, an ASD diagnosis can be made by specialists certified and trained in ADOS;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to allow other specialists trained and certified with ADOS to make the Autism Spectrum Disorder diagnosis.

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

Mr. Speaker, I've been years with people who have children who are on the autism disorder spectrum. I have people who teach them. I have members of the Autism Society. In so many ways, for years, I've been hearing from them about the need for getting early intervention. So this petition will be timely – unfortunately, it's been timely for years and that's not acceptable, Mr. Speaker.

We have got to start making sure that we do a much better job in early intervention for the good of the children, their families and also of society in general. We have the long wait times for children needing assessment and more of them would get assessed if we had more people doing the training. Here in this province – yes, one new other pediatrician was added to the list for doing assessments, but we have a much greater need than that. Without increasing the people who are doing it – and you do that by making sure that specialists are certified and trained. They do not have to be pediatricians to do this. If we start that, then children will get their diagnosis earlier, they will get intervention, and they will be able to take a much better part in society in general, especially in the school system.

Youth and adults with autism – this is the big issue – who have an IQ of 70 or more are not eligible for services offered to people with

intellectual disabilities, such as job coaches, life coaches, supported living and caregiver respite. What we need is not an IQ test because it's well known that many people with ADS have very high IQs. What we need is a functionality test that measures social interaction and self-care abilities because that's the major issue that these people are dealing with.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: 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 there's been an identified lack of mental health services in our provincial K-12 school system; and

WHEREAS the lack is having a significant impact on both students and teachers; and

WHEREAS left unchecked, matters can and, in many cases, will develop to more serious issues;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to increase mental health services and programs in our province's K-12 school system.

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

Mr. Speaker, I've had an opportunity to present this numerous times. When I look at it, right now it's come from at least 15 different communities, from the North Coast into the Northeast Avalon. These here are coming from places like Port de Grave, Bay Roberts and Barened. So it shows that parents, educators, the general public, have a real concern around this. We've come a long way, particularly with the All-Party Committee on Mental Health where they identified a number of interventions

and a number of solutions, once enacted, that will start addressing some of the issues around mental health.

Some of the issues were around early detection, early intervention and early supports. I know a number of people who presented to the committee have noted that. Some were educators and some were parents who had ran into some stumbling blocks over the years in not being able to have their kids identified with potential services that were needed. Educators were frustrated that those services weren't available when they identified the needs for the students.

So what's being asked here is that if we're going to solve and we're going to address the issue of mental health and make better awareness so that we can partner with other agencies that can provide particular services, we need to start at the younger ages. We need to identify particular issues or particular signs that may need to be addressed early so that they don't flourish into something more serious and have a more dramatic effect on those individuals and our society as a whole and it then, in turn, has an effect on their ability to be productive citizens. If they're having problems within our school system, that obviously is going to have an impact on whether or not they're successful in that, what role they play in post-secondary, what role they play in the job market.

The intent here is to identify a lot of good things that are happening in mental health. The awareness is out there. Everybody agrees we need to address it. What's being said here is don't just deal with the immediate, serious issues that we're having around mental health issues that have been identified by particular older groups. What we're saying is if we start addressing them at the early ages, we're going to do a better service for those who are engaged. We're going to ensure that they have a better opportunity to be productive citizens. We're going to, in the long run, in the economy of scale, save money for people in our province.

So, Mr. Speaker, I'll have an opportunity to speak to this again, but I think it's a very important thing and it goes well with the mental health awareness program that we're moving forward.

Thank you, Mr. Speaker.

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

MR. A. PARSONS: Yes, thank you, Mr. Speaker.

I call Orders of the Day.

MR. SPEAKER: Orders of the Day.

Orders of the Day

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister for Municipal Affairs and Environment, for leave to introduce a bill entitled, An Act To Amend the Public Service Pensions Act, 1991, Bill 7, and I further move that the said bill be now read the first time.

MR. SPEAKER: It is moved and seconded by the hon. the Government House Leader that he shall have leave to introduce Bill 7 and that the said bill be now read a first time.

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.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act To Amend The Public Service Pensions Act, 1991," carried. (Bill 7)

CLERK (Barnes): A bill, An Act To Amend The Public Service Pensions Act, 1991. (Bill 7)

MR. SPEAKER: Bill 7 has now been read a first time.

When shall the said bill be read a second time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, Bill 7 read a first time, ordered read a second time on tomorrow.

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

MR. A. PARSONS: Yes, Mr. Speaker, I moved, seconded by the Minister of Service NL, for leave to introduce a bill entitled, An Act To Amend The House Of Assembly Accountability, Integrity And Administration Act No. 2, Bill 8, and I further move that the said bill be now read the first time.

MR. SPEAKER: It is moved and seconded by the hon. the Government House Leader that he shall have leave to introduce Bill 8 and that the said bill be now read a first time.

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.

Motion, the hon. the Government House Leader to introduce a bill, "An Act To Amend The House Of Assembly Accountability, Integrity And Administration Act No. 2," carried. (Bill 8)

CLERK: A bill, An Act To Amend The House Of Assembly Accountability, Integrity And Administration Act No. 2. (Bill 8)

MR. SPEAKER: Bill 8 has now been read a first time.

When shall the said bill be read a second time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, Bill 8 read a first time, ordered read a second time on tomorrow.

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

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

I move, seconded by the Minister of Service NL, for leave to introduce a bill entitled, An Act To Amend The Revenue Administration Act, Bill 9, and I further move that the said bill be now read the first time.

MR. SPEAKER: It is moved and seconded by the hon. the Government House Leader that he shall have leave to introduce Bill 9, and that the said bill be now read a first time.

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.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act To Amend The Revenue Administration Act," carried. (Bill 9)

CLERK: A bill, An Act To Amend The Revenue Administration Act. (Bill 9)

MR. SPEAKER: Bill 9 has now been read a first time.

When shall the said bill read a second time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, Bill 9 read a first time, ordered read a second time on tomorrow.

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

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

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

MR. SPEAKER: The hon. the Opposition House Leader.

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, it's certainly a privilege to rise today to respond to the Budget Speech 2017 and go through the outline of that speech. I want to go back and look at the Speech from the Throne and how that ties into the budget.

Before I do that, I just wanted to, on a separate note, on behalf of myself and our caucus, pass along best wishes to Minister Judy Foote, who is one of seven MPs that represent us in Ottawa. We understand in the last week or so she's stepped away for personal reasons. We certainly respect that, but as parliamentarians, whether we're provincial, whether we're federal or what political stripe we are, we recognize the hard work that's done by everybody. From our perspective and mine and our caucus, I just want to pass along the best to the minister and her family and wish them well and that she will be back to work soon and things would work out for her. I just wanted to say that, Mr. Speaker, on behalf of us and our caucus.

So here we are with *Budget 2017*. We've gone through, obviously, last year with the Liberal administration coming into office and setting up or telling us they're setting up a roadmap to lead us to where we need to go. In doing that, they laid out a budget last year which was heavy on the revenue generation side in regard to taxation and fees. We were told from there that there would be an interim budget later in the fall that would deal with the expenditure side of the ledger, but details were short on that and I don't think we ever got there in regard to having that balanced approach.

I think what we've heard over the past year is that while there is recognition of a need to increase revenues, there was also a need to look at our expenditures and do it on a more balanced approach. As we know, every tax or every fee that's implemented, that takes dollars out of the Newfoundlanders' and Labradorians' pocket. That dollar that's not there is not there to be spent and is not able to drive the economy and

drive the activities in our economy, certainly every kind of business that we have and service.

So that's really a critical point. I think as I go through and have discussions this afternoon, I'll certainly talk about the economic indicators, where they were in 2016, where the projections are, where they're going in 2017, and obviously that's tied right to the economy and how we continue to grow our economy. Obviously, in this province over the past decade, our administration through significant megaprojects, significant growth, significant training in regard to people to meet that labour market demand we saw a rise in household income, the whole range of things that certainly made the return to Newfoundlanders and Labradorians greater.

Now we're seeing a period where the economy is starting to slow in regard to some of those projects, but as well we've seen an international, global slowdown in many respects and here in Canada as well. Where we're tied to commodities, natural resources, obviously something like oil when that happens, it takes its toll, and it has. I guess the issue is then how do you deal with that and how do you lay out a plan and how do you give confidence to Newfoundlanders and Labradorians, to businesses, as well to investors, not just here but in Canada and around the world that they want to continue to invest in Newfoundland and Labrador and drive our economy. That's all part of the whole picture that a government needs to lay out and give confidence as to what they can do and they're willing to do.

So I want to go back for a few minutes and just talk about the Speech from the Throne which opened the 48th General Assembly. In the parliamentary process, the Speech from the Throne lays out the vision of the administration at the time and where do you want to go, what are the pinnacles that they think are fundamental to moving the province forward. That could be on the economic side; it could be on the social development side. All of those collectively are what it is they need to do to continue to grow the province.

As we go through the documents, the Speech from the Throne, which was laid out a while back, there are general themes that went through this. When you look at the themes that are in the

document then, as the budget came down last week, you look to see how they match up and how they're going to meet those themes and are they taking it on in regard to having success and how we perceive it will be success through the direction they're taking.

We heard commentary: We will do better with less. Everybody in terms of being financially prudent in regard to the delivery of service always wants to look at, especially in the public domain, how can we most efficiently deliver services; how can we be innovative; how can we make sure we get the best bang for every dollar we spend because it's taxpayers' money and we live, as we know, in a very geographically diverse province.

We look on the Island and the various communities, harbours and coves, towns and cities, very dispersed. So then you look at somewhere like Labrador, which is just under probably 30,000 people and how the disbursement of the population is there. So there are a lot of challenges in terms of delivering services and how we deliver those services. Things like health care, things like road infrastructure and ferry services, all of those things make the challenges in regard to supplying those services, sustaining those services over a long period of time. Doing better with less, yes, it's a great statement, but we need to know and need to see how that's going to be delivered and what the plan is to do that.

As well, there's reference in the Speech from the Throne about collaboration, which is great again. You're going to collaborate, you call in those that are involved in communities and organizations and you get the perspective on what they think needs to be done and where they think things need to go. But again, it's about getting that collaboration, getting an input, and then having the leadership to make those calls and to lay it out what you're going to do.

In many cases, or, in some cases, that plan may not be popular with everybody, but that's part of the governance and moving forward in laying that plan out. People, at times, may not appreciate it, may not understand it. I should say you need to make them understand them. They may not agree with it, but they will respect the fact that you have laid it out, it's clear, there are

pillars, there are areas and milestones you are going to reach over the next current year or years in your mandate. Then you show them how this is going to be better for Newfoundlanders and Labradorians in terms of growing our province.

So it's key that it's laid out. Collaboration is always good, but at some point you have to say, okay, we have collaborated, we have spoken to the parties concerned and everyone else, so let's move forward now with direction. Let's explain to the people what the direction is and move forward.

The roadmap that was announced by the current administration, *The Way Forward*, this was released and after some time actually – 17 months in office now – talked about three phases of action, and talked about tangible issues and tangible items to be reached. The first six months was referencing and focusing on securing our footing and rapidly implementing initiatives to reduce spending and support economic growth.

We had questions today in the House of Assembly talking about that economic growth component, which we haven't seen a lot of over the 17 months this current administration has been in office. Yet, the Speech from the Throne talks about we are well on our way to addressing the challenges facing our province. As I said initially, the budget that was brought down dealt with one side of the ledger, dealt with revenues and raising revenues, and we certainly questioned the depth and scope of doing that when you're comparing it to activity in the economy and how we continue to drive the economy and do what we need to do.

It goes on to say that we are entering the second phase of *The Way Forward – Realizing Our Potential*, which spans the next 18 months and focuses on actions to reverse negative socioeconomic indicators that prevent economic growth. That's what I have referenced, and I'll speak to that later when we look at the economic indicators. I will compare 2016, what we saw, and look at the projections for 2017.

In most cases, they are not where we want them to go, and in cases where there is some indication or some positive indication that they

are moving in the right direction, I think we are lacking the documentation and information on how we are going to get there, and what those indicators are reflective of.

As we go through the Estimates in the House of Assembly over the next several weeks – and those out there that may not be familiar with that, when a budget is brought down, the Estimates are where the departments come in here to the Legislature, the Opposition and government Members sit on Standing Committees, and those Standing Committees review the actuals which come in, which were directed and confirmed after last fiscal year, what the Estimates were, what the actual expenditures were. They're confirmed; they're discussed. As well, the new Estimates for this particular year are discussed and it's an opportunity to tie the government, the various departments, the ministers, to the actual direction given in the Speech from the Throne and as well through that budget how they're going to achieve that.

So it's a fairly lengthy, extensive process. If the ministers and the government are willing to release that information on what their intention is, it certainly provides for transparency which is intended to provide for the public to get an understanding of how their money is being spent and what the directions are as we're moving forward.

According to this, the 18 months was to look at reversing negative socioeconomic indicators. If we're entering the second phase now, that's going to be up to the three years of their mandate to look at those socioeconomic indicators which seem to be lacking in terms of getting to the initiatives that we were supposed to get to very quickly, according to this document.

The third phase talked about is to look beyond those 18 months, I spoke of, in creating long-term conditions for growth in the province by investing in the future; talks about redesigning government services to fit demographics of the future; and investing in children and youth.

Redesigning government services, I not sure really what's meant by that, but the demographics piece is something we're all quite

familiar with here in Newfoundland and Labrador in regard to we have one of the fastest aging populations in Canada and the parameters that go with that in providing services – and I talked about that before in regard to the challenges in our province is something we certainly need to work towards to make sure we have efficiencies but we can still provide those needed services to Newfoundlanders and Labradorians wherever they are in Newfoundland and Labrador and that level of service can be provided.

Investing in children and youth, again, as our demographics move forward and a larger portion of our population is 65, 70, those older people in terms of our population, we need that growth from middle-class families, from young families, young children that is much needed in terms of growing our economy and you want people to stay here, to even come back, ex-pats, or even people to move here for what we have here in Newfoundland and Labrador and to grow their families here.

That's all about sustainability. The one point on that – we have talked about all the taxes last year, and that's all about creating the environment and that's why we said it was too much, too soon in regard to doing that and not having an economic plan to drive the opportunities here, not being positive about what the options are and that our future is bright – we have some challenges, but we need to see our way through.

Young families need to see that. They need to hear it. People that are just getting into a post-secondary institution, doing training, they need to see that there is a positive future, understand there is and there will be options. We need them to stay here, we need them to live here, buy houses, raise their family here because that's how you create a province and that's how you create sustainability.

The Speech from the Throne then went on and talked about a stronger economic foundation. It talks about improving the conditions necessary for private sector job growth and economic growth overall. A whole-of-government approach to creating the conditions necessary for new private sector job creation and economic

growth, this is about a sustainable economy that is a priority.

I don't think anybody can really disagree with that. Certainly, from our side over here, we believe the economy is the ultimate priority. You have a solid economy and, from that, you generate wealth through taxes and other means, whether it's royalties through developing your natural resources and, through all of that, you're able to provide services and programs to the province and to Newfoundlanders and Labradorians who continue to stay here and contribute to our economic and social fabric of the province. So it's important that it is a priority and we work towards ensuring that goal is reached.

Another reference is that jobs be a top priority; strong economic conditions and opportunities. Again, getting back to people in our province that either is going through high school now and seeking to do a program through post-secondary, they need to see that there is opportunity and we need to support them in doing that.

I know through our time in our administration in terms of looking at young people coming out of post-secondary with high debt loads, some of the wealth that we've created we directed towards Memorial, other post-secondary institutions, to look at offsetting the costs of student loans. As well, we went so far as looking to offsetting student grants so they didn't have to pay it back. The higher portion of the funds going into student grants, when students finished their program, that wasn't something they had to pay back, and they had a step up in hopefully staying in the province, finding employment and not having a heavy debt load.

And that was the provincial component, not the federal. Anybody familiar with it, the student loan program, there are two components; there's a provincial and federal. That was directed certainly at the provincial component and we believe it is money well spent. At times, we get ridiculed for spending and programs we spent on, but for us that was one to drive the issue that it talks about here, talks about sustainability, talks about youth, talks about post-secondary and talks of building that strong foundation so people want to stay and live here and raise their family.

The document also talks about setting targets for sector growth, which is very important. It talks about industries like agriculture, forestry, aquaculture, tourism, immigration. All of those are important aspects of our economy. We often refer to the fishery where, 500 years ago, people settled here for the sole reason of an inshore fishery and, from there, we grew all the harbours and coves across Newfoundland and Labrador.

Certainly our forestry is significant in regard to the creation of our province and what we've done over the past hundreds of years. Then we've evolved into an oil and gas industry here in the province. Back when there was a Progressive Conservative government in Ottawa, Prime Minister Mulroney at that time, there was an opportunity offshore for development. It was one of those times when the federal government stepped in, partnered with one of the provinces at a time when it looked like the first development offshore in the agreement wasn't going to survive that he stepped in, put in significant dollars to make sure that the partnership and the developments of oil and gas industry in Eastern Canada could flourish.

We know what that has done for Newfoundland and Labrador. It has transitioned us into a whole new industry, created great wealth. Even in this budget, even though we were criticized for being addicted to oil – and I think the Premier said one time oil wasn't a policy – some of the things we've seen today in regard to hitting the targets of the government of the day is that it was hit basically through over \$400 million in oil revenue that came about.

I think the prediction for last year in the budget for this year's royalties from oil was about half a billion dollars, but due to production going up I think four times in 2016 from what it was in 2015, four times the production, with the barrel of oil going up – no one has control over that but, because of all that, the current government of the day got over \$400 million in unexpected revenue and really, because of that, were able to hit their targets. So that's important and it'll continue to be important. I'm glad to see it in the Speech from the Throne, the oil and gas industry.

Certainly from our time and our administration, we invested heavily. We created the entity of

Nalcor, the corporation, to bring all those natural resource assets under one, to drive wealth for all Newfoundlanders and Labradorians. One component with that was oil and gas development. That went every way from taking equity shares in production platforms to investing in exploration, investing in seismic work – and we're certainly seeing the return on that today in over \$30 million in excess that went into that that allowed that data to be available and for the province for the first time to really have control over the technical date of our offshore and what exactly is out there.

In the past, we'd never know, so we'd sell land claims and they'd be purchased by oil companies. We didn't know what was really in the land claim. They could sit on them for an extended period of time, but by this investment we were able to hold that knowledge and change the environment that these lands sales developed in, where we could basically have that information and knew upfront what those lands sales were and what the content was in the seabed and what the opportunities were.

That's led to hundreds of millions of dollars in commitments with purchasing those land sales that they would provide exploration; invest over a period of time to grow that industry. It's oftentimes a long process from the time of the seismic work to the bids, to looking at more drilling, exploration, what's the overall content of a basin and then getting to the point of the investment to do the production. So all of that is part of it and sometimes it is long, but you need a continuation, you need a linear path of continuing to do that so we can meet those activities and continue to go.

The current Minister of Natural Resources recently I think they called from another rounds of bids, so that's all positive and that's good and that needs to drive our industry. When you look at some of that seismic work I talked about, you go back and look at Norway 40 years ago, and even some of that seismic work we have today is equal to or even greater than what they saw on the North Sea with Norway. So when you look at the amount of wealth and the opportunity that was driven by that – and it's not only the hands-on component of the drilling exercise, it's all those companies, it's all those supply companies, the technologies, the innovation –

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER (Dempster): Order, please!

I ask Members for their co-operation to keep the noise level down in the Chamber.

Thank you.

MR. HUTCHINGS: Thank you, Madam Speaker.

So it's all about that innovation and that ability to drive activities for business. It's about almost the intellectual business knowledge or the intellectual industry knowledge where innovation is grown out of a need to drive activities in the industry. That's very important.

Then that knowledge and expertise can be exported around the world. That's why, from Norway, you see a lot of companies that are supply companies, they have great knowledge and expertise, and they're using that all over the world. We see Newfoundland companies starting to do that now – an ability to take that knowledge and expertise and send it around the world or to do it here locally to supply the industry.

We have our fourth production coming soon, we hope – Hebron – that will come. That will be our fourth, but it's unlimited in terms of how many and what will happen over the next number of decades, in terms of the opportunity. Based on the seismic work and what we're seeing, we have someone like Statoil who's further out in another basin, it's deepwater and there are some challenges with that, but that's where the innovation comes. Anything will be overcome and it bodes well for our province and for the industry as a whole.

The other one is certainly the tourism sector that is talked about here in regard to what's taken place. In our last days in government, we'd gotten it up to \$12 million to \$13 million in regard to investment with tourism. We're somewhere in the range of a billion dollars that was returned to the economy based on that, based on our culture, our landscape and what we have to offer here, whether ecotourism and all

those other things that we have that people come to see.

As well – and I'll speak to it later – in my own backyard in my district, Mistaken Point received UNESCO designation last July. We have some challenges with that, and I'll speak to it a bit later in regard to this budget and if it's going to deal with those challenges. But that's another jewel in the crown of what we have to offer here in Newfoundland and Labrador. I think it may be the fifth UNESCO site here in the province. I think there are 18 maybe in total in Canada.

So it is unique and it has huge opportunity, but the key is you have to have a plan to maximize those opportunities. It's all part of the economic plan, it's all part of sustainability, and we need to make sure we're focused on that to get it done.

Other industries that are mentioned here, the aquaculture industry – an industry that is continuing to grow, with significant opportunities here in this province. Over the last decade, we've done tremendous investment. It comes to mind somewhere between \$28 million and \$30 million that were invested by the province into the aquaculture industry, which leveraged over \$400 million in driving the industry and driving the activities. So that's important. That's how you partner with the private sector to grow industry off a new industry and provide opportunities, especially in rural Newfoundland and Labrador.

I know my colleague from down on the South Coast, all of those down there seen tremendous change in the activities down there in the communities. When you go back and look at the cod moratorium in '92 and what happened back then in regard to the fishery, the wild fishery in many respects, cod, groundfish, and what devastation that had and here you have an opportunity to invest with aquaculture, invest with the private sector and that has led to a dramatic change and a dramatic shift in providing that partnership and getting a return on it.

I think last year, if I remember correctly, there were about 24,000 or 25,000 tons of salmon. Then there's also the whole mussel component of wild farming that's a huge part of what's

happening. It's all good too: blue mussels, world renowned from what is being produced here in Newfoundland and Labrador.

There's huge growth, huge potential in the aquaculture industry. I know in the summer of 2015, our administration had to work with Grieg Seafood out of Norway and there was a MOU signed. Nothing has been confirmed to date; it has been 18 months. That's a tremendous opportunity, somewhere around a \$250 million project. It would be another significant player in regard to the aquaculture industry here in the province. Marine Harvest, a significant Norwegian player in the aquaculture industry, has also become a player in the province in regard to industry. They bought into Gray aquaculture that went into receivership – my understanding is they bought their assets. They are a significant player and they'll bring great opportunity to the province as well.

We haven't heard from this government on the Grieg project. I do note, though, in one of the documents for the budget in the capital investment component, they do reference the sites being built in Placentia Bay and they do reference the fact of the facility being built in Marystown. So I'm a bit curious on that one. There's been no official announcement on either one of those, yet in the capital projects, in one of the documents, they are listed. So we'll see where that goes.

There's been concern in terms of environmental assessment, but I think any industry needs to have strict and stringent environmental regulatory framework, and it's through working with all concerned that we have the best regulatory framework we can have, especially when this is going on in other jurisdictions. I think it's important we maximize the opportunity to have that regulatory framework, but I think it's also important for economic development. I think we can do it well with the aquaculture industry, provide that strong regulatory framework and move the industry ahead.

With those two I mentioned, with Cooke, Marine Harvest and Northern Harvest, if I remember correctly, all of those collectively will give a volume, if you will, to the industry to allow the supporting companies to grow and

flourish. Again, they're building an industry and I certainly encourage the current government of the day to continue to pursue it because we have seen huge advantages to it, and I think there's certainly more to come.

The other one in the fishery is the one we talked about as the wild fishery, the ground fishery, which, as we know, has been a centerpiece of our economy for many years. Since '92, the ground fishery has certainly lost its footing here, if you will. Some of the changes we're seeing now in the shellfish industry, some of the cuts in shrimp and some of the cuts in crab have seen that industry decline. Obviously as the biomass for groundfish and cod start to come back, there's a look towards how we transition. That's not an easy process when you look at the current return and the value of the shellfish industry and how you transition that into a ground fishery.

That's going to take a lot of work and it's going to take a focus. I know the current administration – I know in our time we had worked through CETA. We knew at the time what was coming. We knew we had to transition. We knew there had to be significant dollars spent. That's why, for relinquishing MPRs, we agreed that there would be a partnership with the federal government and the provincial government to get those monies to work on, really, five pillars that are fundamental to transitioning industry, and to use that money to do it.

Now, unfortunately, we didn't receive that. The current administration recently announced \$100 million of an Atlantic Fisheries Fund. I think this year there's maybe \$5 million in the budget to leverage – we're not really sure what we're leveraging because, as they say, details are scanty. There is \$100 million for the Atlantic fund, and that's a bigger fund.

Anyway, the point is what we had focused on was that distinctly we had MPRs. No one else in Atlantic Canada had used them, but it was distinct to CETA. That is why we negotiated the 70/30, \$400 million fund that we could use to transition. So we will see what happens, but it is certainly disappointing when you look at what is in the current budget in regard to the amount of money, provincial dollars, and to try and

leverage federal dollars and what that amount will be. It is time to get on with it.

I notice in the Speech from the Throne it talked – I think it was in the minister's original letter – about a Fisheries Advisory Council. I understand that's in the process. After 17 or 18 months, I'm not sure where that is to or whether it's appointed, but it's certainly needed. Some of the things it was going to look at were cod revitalization, how you deal with that and how you support all the value chain in that industry, whether it's harvesting, processing or marketing.

The reality is the whitefish market has been – what would you say? Over the past 20 years, 30 years has other whitefish now that's used. Some are farmed and some are out of the wild, but there's a replacement that has gone on. We need to re-establish ourselves in the market. We need to have a steady supply. It's not an industry anymore that will have cod block. It has to be top quality, it has to be fresh, it has to be frozen and put into the market. So there is a whole process to that, to change the way of doing things.

In Arnold's Cove, there is a state-of-the-art cod plant there. I've seen some of the things that they have done, and how they have been doing top-quality product to get it into market. That's what we need to do. It needs to be a 10- or 12-month industry, the fishery. It needs to be fresh or fresh-frozen to bring it into market. I have seen the Icelandic operation and what they have done. They send fresh cod into the Eastern Seaboard; fly it in, Icelandair; within 48 hours, it's out of the water, it's fresh, flown into the Eastern Seaboard and it's gone into the market. So if they can do that, we are a lot closer. We can certainly do that as well.

Those are all the things we need to take on and I certainly encourage the government of the day to get on with it and do what needs to be done to maximize the opportunities. Even with the backdrop of what we are seeing today with the shellfish industry, we need to start that process.

We also need to be cognizant of the ecosystem and some of the things in regard to the research that has been done. I think when we had our fishery, it was 800,000 metric tons. The recent study done by DFO was up around 300,000. We

are not at a level yet where it's a full-scale commercial fishery that could drive the type of level and scope we would need. We need to be careful in regard to when do we start that commercial fishery, what it's going to look like and the breadth and scope of that. That's something we need to be very careful of.

With that, goes the issue of science. From our time and our administration, some of that royalty money we had – based on the federal government and their lack of science and activity over the past 30 years in getting out of groundfish and science, we had chartered *Celtic Explorer* out of Ireland; had done significant work in regard to the groundfish. I think it's the Bonavista basin or somewhere in that area in regard to the traditional spawning ground of the cod.

They used to come for several weeks – a whole group of scientists. A lot of those scientists now are with the Marine Institute. We've developed probably one of the top groups of scientists in Canada at the Marine Institute here. There were people that did their masters and Ph.Ds here on groundfish. In Canada overall, we probably got the best group of scientists for groundfish in the country and they are right here at the Marine Institute. That's investment. That was done through the Marine Institute and giving young people the opportunity, and they would be involved as well with the *Celtic Explorer* in that experience.

Unfortunately, I think that was cancelled under the current administration. I'm not sure where we are in regard to the ground fishery. I know the federal government in last year's budget did talk about the fact that they were investing back into science, so that's good – DFO. To date, I heard a local MP saying he wasn't sure. He expected there to be 18 or 19 scientists. We've asked and my colleague for Cape St. Francis has asked the minister how many of those are here; are they at the White Hills; where are they; and are they on the ground here doing the work that we need to have done.

It's not only for the ground fishery; it's for the whole ecosystem. It's for shrimp, crab. We know now – and we always knew, but we never really focused on it; that's all interconnected. So if one species goes up, the other goes down,

much like the shrimp and the cod. As well, the whole issue in regard to seals and the abundance of seals and the effect it's having on the ecosystem.

I certainly implore the current government of the day here to get started on the science and the requirements that's needed which is important, as I say, for the fishing industry and what it's meant to this province and what it's going to mean and will still mean for hundreds of years to come.

I mentioned earlier about aquaculture, and the document speaks as well about seizing the opportunities in aquaculture in getting up to 50,000 metric tons annually. In my days in the fisheries, we did work to upgrade the aquaculture management plan, I think it was called. We agreed that that's where we needed to go. As I said this year, the amount of production of salmon is maybe 23,000 or 24,000 metric tons, and we need to continue to grow that. There are huge opportunities.

As well I said about the expertise we developed at the Marine Institute in regard to scientists, but in Bay d'Espoir too we also developed a state-of-the-art facility down there to monitor the industry, have technical people, scientists as well who oversee the aquaculture industry and do the research, the testing and all those things they need to drive the economy and have the expertise is the big thing that we need.

We spoke about oil and gas as the preferred destination; the document talks about that and I can agree with that and the work that's been done. One of the things I will say in 2015 or just in late summer, we had brought in a royal regime at that particular time. You need to be competitive because the oil companies want to know what the lay of the land are, what the rules are, what's the royalty regime, so they can factor all that into their cost; and when we negotiate in terms of benefits agreements, it's very clear to them what it is and, internationally, they're aware so you know when you're coming to the jurisdiction of Newfoundland and Labrador what some of the rules of the games are.

Back then, the then minister of Natural Resources and our administration had announced that. At that time, the current premier

who was the Leader of the Opposition, if I remember correctly, did indicate that he was going to adopt it or he thought we could move forward with it because it's very much required. If I remember correctly, the current Minister of Natural Resources – we had asked about it a few months back and I think the response was March 30, but to date I don't think we have a royalty regime. So I would certainly urge the minister and the folks on the other side to get to it, get it done. It's very important.

As I said, we had it arranged. In mid-2015, there was a framework announced. While we partner with the oil and gas companies and folks around the world who want to invest, we need to make sure that with any royalty regime is the best possible return we can get for the people of the province. They are our resources and we need to partner, but we need to make sure that we're stringent and we certainly don't give up any more than we should to continue to grow developments of our oil and gas sector.

So that's important. You talk about economic development and an economic development plan, that would be key to that to continue to drive the activity, not only here off the Island but certainly off Labrador. We know that through the seismic work and work we've done in regard to natural gas and oil, there are significant findings as well, so it bodes well for the industry in general.

I mentioned before, and the document talks about, the modern seismic acquisition activity. That needs to continue and we certainly support that in regard to driving economic opportunity in the province. There were successful bids, as I said, with the Offshore Petroleum Board, a call for bids in our offshore bids, with total commitments of almost well over \$700 million. I think at that time that's probably one of the biggest or one of the largest that we had at that particular time.

Again, we've seen new entrants come into the province's offshore oil and gas industry. Other sectors that this speaks to are our mining sector, promoting opportunities in the mining sector. We've seen shipments being significant, almost \$3 billion in 2017. We continue to see the commodity market bounce back with iron ore

now up over \$90, and that bodes well for that industry as we move it forward.

There's further interest in terms of mines in Labrador. As I mentioned before about investors and creating that environment where they're welcome, we create that competitive environment where they want to invest here, we certainly need to continue to do that to make sure they will invest and want to invest their money here in our province.

There's also been some focus on agriculture to promote food security. I certainly agree with that. As well, it's not only food security, but it's economic activity that may be untapped. I think there's a huge role play there when you look at what we're self-sufficient in. It's not a lot when you look at the bigger picture, but it's certainly something we need to work on.

I know when I did the *Lands Act* review – or our government did it – back in 2014-15, in Crown lands there was reference then to agriculture, access to lands, and municipalities having access to lands. Some of that was adopted by the current administration – I know they've worked on it with agriculture as well. But it's about making that availability, and if there are opportunities there, you can certainly drive it.

The tourism sector as well, in regard to an economic plan, has given huge returns back to the province in regard to the activities and what's been happening over the past number of years to the point in time where we're almost up to around, up or down, over a billion dollars, and I think it employs almost close to 20,000 people, which is significant in our tourism industry. It is very important, and we need to continue to push that and to grow and see what the government's plan is in regard to sustainability.

Interestingly enough, those ones I've mentioned are ones that we've driven through our administration over our 12 years in government here in the province. Tourism, we heavily drove; the aquaculture industry, we got it to the point, we transitioned it into a legitimate industry to drive growth, unprecedented levels of growth; the oil and gas sector, driving that in regard to getting equity with firms to grow the industry. As well, I've talked about seismic. All of those things are important.

I don't know if we've seen it over the past 18 months with the current administration. They seem to be following on what we had started, but in terms of being innovative and looking in other areas, we haven't seen a lot of that. And that's important for driving industries, whether it's current or new ones that we can drive. So hopefully, we'll see something new, but we're 18 months in now and we haven't seen a lot to date.

As well, they spoke to innovation and supporting social enterprise. Local groups on the ground, whether it's cooperatives who drive activities, which can play a significant role; non-profit groups can really do great work. I know in my area you look at groups like the Petty Harbour Fisheries Co-op, we got Colony of Avalon – a lot of social enterprise groups that are doing great things – the Edge of Avalon in Portugal Cove South. A whole lot of groups that do a lot of great work as part of that social enterprise and drive economic activities in communities – a lot of it, some is related to tourism, some is not, but it really drives economic activity, which is extremely important. It's just one other avenue of a collection of a whole lot of avenues that you need to have a buoyant economy.

The speech then talked about a strong labour market that underpins a stronger economy. We know when the major megaprojects over the past decade, we saw times, and because it was so competitive with other jurisdictions in Canada – skilled trades. We certainly invested heavily in skilled trades to make sure we can get apprentices through the various levels, no matter what the skilled trade was, and put significant dollars into that to make sure they can get to the red seal and get through those apprenticeship levels. So that's where we used money smartly to drive economic activity, but make sure the labour supply is there and can be taken care of. That's all apart of driving the economy as well. We have to do and that have to continue to do it.

The document talks about the fact that as part of *The Way Forward*, which is the government's economic plan, delivering better services to residents. Service improvement must underpin decisions. That's all great, but to date we haven't seen a lot of return on that or what the actual plan is. We did see in terms of better

services, the Minister of TW went through a process of a multi-year planning and an earlier tendering of roadwork in 2017. I had discussions with him with regard to issues that were relevant to my area. That's all good.

But some of the years, interestingly enough, as he got towards the next provincial election, it seems like there's less and less on the list. One of the things that we had asked for and we never did get, and my colleague had asked for it, is the whole assessment. What we got, we got a list of roads that were assessed and that's why they got funded, but we didn't see an assessment of all the roads. So if he didn't get an assessment of all the roads, how do you know who got the priority and who should have got priority?

I know he talked about taking the politics out of it and all that, and that's good; but if you don't give a good, comprehensive list of all roads, where they were ranked and match that to what the priority of the list are, it's kind of tough to be open and transparent and say, okay, okay, I understand it, I get it. To date, we haven't received that list. I said my colleague, the critic, certainly asked for it several times. Again, in terms of long-term planning over five years, if we can get the list, it's probably something that will work well.

Supporting a Healthier Province: That's a kind of approach that is needed when you look at some of the indicators in our province, in some of our health – a lot of the health indicators, we don't do that well. It's certainly lifestyle, working with our youth. I know a lot of programs that we had started in regard to assisting youth to be active because that's when it really needs to start and becomes a way of life and promote it – through our poverty reduction program and the significant dollars that was spent on that, that transcended just about every department in government to try and support youth and families in healthy living.

Like I said, the Speech from the Throne is high level; it supposedly gives some indicators of what the priority of the government of the day is. It goes on to talk about supporting the environment; supporting community organizations; supporting indigenous people – all relevant, obviously – supporting women; supporting seniors, children; and inclusion as

well. So all of these are laudable in terms of the direction and what it is you want to do. But then it comes down to, through a budget or through a *Way Forward* plan or whatever plan you want to talk about, it's a roadmap to how we take all of that and how we're going to operationalize it, if you will.

You need to do that through clear direction, you need to do it through communicating and you need to do it through balancing a budget that doesn't stifle the economy, yet allows innovation and allows activities to grow that will drive your economy and allows people to want to stay here in the province, raise their family here in the province and do the things they need to do to be successful.

In the budget last week, the minister laid out what she thought was this government's direction, *Realizing Our Potential*, and the plan to do that. As I've said, I've talked about the Speech from the Throne and what was contained in that, that is the high-level points and you try to operationalize that to get to where you need to go, through a budget and through an overall process in governance.

It's important to look back at 2016 and where we were, and look at economic indicators and look at what they're telling us. In the context of that, too, you have to look at some of the measures that were taken in last year's budget. We've talked about them today in Question Period; the 300 fees and taxes, was it too much? Is it hindering growth?

When you think about that, how you answer that question is you look at your economic indicators. You say: Where are they going? What direction are they going in? So that's reflective of many of the choices you make in your budget.

In doing that, you have to be careful – we recognize you had to raise the revenue but you also got to curtail expenditures. In terms of raising revenue, you can't do it to the point where it negatively affects the estimates you have in terms of how much revenue you are going to raise. Because, at some point, people will stop spending; uncertainty, don't know if they're going to have a job, don't know if their son or daughter coming out of university is

going to have a job, or coming out of Marine Institute or coming out of CNA. They need to have some belief that there's an opportunity for them.

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please!

MR. HUTCHINGS: That's part of going back, and I think it's important to go back and look at 2016, what some of the indicators have been and what's been projected through this budget for 2017. That's part of government's roadmap that people get to dissect and to determine if they're in favour or if they're not in favour.

In 2016 – so this is looking back at 2016 – GDP declined by a little under a percent, and that was due to lower capital investments and some of that is related to some of the wind down of some of the significant projects we had through our term in government.

Then we looked at capital investments. It is estimated to have declined by 6.4 per cent to \$12.1 billion. That was again somewhat attributed to lower spending on Hebron and the Vale nickel process facility, and it was offset by investment in Muskrat Falls. So capital investment is down significantly in 2016.

That drives the economy. We all know people that worked in various projects, drives activity, and there is a book that was put out in the budget as well that highlights capital expenditures and some of the ones that are coming up. I mentioned Grieg aquaculture that is in there. The project hasn't been approved, yet it's in the documents. I'll touch on that in a little while.

It also touches on private investment by private companies, whether that could be building a subdivision, whether it could be building a building for office space. In the document, in the budget, there's both private and public and it would include some of the provincial-federal initiatives, whether it's roads, water and sewer, those types of things.

They would be included in it as well.

So that was capital investment. The real value of provincial exports has increased about 4.5 per cent and that was majorly due to the higher oil

productions. As I said, in 2016, production was four times what it was in 2015, and that was something that was related to really nothing that government did; it was related to the availability of that and the producers to be able to execute.

I know in 2015, at particular times, there were two of the producing platforms, or the FPSO – I think both of those were down for extended period of time. So in 2015, due to those occurrences, they would have been done and then, in the subsequent year, when they had the work done, they needed to get work to be operational, obviously production went up.

With that, too, in terms of the current administration getting a windfall of over \$400 million, it would have been related to the estimate of a barrel of oil and what it actually came in on. Both of those gave significant dollars to the current administration.

The other one that we've seen rise significantly over the past decade is average weekly earnings at \$1,014. We're the second highest among the provinces after Alberta, but that's starting to decline and that can be worrisome as well. This is 2016, so when you look at 2017, this indicator as well is going in the wrong direction.

Household income rose marginally by 0.7 per cent, but it was down by 2 per cent in real terms. Individual average weekly earnings, household earnings, unfortunately, they seem to be going in the wrong direction based on these indicators and what's happening in the economy.

The other important one is our population. We know what happened in '92, if you look at 1992, when you look at the cod moratorium. You see it on a graph; you see where it goes and the number of people who left our province. Then when our oil industry and other activities picked up in the 2000s, we started to see some growth. All the programs we have and all the initiatives of the current government have to be focused on population; give people a reason to want to stay here, to want to raise their families here, to have an opportunity to have employment. All of that's required because once someone moves away and sets up roots somewhere else – we love to say we'd like to have them come back, the ex-pats. They get kids, they get enrolled in school, get enrolled in the community and it's not that easy.

So we really need to make sure that we have the environment and create the environment where people want to stay.

So the population as of July 1, 2016 was 530,128, an increase of 0.3 per cent from one year earlier. I'll get to the projections for 2017 and, unfortunately, they're not going in the right direction.

Consumer spending was limited with the value of retail sales down by 1.6 per cent in real terms. So that's an indicator I've talked about before in regard to funds in people's pocket – retail sales. Are people going to spend if they're uncertain about employment? Are people going to spend if they're uncertain about a layoff? Are people going to spend if they don't have a feeling that they understand what government is doing, that they understand the plan? People understand economic times and there are challenges, they have to give a bit and everybody has to give a bit in that regard, people get all that, but they need to see it. They need to see the full plan.

There are times we haven't seen that over the past 17 months, and that leads people to not spend, the uncertainty. Another indicator – it is not discretionary income – is new vehicles; that's a significant investment for an individual, for a family, for a business. If they're going to invest in vehicles, they want to look at the future and see can I even maintain where I'm to today; is there an area for growth; and how are things going.

In 2016, year over year, there was a decline of 3.8 per cent, so that gives you an idea of almost 4 per cent that sales were down. That gets to the whole disposable income piece, the indicators of what is happening in the economy.

Consumer prices rose, reflecting increases in consumer taxes as well as general underlying inflation. That's significant when you think about the cost of goods and services. It's more expensive to live. That's critical when you think about people who are employed, people who are on fixed income, middle-class people families who are raising kids, got them involved in athletics, got them involved in sports, got them involved in music, doing a whole range of things, but it's just gotten more costly to live here.

When you look at, again, the 300 taxes and fees from last year, whether it's insurance on a car, the gas tax, the levy to live here, personal income tax, all of those, that's net dollars that is coming out of a middle-class family in terms of running their household. That's significant and that's why I talked about earlier a balanced approach. Because if you take too much, you're tipping the scales and it's a disincentive for people to continue to live here or want to move here. So these indicators are extremely important.

In 2016, employment fell by 1.5 per cent – significant again. The unemployment rate averaged 13.4 per cent – that was up – an increase of 0.6 percentage points compared to the previous year.

We talked about as well in terms of the oil production increased, as result of the increased Hibernia output, which was significant. I think it was up about 7 per cent and change, and the value was about \$4.4 billion. So it's enormous wealth, an enormous amount of money, and you can see how volatile it is in regard to a barrel of oil going up and down, production going up and down, the Canadian dollar – a cent even is huge.

A milestone in our oil and gas industry in December 2016 in regard to pumping its billionth barrel of oil out of the Hibernia platform, and that's really the hallmark of the start of our industry here in Newfoundland and Labrador. The price of Brent crude averaged US \$43.67 in 2016, down from an average of \$52.32 in 2015. Again, based on the production and that kind of thing, we did very well and the current government with over \$400 million in regard to additional revenues from that sector.

The other positive from the Canada-Newfoundland and Labrador Offshore Petroleum Board, there as over \$700 million in exploration bids in the offshore area. That bodes well for the future and the seismic work we did and how that moves forward.

The development of Hebron oil project proceeded with employment of 3,756 people in the province as of December 31, 2016. I think the time for that to head out is maybe April or May. It has certainly been a tremendous asset to our economy; a lot of skills developed, a lot of

people developed great experience in regard to a megaproject like that, but unfortunately that is coming to an end in this particular year.

The value of provincial manufacturing shipments decreased by 15.3 per cent, and that was mainly due to a drop in the refined petroleum products. The value of fish – we had historic landing standards, landing value. While the volume decreased, the cost was certainly up when you look at the price for shrimp and crab. We all know what's coming on that one. We've seen huge projected cuts in shrimp. I think it's 64 per cent –

AN HON. MEMBER: Sixty-two.

MR. HUTCHINGS: It is 62 per cent and then on crab, we're seeing significant changes as well.

In terms of some of the investments, when I said there was \$5 million in the budget for wild fishery and aquaculture, there are huge issues here in regard to transitioning into the industry and what the industry's going to look like. We should have been at it yesterday, and we need to get at it today. We look at the industry, well over a billion dollars, both wild and farmed, but that kind of money and supply companies and everything else around that that supports that is huge. That's in the very smallest of our communities and it's in a major city of St. John's that supplies goods and services to this industry. So it's extremely important that government gets on with it and deals with that.

Aquaculture, we talked about increased production has gone up. I think that's a bright spot in terms of continuing to move the economy and what it can do. The value of newsprint shipments increased slightly. Lumber production saw a small increase. So those traditional economies, traditional industries we have that are important to us, we need to continue to grow and to make sure we can reap the benefits from them.

There was some site preparation occurred at Voisey's Bay underground. That was something that with wanting to ship the ore out, we had negotiated with them that they would have to go underground and do an underground mine. Construction continued at Long Harbour with

about 60 per cent now in regard to production out there, or somewhere in that range.

Overall construction industry employment averaged 22,000, and was down 700 relative to 2015. So that's no doubt related to some of the activities going on in our economy. The construction of all components of the Muskrat Falls Project advanced significantly. Work continued in Churchill Falls in Labrador to the Avalon Peninsula on the Island portion of the province, with approximately two-thirds of the project construction completed at the end of the year. As well, the Strait of Belle Isle Marine Cable Crossing was substantially completed, making the first ever connection to an inter-island link.

The other one that we often talk about and see, and is really indicative of the economy and how it's doing, is housing sales. Housing sales totalled about 1,400 units. There was a decrease of almost 17 per cent compared to 2015. So we talked about the vehicles being down in sales, but you look at homes as well and what that means – a very good indicator of what is happening in the economy.

Again, I go back to the taxes and fees, all of those that were implemented, and what effect that has on the consumer in making the young family that is sitting down, Mom and Dad are sitting down with their kids, they want to buy a new vehicle; if they want to do renovations to their house; they're thinking about moving up maybe and buying a bigger home. All of that there really is a result of uncertainty, not stability, and not a good feeling in regard to what's happening and the amount of dollars that are being taken out of their pocket. Those are net dollars that they just don't have to make those purchases or make those decisions.

As I said, those are some of the indicators we looked at for 2016. That would have been in the environment of last year's budget in regard to the decisions that were made by the government in terms of how they were going to deal with shortfalls in revenue, how they were going to deal with a deficit, how were they going to lay it out, how were they going to balance and what approach they were going to take.

So that was 2016; now, in 2017, the budget comes out, the minister brought it down last week, I think they said \$83 million, somewhere in that range, in a reduction in expenditures and projecting somewhere in the range, I think, of \$283 million for 2017.

So within the context of all of that and their projections, these are the expectations for what they're saying will happen in the economy this year, and how those changes they made last year, many of them are still here in regard to taxing and fees. They modified one in regard to the gas tax, but the rest are in place. So really, it's a status quo; carry it through. If they were affecting the economy and driving the indicators down in 2016, well guess what? They're going to drive the indicators down in 2017, and that's going to duplicate the issues we had last year. So that's problematic, we believe.

When you look at 2017, real GDP is forecasted to decrease by 3.8 per cent, reflecting declines in most major sectors. Now, the Conference Board of Canada, just a little while ago, talked about GDP and talked about growth across Canada in the various provinces and identified that Newfoundland and Labrador was the only province that was going to have negative growth. They even used the term "recession." When they talked about that, they talked about it in the context of what I've repeated several times here, are the taxes and fees and the method that was brought in last year by the current administration to deal with some of the challenges. What we've seen is they haven't changed and they've been transcended into their second year of their mandate and to this fiscal year into the budget that was brought down.

Capital investment is expected to decline by almost 8 per cent. Some of the significant projects that we have in the province are winding down. Yet, we need to create that environment where investors want to come and want to invest. I've said before, the aquaculture project in the summer of 2015, we would sign an MOU with, it was about a \$250 million project. We've heard various commentaries on it but, to date, we've heard nothing from the government with regard to moving forward with that. Placentia Bay in terms of the Bruin Peninsula and activities –

AN HON. MEMBER: Hear, hear!

MR. HUTCHINGS: Yes, I hear the Member: Hear, hear! Hopefully, we will hear it announced to move forward real soon because it's needed. I had an opportunity as minister of Fisheries and Aquaculture to be a part of that, but there's a partnership there that needs to be secured and hopefully it will be. That's an opportunity for capital investment. As I said, it's 18 months or 17 months now we have been waiting, so hopefully we will soon hear something on it.

There's only \$5 million in the wild fishery and aquaculture. I think it's the capital equity fund. I think the original MOU was about \$45 million from government and \$205 million from investors. I'm not sure where that is to, but I think it would be nice to move it along to get more investment in the province.

Exports for 2017 are expected to decline by 2½ per cent, and that's mainly due to oil output, but that could change. This year we saw what happened, but that could change. As well with signing of CETA in regard to the opportunity, especially related to our fishing industry – now, obviously, resources are down, but other species, whether it is mackerel, herring, other species like that, that we can help with exports and get into other markets – because there are other species too that could be used. So hopefully through CETA there is some opportunity there to get those exports up. As of now, that current government of the day is predicting exports will be down by 2½ per cent.

Employment in 2017 is expected to average at 228,300. That's down almost 2 per cent from 2016, and that's problematic. It is down again this particular year. The unemployment rate is expected to increase by half a percent to 13.9 per cent, so we are going to go to 14 percent in regard to unemployment in this province – 14 per cent; that's significant.

The other one in regard to where we have come over the past decade is household income is expected to decline by 0.2 per cent, which any decline in that – or I'm sorry, that's retail sales are expected to decline. So we saw some decline last year, we're seeing a moderate amount this year and, with that, household income is expected to decline as well. So they're tied. If

people don't have the dollars to spend and if the same taxes and fees we had last year are transferred over to this year, those indicators are not going to do well and people have uncertainty in their lives in regard to purchasing and those types of things.

I mentioned the population is projected to decline by half a percentage. Oil production is expected to decrease, with lower production at Hibernia, Terra Nova and White Rose. We do have Hebron coming on and that will be, hopefully, towed to the field I think in mid-2017. I think there's oil hopefully flowing late-2017.

There's also the West White Rose Extension Project, which we've heard about over the past number of months in terms of where they would go, whether Argentia or Bull Arm. We haven't heard from the Minister of Natural Resources in regard to the benefits agreement, what will be available to that. We're hearing some stories in regard to where the engineering will take place, where the modules will be built.

All of those are extremely important, especially now in terms of capital investment being way down and employment heading in the wrong direction. It's very important that the current government take a strong stand with those partners for that project to make sure we can maximize each and every activity we can here, whether it's the concrete module, whether it's the engineering of the oil components, whether it's the various other components that can be built here in the province, whether it's Marystown Shipyard, whether it's other shipyards in the province, that we maximize and make sure that's done here and as much as possibly can be done here. Because with all of those projects scaling back, we have all those skilled labourers, Newfoundlanders and Labradorians, that have built these great projects in the past 10 years; they're available.

We've got some facilities; we've got Bull Arm that is going to be freed up with Hebron moving out. We've got the Marystown Shipyard. So we have the facilities, we got the people, and we should certainly encourage to get that work done here because we have the expertise to do it. At a time when, as I said, capital investment is down,

other investment is down, we need to get it done here and done here in the province.

I mentioned earlier about Statoil. They're looking at doing two more exploration wells –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Warr): Order, please!

MR. HUTCHINGS: Thank you, Mr. Speaker.

Statoil, as I said, is looking to do two more exploration wells this year in the Flemish Pass Basin which, in and of itself, certainly is positive and we encourage government and the minister to work with Statoil to try and bring that forward and maybe get close to a producing well or get more exploration done so we can get closer to that and get an agreement with Statoil.

I think nailing down the royalty regime will help with that. That's been 18 months now, I guess, sitting somewhere, but it's still not done. I think it was indicated it would be done by the end of March. It is still not done. For Statoil if they want to move forward, I think it's important that we get that done so when we have the negotiation discussions with them it's clear on what our intent is and what we're expecting from Statoil as players here in our oil and gas sector.

Brent crude prices are expected to average about – their prediction is \$55.51 per barrel on a calendar year basis, and \$56 per barrel for the fiscal year. This is interesting in the budget because, last year, there was \$125 million risk adjustment put in for a barrel of oil. This year, it is not in. It is going to be put in again next year and the years after.

But interestingly enough if the \$125 million was in this year, they wouldn't meet their \$800 million projection for deficit reduction. Now, maybe that's just coincidence. It could be, I don't know. It's kind of interesting, though, because the adjustment for a barrel of oil and the volatility of that barrel of oil, I can't see it evaporating in one year –

AN HON. MEMBER: (Inaudible.)

MR. HUTCHINGS: Yes. So it was there last year, it's not there this year, but it's coming back in the years after. So I'm not sure on that one. I don't know who gave the advice, what industry player gave the advice on that one I'm not sure. Anyway, it's interesting. But it is what it is. It's in the budget.

The value of mineral shipments is expected to rise. Iron ore, I mentioned earlier and that's great news –

SOME HON. MEMBERS: Hear, hear!

MR. HUTCHINGS: Labrador, over \$90, that's good.

AN HON. MEMBER: (Inaudible)

MR. HUTCHINGS: Oh, it will go up again. That's important but even at that, it's in the range where it needs to be, and that's good.

Obviously, with Muskrat Falls, we have a lot of electricity in Labrador, excess that we can use to drive the industry, all those players up there that need it. I think that's positive and I'm sure the Member would certainly admit that. He'd be glad to see that, a new industry, new mines, lots of energy to drive them. That's all part of economic activity and sustainability.

Vale's nickel processing plant at Long Harbour will continue as the company moves toward their capacity. Construction, as I mentioned before, in the underground mine of Voisey's Bay will continue. We got some development of Iron Ore Company of Canada and we also have the Fluorspar Mine in St. Lawrence that is expected to go. I know in my time in IBRD, we had partnered with them back then but due to commodity prices and due to partnerships to get that off the ground, it only transpired recently, but certainly glad to see it. It's an opportunity for capital investment and get things moving. It's important for the province certainly as a whole.

Fish landings, unfortunately, are expected to decline this year, and I said before government needs to focus on the groundfish industry and getting us to where we need to get.

The aquaculture industry, huge opportunities there. The Canadian Real Estate Association forecast sales to basically be somewhat stagnant. As I said before, those indicators that we've compared from 2016 to this year, 2017, most are not going in the right direction. Those that do have some changes, I think we're lacking information in terms of are they overrated or where is the information to support that. Those are some of the things we'll be looking at in terms of Estimates, in terms of Question Period here in the House in regard to getting that information.

The lower Canadian dollar will continue to support tourism growth, and I think that's extremely important. The current administration has certainly kept the dollar value and kept the investments that we had made in regard to driving tourism with our nationally and internationally recognized advertising that has been done, recognized all over the world and has paid huge dividends in regard to growing our industry.

In my district, Mistaken Point was designated in July. It is very disappointing some of the efforts by the current administration and we've tried to get answers from the Tourism Minister, from the Minister of Fisheries and – I forget the name of the department, the new name, fisheries lands –

AN HON. MEMBER: Fisheries and Land Resources.

MR. HUTCHINGS: Land Resources, thank you.

We tried to do it, to get some answers but we haven't got a lot – well, basically none, yes.

So there were fundamental issues last year in regard to the management plan that there would be staff. It was in last year's budget, it was never used so now there's a big rush on – with the world coming and I think May usually tours start – to get people hired because they're not done yet. There are issues with infrastructure, being prepared and ready but today we still have no clarity on that.

We met with the former minister some time back, a group from the region, and one of the issues that arose – and you have to put it in

context. These are all volunteers that have done tremendous work over the past decade. They've given tremendous hours, days, weeks, months – the amount of time is just enormous – to get us to the point of getting everything ready to submit to UNESCO, to get the response back, to get the designation, and the work they've done.

One of the challenges – the Edge of Avalon and the interpretation centre is run by a volunteer group called the Edge of Avalon. They have a budget. They get a grant from government and, through various other methods, they raise some money. Last year there was a fee brought in for those that would go to the interpretation centre to get a tour of Mistaken Point. So they would have now, I think, a \$20 or \$25 fee.

Now, in and of itself, it's a tremendous experience to do that, to visit the site. One of the questions they asked was: What happens with that fee? If someone comes in and pays the fee, does that go back to the interpretation centre to allow them to operate? The answer given was no, we'll have to see what happens in the budget.

Well, the issue is that in prior years there was no fee charged, but what was left, people were asked to make a voluntary contribution. Someone walked in, they go do the tour and they probably dropped \$20 or whatever in the volunteer container, so it raised probably \$25,000 or \$30,000 for that group to use to administer and run the interpretation centre. We're not sure where that's too; we're waiting to hear. That would mean a reduction in their operating costs of \$25,000 or \$30,000, which is significant.

Again, it's a World Heritage Site, UNESCO site, new on the scene, had tremendous exposure last year. July, it got its designation, but both nationally and internationally got huge exposure all around the world. Obviously people coming from various parts of the world need the lead time in terms of booking travel arrangements and (inaudible). So to have questions in regard to how the site's going to operate, is there administration money available, it is a bit much at this stage of the game, I would say to government and the various ministers responsible to have that now, because it's all tied in to the great work we've done with tourism.

The number of visitors is up; the return in terms of the economy is up. And this is just another of the many great jewels we've got on the Island and in Labrador to drive further activity, yet we're here today asking these questions.

Huge opportunity – I know the one in Nova Scotia, Joggins, when they got the designation I think it was – because they came and did a presentation to us. They said it increased by about 100 people in regard to the amount of activity it got, just like that. Through all of this, on the Southern Avalon, I mentioned before about the cod moratorium in 1992, down there in that region, Trepassey, Portugal Cove South, Biscay Bay and St. Mary's Bay on the other side, it was devastation in the cod fishery.

I know a number of years ago when we got involved with this and the community got together, it was about the protection of the reserve and the fossils, and all of that was extremely important from the culture and from the academic point of view and from the scientific point of view, and we got all of that. But there was a huge opportunity here to bring economic possibilities to the region, and that's what it's all about. Even now we've seen in Trepassey and some of the communities we've seen investment by entrepreneurs to make accommodations, to provide the services that people are going to need when they come and it's very positive for the region.

Some of these questions that I've just talked about – and I hope they get resolved quickly – in the budget is that it's putting some doubt in those in the community in regard to the investment they've made personally, volunteers and all those. It would be a shame if there's not a good experience this year when people come to Mistaken Point, number one, that they can have access and they can have a guided tour because it is a reserve, so you're going to need a guided tour. It's challenging for them, so we need to get that worked out.

People call and say can I get a tour – wherever they're coming from, they want to make sure they have a good experience. So that's something I implore the ministers that are involved with this to get this straightened away, do it quickly and put the emphasis on this designation.

This is the first in the province that is run by the province; the rest would be run by Parks Canada. So it's the first site in the province that has been designated as the province's and are responsible for it. So that means good, bad or indifferent what happens this summer, government is going to be responsible for it. I'd rather see people come, have a great experience. It's done well, but the clock is ticking and has been for some time. It is time to get the work done and make sure we're ready for it.

A great opportunity for the region, we're talking about economic development and economic plans, sustainability, all those things are important. The other issue we had and it's part of UNESCO designation is that any benefits that accrue from it would accrue first from the community and the people that live there. Hiring of locals was one part of that whole setup. So we have asked the minister and I've certainly brought it to his attention and he said he'd take a look. We've got trained people, good education that's applicable to some new positions there. We have some people that even worked in summertime on the site before, that they be given due consideration.

Because those are people that are going to build a home, they are going to live in the community, they're from the region, they have a passion for it, they've gone out and academically gotten the education to support, whether they're a geologist, or some other discipline that meets the requirement. So they are the ones that are going to drive the communities. They live in that community, they're from there, they're going to volunteer, they're going to raise their kids there and they're going to have kids in the school, so it's all interconnected.

I ask the minister to take a look – and I hope he will – to make sure if there's anything we can do – it's not about having people employed that don't meet the qualifications; that's not what it's about. There are people who are and if they are locally, we'll just ask to give them a first priority and allow them the opportunity to avail of the huge opportunity that UNESCO is going to bring, and I think it's important to do so.

So that's part of the opportunities that lie ahead and, indeed, there is some. I've gone through the 2016 economic indicators and 2017, and there

are challenges. But again, I revert to some of the things we've seen in the recent budget in regard to the atmosphere, or the economic climate you can create to encourage people to spend and do what they need to do.

What happened last year, I think, really affected the economy. I think what we have seen this year in the budget is not going to bode well. Again, on the whole economic growth side of things, employment, jobs, what's new, what's innovative, we haven't seen anything. We're still waiting to hear it, so hopefully through the Estimates, through questions here in the House, we'll get some greater insight after 18 months of what the road ahead, or the way forward is going to look like.

The other thing is the inflation piece and the Consumer Price Index and the almost 3 per cent growth in 2016. I asked the minister today in questions, she made a statement – maybe not in the Budget Speech, but maybe sometime after in regard to the expenditures, and she's going to hold the line on expenditures for the next four to five years. But when you have inflation that's running 2.5 to 3 per cent, if you're going to hold the line on expenditures, the fact that you have 2.5 or 3 per cent inflation it's going to drive cost up. So it's going to be more costly to deliver those services. If you're not going to increase that envelope of money, how are you going to meet – how are you going to keep it flat? You have to take a huge amount of dollars out, and over five years I think we calculated something like maybe \$1 billion, and that's just conservative, as you would expect.

That's something that we asked today and we never got an answer to the question. Some of the issues we're dealing with and with the budget and even with some of the projections, the economic indicators, it's not clear what the information is, where's that information to, what's backing it up, where did it come from.

I mentioned in 2017 they were looking at reductions of, I think, \$283 million. There's reference in some of the documentation in regard to its zero-based budgeting. There are a couple of other references there, but there's no detail in regard to what that is. They talk about a reduction in boards, agencies and commissions and there's a figure. Okay, well, what does that

relate to? Are you taking out services? Are you closing them down? Are you laying people off? How do you get to that figure and what's underneath it? That's the question we asked and, to date, there's been limited – which is kind of surprising because you would think that in a budget, it would be in the documents that it would be quite clearly laid out, what it is, where it's to and what the amount is. But we haven't seen it, and it's not in the documents.

I mentioned earlier in *Budget 2017, The Economy* the inventory of major capital projects. It references activity coming up. It says: "The list includes both public and private projects that are either continuing or beginning in the current year." So it says continuing or beginning in the current year, so that would lead you to believe they are already approved and government has made a commitment. You would assume that, that's what it says: continuing or would start in the current year.

In many cases, the capital spending figure quoted includes spending from previous years. The inventory was prepared between January and March 2017. It goes on to talk about the significant dollars – \$35 billion in major capital spending. A lot of that is tied to the oil and gas category. Hebron oil project is the largest of it and utilities are the second, related to Muskrat Falls.

So if you were to look at the list of the projects and the value associated with them, there was reference to cranberry industry development. These now are both public and private, which is a good thing because private investors are investing to build inventory that they deem necessary for their operations here in the province. One that I mentioned earlier was marine aquaculture sites; capital about \$100 million. It says 2017 to 2020. Grieg Newfoundland Seafarms Ltd. – 11 marine aquaculture sites to be located throughout the northern region of Placentia Bay, spanning from Rushoon to Long Harbour; part of the Placentia Bay Aquaculture Project. This report says that they're in progress or they're going to start this year. So that leads us to believe we haven't heard anything on this and is this approved.

There's also one here, Salmon Hatchery, as well related to Grieg Newfoundland Nurseries Ltd. –

construction of a Recirculation Aquaculture System hatchery for Atlantic salmon in the Marystown Marine Industrial Park. That was an industrial park I think that we partnered with the town in regard to building and fit nicely in terms of this project and putting this facility there. It will include the construction of a hatchery, a smolt nursery and a smolt land base; part of the Placentia Bay Aquaculture Project.

Again, it's here on the list for inventory of major capital projects that will be of the public domain, but we haven't heard in regard to have we approved it, or what the partnership or what the investment is. I know in the aquaculture capital equity program, that's included in the \$5 million. So there's not a lot of money there.

Now, I do notice they have the \$30 million contingency fund. I think I saw that in some of the documents – no, I think there might be one this year, \$30 million. I think I may have seen it. So maybe that's somewhere, but anyway there's not a lot of money to support that, but we'll see where it goes. I guess, based on this, we'll see an announcement shortly. It was a really good MOU, I must say, that the previous administration put forward. So we'd certainly like to see it included indeed. It goes on to talk about several other capital expenditures that are going to support activity, which is all good.

I want to just talk, Mr. Speaker, a few minutes about the overall budget and the discussion of the past year. We hear, as elected officials, and I'm sure on the other side hear it as well when we're in our communities and we're talking to families and seniors and people looking to find a job and all those kinds of things, students coming out of high school trying to think of what they're going to do, where they're going to go, people coming out of CNA or just finishing their program, Marine Institute, Memorial or any other private college asking you is there job possibilities, what do you think I should do, where I should go.

The one thing we hear is the uncertainty. Based on last year's budget and again this year, people are concerned is there hope here, do they have an opportunity to find employment, to live, to grow their family here. I do – I say absolutely, I tell them I'm very positive about it. I said we have a year or two of a rough spot, but I know

with all of our resources and everything we have, I think it's very bright here.

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: You did not think we were listening.

MR. HUTCHINGS: Oh no, I know you're always listening.

Unfortunately, over the past number of months, we haven't always heard that from the other side. There's been a bit of doom and gloom. I think that doesn't provide the positivity and what we need. That's unfortunate, but it seems like they're coming around and I'm glad to hear it. Today, some Members over there, they're applauding the fact of being positive. We have opportunities in the province with our natural resources and with everything else, with our post-secondary institutions and some of the things that we're doing on the innovation side of things, and it's good. We've got a way forward.

But after 18 months, I certainly think it's time to get on with it and start giving people that sense of faith that there are opportunities here. We have some challenges, but we can see our way through it. We have the leadership to see our way through it. Once people know that and understand it – as I said when I started, you could lay out a plan for people and some of it they may not like, but at the end of the day if they know it, they understand it, you articulate to them what it's about, what the end game is, they'll respect you for it.

We've been through tough times before and we'll be through them again. But people just want to make sure that there's someone leading the ship and will see us through, and I think that's important that we do that.

So some of the things we've seen over the last little while, we've certainly seen an improvement in the deficit position and a lot of that is a direct result of oil, about \$400 million, some of the efforts in regard to that. It's funny enough but at times we've heard, over the past 18 months, that we were addicted to oil and relied too much on oil, but really the situation today in regard to the budget is that without that, the current administration wouldn't hit their

targets. So it's interesting when you listen to what the minister released in her budget.

Mr. Speaker, the other thing in terms of the economy and driving some of the activity in the economy is related to various taxes and other things that come up. One of those taxes that have been talked about recently is carbon tax. And when you look at Canada as a whole and our amount of greenhouse gas emissions on a global base and what percentage it is, it is very small. Then if you factor in Newfoundland and Labrador and where we are to with it, that's another tax on activity. We have talked about the economic indicators that I mentioned earlier. That flows into all of that because that's dollars out of people's pockets in regard to how they pay for that, because that's a trickledown effect whether it goes on fuel – and I know today and in the budget the minister talked about the fact that she is reducing the gas tax over the next period of time.

AN HON. MEMBER: Part of it.

MR. HUTCHINGS: Part of it, but at the end of the day there is still going to be a portion left. So the question of the day to her was is that going to be part of a new carbon tax, which will be embedded in – and it's often done through the collection on gas. I know the former minister brought in last year a particular bill which was specific to Newfoundland and Labrador in regard to industries, I think it was five, in this province and there was a made-in-Newfoundland model. But it wasn't broad-based for everybody, it was just dealing with those five major industries of the province and how we would deal with that.

I know at that time in discussion and in the debate in the House, we went back and forth, we talked about what if the federal government comes in with a bit of a heavy hand and says, no, we are going with a national carbon tax, how would that affect what we are doing. Because what we were doing was we were going to look at five particular industries. We were going monitor for two years, if I remember correctly, and then we were going to look at targets. Then Cabinet was going to decide how that is all going to look at the end of the day, what's the number going to be, what are we going to charge.

Then after that, there was a decision made by the federal government to give a deadline for 2018 to say at that point in time, we are going to bring a carbon tax. All jurisdictions need to deal with that and need to bring it in. That's where we are to today. I'm not sure which supersedes the other at any particular time, and I guess that will be explained as we go forward here in the House, maybe in this session, in regard to the direction from the federal government in the carbon tax and what we have done here in the legislation in regard to that.

I guess I say that in regard to the economy. Obviously you look at – one of those players was Come By Chance Oil Refinery. They are having challenges now, or supposedly, in to some of their operations and some of the activities about a rumor it may be sold. I know there's been some concern with that entity in regard to what a carbon tax would mean in terms of operations. So I think it's always important, and I certainly urge government of the day to take a close look at that in regard to our industries, and what it means in terms of operations and doing a carbon tax or whatever that would be. Other jurisdictions have cap-and-trade and various other avenues to look at that. I think it's very important in terms of economic development and the further growth of the province to look at what impacts it has and at a point in time in our history, and certainly our challenges in global markets, is this the route to go and what does that look like.

Now, I think there was some discussion from the minister when he was in Ottawa with his counterparts in regard to what the general formula would be. Hopefully that will get worked out, and we'll get to a point where there's recognition of the fact our industries here in the province, what they are, the role we play, the amount of greenhouse gas we emit.

Obviously, we've invested in hydro. We've often said there should be recognition of that in any carbon tax. We've reduced greenhouse gas emissions. You take Holyrood out – we've paid for that, to take Holyrood out, greenhouse gas emissions. So there should be recognition of that as well. We should look at our particular circumstances in regard to what it means for us and our opportunities here in the province.

The other one would be an offshore. I know that's something that needs to be looked at in the future in regard to offshore development and how all that works whether it's natural gas, oil production, how that all will factor in. So that's very important we look at that, because the potential for that as well would be quite significant.

I just wanted to, as we talk about the budget and talk about taxes – the minister referenced today in regard to partially reducing the tax on gas and what's left over, where that's going to go. She wasn't definitive on what that would mean at the end of day in regard to us. But either way, I think it's important that we hold that in mind in regard to moving forward and what we're doing in regard to taxes and fees and driving the economy, and what the best part is to do in driving the economy and how we do it.

Again on the carbon tax, there are various methods to do it. As I said, there's a carbon tax, or there's a cap-and-trade program. The point of the carbon tax obviously is to change people's and company's behaviour so there are less fossil fuels, less usage. Whether that works or not and how it works, that's something we'll go through, but I think it's important, as I said before, that we hold that near and dear and the government does as well as they move forward and look at what option we're going to pursue.

In was in October, as I said, that Prime Minister Trudeau announced the national floor price on carbon tax and requires all provinces and territories to have some form of carbon price by January 2018. If there's not one implemented they'll impose a \$10 ton, which will increase to 50 ton in 2022.

Now, when we look at various jurisdictions and what's happening across the country there are various models of carbon tax or cap-and-trade programs in place: carbon tax for British Columbia, Alberta, Prince Edward Island; cap-and-trade in Quebec and Ontario. So it's varied and it's varied in terms – I know BC has an issue in regard to getting to the top level of the national tax because they have it already and they're working towards it. So that's what they have to do. I say to government be mindful of that in terms of the economy and how that drives

taxes and drives the overall industries in this province and how important it is for us.

Mr. Speaker, I want to touch on an issue that I've talked about since last year in regard to we had all the fees and taxes come in, and what it did – we talked about that in terms of the economic indicators for 2016 and 2017, the effect it's having. They started to fall in 2016, most of them in 2017. Now the predictions aren't good in terms of some of those and where they're going.

One of the things I brought up and asked the Premier about last year was equalization and what could we do in regard to at least just having a discussion with the federal government. At the time, it was some time ago and the Premier indicated kind of it is what it is, we're not going to go there, the federal government shouldn't be able to help us – even though we have a number of jurisdictions in Canada: Nova Scotia, New Brunswick getting 1.7; Ontario, Quebec gets about \$10 billion; and that program would have been renewed in 2014. I think it's about five years – every five years.

The Premier came back at one point and said well, you didn't do anything when you were there. Well, that's not totally true, or it's not true at all, actually, because back in former Premier Williams day, when they looked at the revenue stream from oil the argument was made that Newfoundland is just getting started, our royalties are starting to flow, can we bridge into the program so we can get that wealth, we can build our infrastructure, do the things we need to do and at some point down the road we will come off. So it wasn't done within the equalization formula; it was done outside of the equalization formula. What he said was that let us keep our revenues, continue to get equalization for a period of time and the determination with Prime Minister Martin was that it would be a three-year period.

The equalization component continued to function but through the federal Department of Natural Resources, there was an offset payment, where what was taken out of equalization was given back to us for, I think, those three years. What they asked for then was that okay, give it to us upfront, give us an upfront cheque, and that's the \$2 billion cheque that we remember

was received, those offset payments for equalization, and that's where it came from.

So there are two arguments we've heard of why you can't do it. Well, it's entrenched in the Constitution first, fundamentally, that any partner of Canada should have reasonable services at a reasonable level of taxation. That's fundamental; that's in the Constitution. There's legislation and a regulatory framework that oversees that.

One argument was well, you can't change it. It's law; you can't change it. Well, the reality is we have 339 MPs and that's what they do. They change laws, they modify them and they correct them. So I mean, you can certainly do it through that model.

The other model is that you could do it outside of the equalization component, which I just referenced was done back in 2004, whenever it was, when there was an agreement done with Prime Minister Martin to do offset payments and cut the cheque and receive it.

So either way it can be done. I guess the disappointing piece was that we were told that you can't do it; we shouldn't ask Ottawa. We just said have a discussion; go and ask and say here's the situation, unprecedented reduction in the global market with regard to oil. I know the Alberta premier and the Saskatchewan premier were out saying, look, can we revisit this; can we have a look based on what's happened. As I said, you can either do it within the context of the equalization formula or do it outside. So either could be done.

It's been disappointing that the current Premier and government hasn't asked, haven't even asked to have a sit down and have the discussion, because it gets back to reasonable service for reasonable taxation. What happened last year in the budget with regard to those 300 taxes and fees and what's pretty well happening again this year, if we had just some intervening help in a year or two – and as I said earlier, the folks on the other side seem to agree, we've got lots happening in this province. We got an abundance of natural resources. We're going through a bit of a rough period here, some challenges, but we can see our way through. With that help, as part of this great federation we

call Canada, all we wanted was that bit of help and have that discussion. I guess, for whatever reason, it wasn't to be and, still today, I don't know why we wouldn't have that discussion.

What's going to happen is there's a five-year period, so as our economy picks up and revenue picks up in 2019 when the review starts, guess what? Our revenue per capita is going to be up and they're going to look at it and say no, you're not going to qualify for equalization. So that's the unfortunate part. I think collectively if we've gotten together with maybe Saskatchewan and Alberta and advocated and said let's take a look and see what we can do, I think it would have been worthwhile for us. We can still do it I guess. But, to date, unfortunately, we haven't been able to get the Premier or government to take a look at it.

As I said in 2017-2018, it's going to be at the point in time when, where we're to in our history, we're probably not going to be able to go on equalization again and we'll lose that opportunity to do it, which is really unfortunate that we didn't have the ability for people to stand up for us to say, at the very least, we are going to have a chat. We want talk about it. There's an opportunity here to see where we go, and that's not where it's to.

I guess the model itself in terms of equalization, I think everybody agrees that the whole fiscal capacity piece, how to determine revenue, what's in and what's out. I think most agree that that needs to be looked at. I agree with that. The whole thing needs to be reviewed because I don't think it meets the needs of Canadians today.

There was an article written by a professor out of one of the universities in Atlantic Canada. He looked at the Atlantic Canada piece and he said when you think about equalization and the per capita piece and how services are delivered maybe in Atlantic Canada, how the demographics in Atlantic Canada are going the wrong way – well, not the wrong way, but we got the fastest aging population and you look at the geography of how we deliver services. When you factor all that in, the current model of fiscal capacity under equalization, when it was originally designed, may have fit, but today it doesn't fit.

He said why not have a look at those components, like demographics, geography, distribution of people – all of those things would allow a different lens on it. I'm not saying that equalization is the be all, end all, but I'm saying there's a program that exists today which is Newfoundlanders and Labradorians, whether it is right, wrong or indifferent, we should be able to have a discussion about accessing it. Then if we need to have another discussion at some other point about what's included in equalization, the model that it was originally intended to serve, is it still serving, do we need to change it, what is it supposed to look like, yes, that's fine, let's do that.

The immediacy right now is the fact that we have some challenges, we're Canadians, proud to be Canadians, that's there, let's have a look, let's see if we can work through it and (inaudible). So what we've done and said we're going to tax and fee Newfoundlanders and Labradorians; we've already gone through the economic indicators and the effect it's had in 2016 and the effect it's going to have in 2017. We have to recognize that and here's an opportunity to deal with that and to help us through a year or two of difficulty. Because, as we said, there's bright times ahead and we just need to get through the issues like that.

All we can do is just urge the Premier, Finance Minister to lobby – to the question, they didn't do anything. I know I spoke to former Premier Marshall who was Finance Minister in 2011-2012. They had discussions about that, about what they'd bring forward. I think they asked for data and asked for input from the Finance Ministers when they met in 2012 and they brought data forward; they reviewed it. The late Minister Flaherty in 2014 came forward and said no, we're not making any changes to equalization. It's a federal program, we control it, we own it, here is what it is and they renewed for another five years.

Much like what was done in the recent Health Accord that our Premier attended. They went up and they were all joined and yes, we're going to hold out; we're not taking 3 per cent. No sir, we're not taking 3 per cent. No, not going to take 3 per cent.

AN HON. MEMBER: They wanted 6 per cent.

MR. HUTCHINGS: The former Harper administration had it at 6 per cent. I think they intended to roll it back to 3 per cent and the new Trudeau administration, I think, had agreed they would roll it back to 3 per cent. So all the premiers went up and said no, we're not taking 3 per cent. No, not doing it. Anyway before they all got out the door, they were running to sign up and said they were taking the 3 per cent.

Anyway my point is, it's very much like the equalization formula when it's renewed. It's the federal government's decision to make, they make it, and you need to try to make representation to them to get it changed. So it's no different. When the Premier or someone else says well, it's equalization, you did nothing about it. We did; we made representation, just like he did on the Health Accord, and he was told by the federal government sorry, we're going ahead with the Health Accord and we're giving you 3 per cent. Now you can take it or you cannot – same thing; there's no difference.

The point is, if you check the name plate on your door and you're in government, you're responsible. That's it at the end of the day. It's your decision to make the choices, your decision to advocate. It's your decision to do what you need to do. I guess that's all we're saying here. Unfortunately, the relationship and that sort of thing, that's up to them how they want to do it. I know our time in government we had some difficult choices, but I know I went with the former premier and went to Ottawa and met with the prime minister of the day.

AN HON. MEMBER: (Inaudible.)

MR. HUTCHINGS: No, it was nice in his office, just before Christmas – nice, yes.

AN HON. MEMBER: (Inaudible.)

MR. HUTCHINGS: No, no.

We went in and had a good meeting. It was in December. I'll tell the hon. Member, Prime Minister Harper, we went in, the former premier, on the fisheries fund, and he had his minister, Rob Moore, with him, and that was about it. We said this is the agreement. I sat in the room with Ed Fast who was minister of Trade at the time, sat across the table with him. We came to an

agreement on what it would take; went through a bunch of scenarios. It was all in the documentation that was released to the public, and we settled on a \$400 million fund, 70-30.

At that time, the prime minister disagreed. He said: No, that's not the case; that wasn't agreed to. We said: Bring Minister Fast in and let him articulate what the agreement was. He said: No, we don't need Minister Fast. So that would kind of tell you. So any time after there was any discussion about it, Minister Fast was never anywhere to – now, nice man, I respected him, I got to say. We had a good relationship, but he was never allowed to discuss it after the fact, which I think is telling. He was the guy at the table. Anyway, it is what it is.

Then from there, leading up the completion of CETA, it was Prime Minister Trudeau and our current Premier that was there when the agreement was finalized. So what was a bit amazing was that our current Premier said there was no agreement, yet the prime minister had said at the time, before he became prime minister, that we need to honour what Newfoundland and Labrador was offered. Yet we had the Premier was saying there were no agreement. So how could the prime minister give us a \$400 million fund when our own Premier was saying there was no agreement?

Anyway, from there, we went to the point that the agreement wasn't signed until the folks on the other side were in office. So at any time, the current government or the Premier could have put their hand up and said, hold on now, we're not signing on to CETA. Because we don't think we're getting what we should be getting for MPRs.

There was silence. We asked about it here in the House. They said we're having discussions. We would just say: What are you having discussions about? There are no discussions. There was an agreement made and either you get it or you don't.

They kept saying they were having discussions and then we find out that the agreement gets signed and there's no fisheries fund, but after the fact there's an Atlantic Fisheries Fund, which had nothing to do with CETA. Our public servants that were there did a great job. Trade

negotiators did a tremendous job, public servants, looking out for Newfoundland and Labrador interests and we were able to get this fund.

There was a province in Belgium basically, before it was signed, they put their hand up and said to the EU, no, we're not signing this. We got issues of provincial jurisdiction or sub-regional issues that we want resolved – and guess what? Everything stopped. Belgium went back with the EU, worked through it, and the needs of that province were dealt with and they moved on.

If our Premier had an issue and said there was never an agreement and we're just going to give up MPRs for nothing, why didn't he go back to the federal government and say hold on now, we're signing on to this, we're not supporting it because MPRs is a provincial jurisdiction, a sub-regional jurisdiction – and that's what the EU wanted to do. Prior to all this starting, they said we want all this stuff related to provincial jurisdiction, sub-regional – we want it all taken care of. We don't want to have to go to a trade court after all this is signed and start appealing stuff. Yet they didn't do it. They didn't put their hand up. They didn't say it was important. That's unfortunate, but it is what it is.

Mr. Speaker, I want to move on to another commentary on a piece of the budget and it's related to education and infrastructure and the commitments that are made over the past number of years in education. I talked about that in the Speech from the Throne in regard to youth and families and being able to grow your economy and you need young people, you need population growth, you need all of that to be able to maximize opportunities. It's important that we are able to do that.

I know in the past *Budget 2016* there are investments in education – I certainly acknowledge that – from our folks on the other side. In 2016, in K-12, they said they recognized the need to address essential capacity planning and replacement of school infrastructure and they talked about *Budget 2016* being a commitment included.

There was \$88 million to continue projects and over \$60 million for repairs and maintenance.

Some of those projects would have been started on our watch. They talked about over \$73 million for school projects in Conception Bay South, Gander, Paradise, Portugal Cove-St. Philip's, Torbay, Virginia Park and the extension and renovation of St. Peter's Junior High.

They talked about \$4.8 million for an extension and renovation of St. Peter's Primary in Mount Pearl, extension of Mobile Central High School, modular classrooms and continued planning for K to 3. We certainly recognize that in terms of the commitment and what was made, but I'll go back to 2015 or even back further to that in terms of my particular region. It has tremendous growth and is probably one of the last places on the Northeast Avalon that was pushed out and started to grow and we started to see a lot of development. That's in the Bay Bulls, Witless Bay, Mobile, Tors Cove, Bauline, St. Michael's and Burnt Cove, that region there.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HUTCHINGS: We've got two municipalities and the rest are local service districts. I guess about 10 years ago we've seen the first hint of significant development with a subdivision going in and lots being approved, that started. From there, the administration I was a part of, recognizing there were significant needs in infrastructure around the province and needs required – I think during our time there was almost \$600 million invested for K to 12 infrastructure from 2004 onward, so that's significant. That was some of the royalties and monies we got and we directed it in infrastructure.

I think there were 1,900 repairs and maintenance projects. That was \$220 million, and 59 major capital projects. I think there were 14 new schools; eight more new schools in various stages of planning and construction; 27 major extensions and renovation; and 10 more major extension and renovation projects underway. That's just an indication of the investment that was going on, and it was needed and it was recognized and ongoing.

As I said, in my particular region, we had seen continued growth probably since 2007, 2008, 2009. In St. Bernard's in Witless Bay, there's a K-6 school. We had seen significant growth there so we had built on two permanent classrooms, or maybe three – three permanent classrooms I do believe – to try and see our way through this. Recognizing there were a lot of needs around the province in terms of infrastructure, we had to work towards an end to a resolution, but we were able to do that.

We put on three classrooms and then further to that, recognizing there was continued growth, it was double streaming in some of the classrooms coming through, we went through and we put on two portable classrooms that were temporary. The Town of Witless Bay gave two temporary permits, so they didn't give a permit to build on, so there were two.

At the same time, there was full-day Kindergarten so it was trying to certainly meet the needs of the student community by putting those on. So it moved along and the intent, at the end of the day, was that we would get to a point where you would be next in line and there would be a middle school or new school built.

Moving along that continuum, in 2014 there was a BAE-Newplan consultant hired to look at the region and to see what the best –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HUTCHINGS: – route would be in regard to meeting the needs of the region, which makes sense. So in 2014 a BAE-Newplan report was done and they would have looked at the Witless Bay building, K-6, and said is there an ability to extend, an extension; is there an ability to build up on the building. The conclusion at that time was it was not an option.

Then they looked at Mobile Central High which is grades seven to twelve. That school was built approximately 11 years ago, a new facility, but fully maxed in terms of space, and pretty well maxed out in terms of space. They looked at that facility and said what are the options here in regard to changing the footprints of that facility, and whether you'd build on to it, or it could go

up, or what it was. So they looked at the footprint of that facility, came back and said no, it's not a good idea.

Then the third option was: Would you build a new school? What they came back with was yes, to meet the needs of the region, recognizing the growth, that you have pressure on the Witless Bay facility, St. Bernard's, and you're going to have pressure on Mobile High School, let's build a five-to-eight school. It would take pressure off St. Bernard's, K-6, and take pressure off the high school seven to twelve. That's what they recommended.

Based on that, the Eastern School District, the trustees, recommended when they sent their infrastructure list to the province for the 2015 budget, they recommended it, had it on the list. It came up for approval, like it does with any government to the Cabinet and they have their discussions on it and what's going to happen, but it was recommended. They had gotten the numbers from the Department of Finance, from government, and they had done their assessments, made their recommendations and sent it to the Eastern School District. They looked at it, signed off, said the recommendations are good to go and sent it off to the government of the day. They did a review of it all, of all requests, and in the budget of 2015 they announced they would commit the funding to build a new five-to-eight middle school for the region to meet the needs as was suggested in the BAE-Newplan report – straightforward.

At that time, there was another consultant hired to go out and look at land acquisition, look at design, all those kind of things, and a process was underway to identify whether it was Crown land, whether it was private land, what could you find to build this facility in the growing region.

So that was moving on. In 2016, the budget came out, the administration today, and said they were cancelling the building of the middle school, five to eight. No rationale, no understanding why they were doing it. Then in addition to that, they announced they were building nine classrooms on the facility in Mobile, a high school, with the intent of bringing the grade sixes to high school. So you

would have grade sixes with grade 11 and 12s in that facility in Mobile.

Now, it was never determined whether that Mobile facility, the footprint, could even accommodate that. No one ever did any review of that. Further to that, the best of our knowledge, the English School District, the trustees who were elected – and we have lots of discussion here about the autonomy of the school trustees and the board and how they should make recommendations and they should be separate from government and their recommendations should be based on their information and the best technical information and be non-political and they'll move it up to the department to government.

Lo and behold, the English School District never did rescind, to the best of my knowledge, or what they could tell me, never did rescind the building and the recommendation for a five-to-eight school for the region – never did. Furthermore, I can't find any minutes of a meeting – or been asked – that they ever approved the nine-classroom extension. Newfoundland and Labrador English School District trustees, those who were elected, they never approved the nine-classroom extension. So where did it come from? We're still asking the question.

Then when we look at the numbers, the numbers that were used in 2014 and the numbers that are used today to tell us nine classrooms are going to suffice when a consultant said you needed a new five-to-eight school to be built are the same numbers. So we've asked: What's the rationale? What's the issue? What's going on? But no one could tell us.

My understanding, I was told as well, that in the infrastructure directed to government for this budget process, that again the five-to-eight school was directed as a priority of the English School District on their construction list for this year.

So we are left with a group that is going to now – and there's another consultant hired that's up looking at Mobile school and saying can it fit on the footprint. To date, they haven't confirmed that it can. We are going to spend \$7 million that was first allocated to look at this, but in the

department's own numbers and in Eastern School District's own numbers, even if you build nine classrooms on Mobile, in 2021 they're saying that you are going to be out of space. So think about that, Mr. Speaker. We are going to spend, you say \$7 million, so maybe \$10 million when it is over and done with to build nine classrooms, but in 2021, you are going to be out of space.

For another \$8 million, or whatever the figure is – I know they built one in Gander for \$17.2 million. So for another \$7 million or \$8 million, you could build a new school, you can solve the needs of the region for the next 15 or 20 years, and everybody moves on. Or you can try to build nine classrooms in a facility that at the date you don't even know if you can build them. If you can, you're going to spend \$9 million of \$10 million at the end of the day and, in 2021, the region is going to be back to you saying, we are out classrooms; we are out of space. That's where we are.

With due respect to the minister, the group came out. We met with the minister, we didn't agree. He did meet with us, but we didn't agree. That's where it is. In terms of the whole budget process and good value for money and making the right decision and having the right plan and all the buzz words we hear in the Speech from the Throne and from the budget and what we hear in the House that there was value for money and it's good evidence and you have to make the right decision – not in this case.

AN HON. MEMBER: (Inaudible.)

MR. HUTCHINGS: I don't think so, no.

So the student community, the region, the two municipalities are quite concerned about where they go from here. The English School District even went back and said let's go back and check with the study body. So they did the survey. I think it was almost 99 percent were opposed to the reconfiguration of sending grade six students to Mobile Central High School. So we were going to get grade six students up to be a part of seven, eight, nine, 10, 11, 12, older kids. The community spoke and they said no – 99 percent said no, we are not going to do that. They don't think it was in the best interest of their kids. So again, that's where we're in regard to that

particular issue and how we're trying to deal with it.

Mr. Speaker, we've gone through a lot of things here today in regard to the Speech from the Throne, the budget and all those kinds of things. In this example I just had here, the example with Mistaken Point, and some of the issues that I have that are personal to me, that I know, that is really – when you talk about a good return for money, talk about a plan, talk about all of those things, this is an area that continues to concern me and our perspective from doing what needs to be done and making sure that we can do what's good for Newfoundlanders and Labradorians.

There's another area I want to talk about in regard to community sustainability and making sure that we invest appropriately in areas that allow us to continue to grow our communities. Back in 2015, we had worked with municipalities. It was a two-year study we did in sustainability and partnership. There was a two-year review done with a whole range of municipalities, Municipalities Newfoundland and Labrador, a whole number of stakeholders, in regard to the funding model for municipalities, the challenges with providing services, all of those things that are prevalent no matter what community you are in, whether you're in town, a city or small rural community.

Through that work – and it was a two-year process that we went through – we came up with a new community sustainability partnership. It was fiscal in nature, but as well it was about the parameters around that relationship, to support communities and strengthen social and the economic fabric of regions, and that all gets back to sustainability, having to plan, driving activities and all those kinds of things.

At that time, we invested about \$46 million in additional funding over the following three years, annualized at about \$25 million thereafter. So that was an investment in communities, sustainability and making sure that we could reach and drive activities.

That's a plan; that's taking funds and recognizing that here's a direction that can help grow communities, support them, which is a positive way, some of the things we talked about

today in regard to the budget and Speech from the Throne, to instill confidence in the community that government is there not to always support them and give a handout, but give a hand up and work in partnership as you move forward and meet challenges, and in those communities that are growing and doing well, to help them as well and to move forward with them.

So it's \$46 million in additional funds over the next three years, and that was \$25 million thereafter. They included a partial rebate of provincial portion of the Harmonized Sales Tax, which was never allowed before. So it's the first time that the municipality got work done, they could get a rebate in HST.

It was historic in the provincial sharing of gas tax revenues and it was a three-year commitment to Municipal Operating Grants at the level of \$22 million annually. That was to give sustainability again to the operations of municipalities. It wasn't every year they were waiting to find out what they were going to get in regard to funds, but they got a three-year commitment at the level at the time of what it was, \$22 million. So that's a good plan and it follows it through and makes sure that they have that recognition that there is sustainability.

There was also a funding for a pilot project for Regional Water and Wastewater operations. So that's good because we do have challenges and did have challenges and still do in regard to water advisories, which are the most prevalent and as well, in some cases, boil-water advisories. This was to do a pilot to look at helping those communities who may have infrastructure in place, water infrastructure, whether it's a chlorination system, whether it's other systems that may be through whatever issue, they don't have the capacity to operate, don't have the understanding, don't have the standard of operations to do it. So let's look at all of that and make sure that that could be done.

There was also an advisory committee to be established to explore a regional government structure. Now, that was set up and it was supposed to report back last fall, but I don't know what happened to it. I think the current administration, I don't know if they discontinued that one or they started a new one, but obviously

we wasted significant time in working towards that in regard to sustainable communities, a government structure of how we continue to operate and what it is we do.

That is very important. All across Newfoundland and Labrador was changed in terms of distribution of the population for very small communities. I go to the far end of my district to a community like St. Shott's, 70-odd people, but very self-sufficient, very good community in what they do. Then I come to the other end, communities like Petty Harbour-Maddox Cove, Middle Pond and the Goulds, which are part of the City of St. John's. So we got the full variation of different things with them. This was to deal with that and to provide guidance and a plan to do so.

The president of Municipalities Newfoundland and Labrador at the time said we partnered with the provincial government on the fiscal framework consultation, so happy to participate today. The announcement addresses several of the priority recommendations from our position paper. Now, there are a whole range of recommendations in that paper. Our intent was to deal with them over a number of years. Because, obviously, some had fiscal components to them, others didn't, but it was to look at those in regard to the complexities and what needed to be done, and it's important that these continue to do that.

I'm not sure with the current administration where they are with it and certainly with the local governance and with the striking of a committee. I haven't heard any details on that. I didn't see any reference to it in the budget in regard to how we might move that forward, but I think it is important that we do that, it's allowed to move forward, because it's important from a municipal point of view – and there are challenges no doubt. There are challenges with local service districts, with unincorporated areas, with municipalities. In some regions, we have fire brigades and they'll service a variety of regions. It could be a municipality, it could be a local service district or it could be an area that doesn't have any governance structure.

I think it's important – and people don't like to talk about it at times, but it is important that we come up with a governance structure for all

areas so that we will ensure that people can get services and everybody pays a share. What that share is, that is something we need to determine through a local governance structure. I have it in my area. I have municipalities, I have local service districts and I have unincorporated areas.

Amazingly enough, people say well, no, people won't come together; they won't do it. The waste management that was brought in a number of years ago, we were able to do and it was to the people in the area and the leadership in the municipalities from Bay Bulls to Trepassey, all those communities and all local service districts, everybody agreed – it didn't happen right away but it happened over a period of time. It's an indication that if you bring people together and you get everybody at the table and there are challenges and people don't always agree, but for the better good people come together and there are resolutions brought to get everybody where they need to go.

I think that's something we need to look at. I don't know where the current administration is with the local governance but we had started it through this announcement, and I think it's important that we continue it. It's a good discussion to have and it gets to the whole economics and budgets and all of that to make sure that we can see our communities sustainable, we can see that they can continue to operate and we build the infrastructure and we share that infrastructure, whether it's wastewater – and I know there's new funding for wastewater, which is positive – and operations, whether it's the fire brigades, whether it's sharing a town planner or a town manager with a bunch of incorporated entities, where there's a lot of development going on that they can share those resources, human resources.

All of that is extremely important. Snow clearing, I know last year – I'm not sure where we're going to go this year with it – the minister brought in, in regard to municipalities that were getting their roads done by Transportation and Works, they were given notification – actually, very short notice, and I'm not sure where we're going this, but what we need to find out is that if you were getting your roads done by TW – well, the budget came out April or May, whenever – and by the end of the summer you had to get a private contractor to come in and do your

roads, because TW weren't going to do them anymore, that didn't work out very well because obviously most municipalities had their budget done, had it submitted. They had no revenues or no ability to basically go out and do a tender and get someone to come in and do snow clearing.

There was a number in my region – and to the benefit, I got to say, to the Minister of TW, he did finally revert and say, okay, if you can't get someone – and most couldn't – we'll revert to the old method and we'll look at it this year. I haven't heard yet, and certainly we'll find out from him what the plan is. With something like that, if there's an opportunity I think you got to give lead time, you've got to bring a bunch of communities together. Out in rural Newfoundland and Labrador there's no company going in to do a small community of a couple of hundred people. That's where the whole concept of regionalization and coming together and trying to do it collectively makes it somewhat appetizing for an entrepreneur to do that. Those are things we've got to look at. I think we can do that.

I'm interested to hear as we move through Estimates and move through debate here in the House and Question Periods, how we get there and what the minister has in store for this particular year in regard to snow clearing for those municipalities and local service districts as well.

Mr. Speaker, I mentioned earlier an issue in my district, and I just want to make a few more comments on it before I finish up. It's with regard to Mistaken Point and the management plan that was part of the – I think it's called dossier that was sent to UNESCO. That's a pretty thick document that's put together and outlines all the requirements of how you're going to meet the UNESCO designation, your obligations for community involvement, interaction, volunteers; infrastructure; regulatory framework; how you're going to manage the reserve, operations, finances. All of those things have to be prepared and not only on the community side, but on the scientific side: who are your scientific partners, Memorial – Guy Narbonne was from one of the universities in Ontario and very knowledgeable with regard to this.

The academic knowledge of Mistaken Point far exceeded, I think, the provincial understanding of it. We had a lot of people from around the world, through universities, coming here doing their Ph.D., looking at the 560-million-year-old fossils and using that. They were much more familiar with it, which is, I guess, just the way it goes, but now we're developing into a worldwide site and we got the UNESCO designation, which is extremely important.

With that and with the recognition of what comes with that, there is a requirement under the management plan and that is part of the dossier. Basically the management plan said here's the staffing you need; here's the expertise you need, the scientific; here's the community regulatory framework you need; and all of that you need to follow.

The means to follow that was an advisory council. So the advisory council is made up of the scientific community and it's made up of the local community, the volunteers and the expertise at the local level. So you need to bring those together. The volunteer group, to date, is called the Mistaken Point Ambassadors and they were volunteers on the ground. They worked with a director who oversaw the designation. Unfortunately, her position was terminated in last year's budget, which in and of itself doesn't make a lot of sense. She was terminated last year in the budget.

So there was no oversight following it through, once we got the designation. That's somewhat problematic. Anyway, the management plan was part of that dossier, and I mentioned earlier the two ministers involved here. They need to take that and make sure that's being adhered to. But, to date, there's no indication that it is being adhered to, which is extremely problematic when we look at going forward and what needs to be done.

The advisory council I mentioned has never been set up. It was supposed to be set up right after our designation, which was in July. What we have in place now, we have the Mistaken Point Ambassadors which are volunteers on the ground. When we met with the former minister back a month or two ago, they were asked to stay on. Again, it's a preparatory thing. You knew this was coming and it appears, for the last

17 months, there's been no attention given to it, which is a significant piece of acknowledgement and designation for the province.

It's not just for the region or the community, it's for the province. It's UNESCO World Heritage Site, which is one more area in Newfoundland and Labrador when people come that they can use in our tourism ads – if you look at some of our tourism ads there's a D and E site – it's a big, flat surface that reaches up from the water and it's on that that the actual fossils are. You can go out and walk and put your hand down and see the fossils. So they are actually in our tourism commercials today and they are part of it. So that's important, and we can only hope and I'll continue to lobby the government to make sure they step up and do what needs to be done in regard to getting the work done and making sure that we do what needs to be done in maximizing our opportunities.

Mr. Speaker, today I've had a chance to speak to some of the Speech from the Throne and highlight some of the things that were in that and tie that into this year's budget and then looking at last year's and some of the recommendations that were made there. I guess the biggest thing is that last year the approach taken by this administration and some of the things they did – I think we've shown through the economic indicators of 2016 and what the projections of 2017 are that it hasn't worked and it's not going to work. It's been one sided. It's about grabbing way too much out of people's pockets; a resulting effect of the economy slowing. Whether we look at car sales, house sales, real estate sales, all of those indicators are going in the wrong direction and that means the plan and what we're doing and what this administration is carrying out is certainly not working. That's problematic.

In regard to the reduction in expenditures, again, I don't think we've gone to the point, after 18 months, where we need to go to get to the point where we have a balanced approach; \$81 million I think in the past fiscal year – \$283 million they are talking about of an \$8 billion approximate budget; \$283 million in this current year. We get no details on how we're going to get there and there's a whole lot of uncertainty in regard to the public service, where they are going and what the direction is.

We had done in 2015 – I think there was 400 to 500 that leave for the public service year for various reasons, but we had said, let's look at that and as people move out, let's look from an attrition point of view, let's look at the organization of departments, let's reorganize and be innovative and see what we can do differently. Within that, if 10 go, we put eight back and you can adjust it accordingly as you go. But that's a two-part process. It is not just getting rid of people; it's making sure that when people leave the public service, you're not replacing them, we have a model set up or we have a delivery service model that's effective, that's innovative and that meets the needs of the day. That's something, unfortunately, we haven't seen in the past 17 months. What was presented here last week I certainly don't think – I'm hopeful, but I'm not that hopeful that we're going to see it coming in the immediate future.

The other issue is the one I brought up and spoke to earlier and it was on funding from the federal government. One of the issues that we hear about is the money we get from the federal government and how well we've done and we're doing well and everything is going well and that kind of thing. When you look at the budget document and you compare some information in regard to what the numbers are, when you compare where the money comes from – these are laid out in each budget document each year. I have 2015, *Budget 2016* and 2017 and what it summarizes are the current revenues by source and where the money comes from; it's a pie chart that shows the breakout of where it is to.

In 2015, the Government of Canada: \$671,821,000; it was 11.7 per cent in 2015. In 2016, the Government of Canada: \$702,920,000, so about 12.8 per cent; roughly a percentage increase. We look at projected 2017 and it's \$745,953,000, 12.6 per cent. When we talk about all of the money that's coming from the federal government, in 2015 it was 11.7 per cent of our total revenue and this year it's projected to be 12.6 per cent. It's about a percentage. So we're on track for what we always got. To suggest there's a free flow of cash coming from Ottawa – maybe it's somewhere else, I don't know, but it's not showing up here. These are the budget documents. I'm not sure, it's not in these; maybe it's somewhere else.

The other one which was the interesting one is the offshore royalties. In 2015, it was a little over a billion dollars; it was 21.1 per cent. In 2016, it was \$485 million, about 8.9 per cent. This year was up again \$902,765,000; 15.3 per cent. Even though it was budgeted in last year's, it was only budgeted at close to half a billion and then there was a windfall of \$400 million which got it up to the \$900 million that government basically used to balance their books.

The other one is personal income tax, when you think about it, and it gives an indication of what's happening in your economy: people are working; they're making income; they're paying taxes; those types of things. That's, again, one of the indicators that we talked about before, but it also indicates the amount of money you're taking out of people's pockets. Personal income tax, we look at the amount of money we're taking out of people's pocket – personal income tax in 2015 was \$1.1 billion; 20.7 per cent. In 2017, it is projected to be \$1.6 billion; 27.6 per cent of revenues are pulled out of people's pockets.

When you think about it, if you factor in just under 3 per cent of inflation rate, or Consumer Price Index for goods and services, not only are you taking way more money out of people's pockets, the actual goods and services they need to buy is gone up. So the dollar they're spending doesn't go near as far. Then if you add on the gasoline tax that's coming out of a reduced dollar, if you will, if you add on sales tax, insurance tax, fees and your annual levy, the amount of disposable income, net income, that's coming out of people's pockets is enormous. That's not the way forward or I don't think that's going to build a prosperous and a better Newfoundland and Labrador.

As I said earlier and someone on the other side agreed, I think Newfoundland and Labrador has a few challenges right now, but I think we need optimism; we need leadership. I think the people of the province deserve it. I think it's there, but we need to talk about what we have: our resources, well-educated population. We have outstanding post-secondary institutions. We've driven innovation. We've driven opportunities. We have great leaders. We have great entrepreneurs. We have great business leaders.

But through all of that, we need political leadership that shows the way, that shows hope, shows optimism, shows that there is a way forward and we'll maximize every opportunity for Newfoundlanders and Labradorians.

We've done it in the past. We've done it for over 500 years. We've had bumps in the road. We'll see ourselves through them. But we need that leadership. We need the ability for people to have confidence and hope and I can only hope and pray that this administration, after 17 months – they haven't got there, but in the very near future, for the benefit for all Newfoundland and Labrador, they will start to do what they need to do and drive this economy for the betterment of all Newfoundlanders and Labradorians.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Osborne): The hon. the Government House Leader.

MS. COADY: Noting the hour, Mr. Speaker, I move, seconded by the Minister of –

MR. BYRNE: Advanced Education, Skills and Labour.

MS. COADY: – Advanced Education, Skills and Labour that the House do now adjourn.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

This House stands adjourned until 1:30 tomorrow afternoon.

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