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*Speaker: Honourable Tom Osborne, MHA*

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The House met at 2 p.m.

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

Admit strangers.

I'd like to welcome to the Speaker's gallery the hon. Sean Lyall, Minister of Culture, Recreation and Tourism with the Nunatsiavut Government.

Welcome.

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

**MR. SPEAKER:** We'd also like to welcome to the Speaker's gallery Crystal Snelgrove and Pauline Moulard.

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

**MR. SPEAKER:** In our public galleries today we have Mayor Juanita Stone and her husband, councillor Bob Stone, from the beautiful World Heritage UNESCO site of Red Bay.

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

**MR. SPEAKER:** The Chair would also like to recognize and welcome to our public galleries today representatives from the Dietitians of Newfoundland and Labrador.

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

#### Statements by Members

**MR. SPEAKER:** Today we will have Members' statements from the Members for the District of Harbour Main, the District of Cape St. Francis, Harbour Grace – Port de Grave, Fortune Bay – Cape La Hune, Conception Bay South and St. George's – Humber.

I recognize the Member for the District of Harbour Main.

**MS. PARSLEY:** Today, Mr. Speaker, I give rise to bring awareness to this hon. House on the plight of six-year-old Olivia Reardon, who lives with her older sister, Kayla, and her devoted mom, Colleen, in Avondale.

Olivia was diagnosed with a very rare disease, Pearson's Syndrome. Of the 100 known cases in

the world today, there are only two in Canada. Additional complications are bone marrow loss and Type 1 diabetes.

There is no daily routine, as each day presents new challenges. Olivia is a warrior, strong willed and determined, who faces her challenges and meets them head on with a smile, as only Olivia can do.

During her recent visit to the North Pole, Santa gave Olivia his teddy bear to bring home with her. Olivia was overjoyed. Another surprise awaited Olivia upon her arrival home. Olivia learned she was chosen to have a part in Santa's next new storybook release.

Mr. Speaker, I ask all hon. Members in joining with me in saying thank you, Olivia, for demonstrating such remarkable courage in your young and tender years. There is no doubt, the courage demonstrated by you, Olivia, Kayla and your mom is an inspiration to us all. Your smile lights up our world.

Thank you, Olivia.

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

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

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

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

I rise in this hon. House today to recognize a very brave young lady from Torbay, Lynelle Cantwell, who took a stand against bullying.

Recently, Lynelle discovered she was listed on an online poll that named her one of the 10 ugliest girls at Holy Trinity. Although Lynelle Cantwell was named to this poll, her reaction was inspiring. She did not let these bullies get to her.

Lynelle stood up and responded back to Facebook saying she felt sorry for these people. I quote, "Just because we don't look perfect on the outside does not mean we are ugly. If that's your idea of ugly then I feel sorry for you like seriously get a life."

Lynelle's response and her positive outlook have given her local and national attention. Lynelle has become a role model for many young people in this province. She was invited and attended the National Youth Leadership Conference and many other events.

We all can take lessons from this modest, reasonable, compassionate young lady and take a stand against bullying.

I ask all hon. Members to join with me in thanking Lynelle Cantwell of Torbay for taking a stand.

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

**MR. SPEAKER:** The hon. the Member for the District of Harbour Grace – Port de Grave.

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

I am grateful to stand and recognize the Morgan family of Port de Grave: Boyd, Gloria, Charl and Virginia. They demonstrate sheer dedication each year by organizing what is known as the Gutsy Walk – the largest community event for Crohn's and Colitis Canada. They do this in memory of their son and brother, Lloyd.

In June of 1997, Lloyd was diagnosed with colitis. On the 20th of December he was rushed to hospital and had emergency surgery. The illness destroyed his bowel and, as a result, he had to live with a colostomy at 18 years old. It was a year to the date of his emergency surgery, on Sunday, December 20, 1998, when Lloyd was killed in a head-on motor vehicle collision on the Veterans Memorial Highway.

I had the honour of singing at Lloyd's funeral service and, today, it is a true honour to stand and recognize my friend and the loving dedication of his family who continue to keep his memory alive.

To date, the Morgan family have helped raise more than \$65,000 in Lloyd's memory, which support people who live with Crohn's and colitis.

Please join me in applauding the Morgan family.

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

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

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

I rise in this hon. House to pay tribute to Mr. Larry Hudson, our treasured friend and media persona, who passed away last year at the age of 89. A seasoned reporter, Mr. Hudson played an integral part in recording the colourful history of Newfoundland and Labrador. From the lighthearted coverage of Christmas Spree celebrations to being one of the first journalists on scene at the horrific Air Arrow crash of 1985, Larry Hudson is a household name whose distinctive newscast coverage is forever linked to recollections of our past.

Larry was a loved and valued member of our community and he will be deeply missed. I have no doubt that his stories and reflections of our culture, so accurately and warm-heartedly depicted with his words, will forever be a part of Newfoundland and Labrador's unique character.

Mr. Speaker, I ask all Members of this hon. House to join me in paying tribute to Larry, whose legacy of hundreds of memorable stories portraying life in our province, particularly rural Newfoundland and Labrador, holds a place near and dear in our hearts, as it surely did in his.

Thank you, Mr. Speaker.

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

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

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

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

I rise today in this hon. House to honour two army veterans, Donald Hookey and Marc Gauci, who are both involved with VETS Canada, a volunteer-led group that aims to help vets who are at risk of becoming homeless, are now homeless or face some other crisis.

Mr. Speaker, these two men, in November, held a second annual 24-hour veterans' vigil at the National War Memorial to recognize and raise

awareness of the number of Canadian veterans facing homelessness.

Over the Christmas season, this organization assisted many veterans from Conception Bay South and surrounding areas. VETS Canada help veterans young and old with injuries, depression, anxiety, PTSD and those simply having trouble transitioning from military life back to what the rest of us consider normal life.

Mr. Speaker, these individuals are bringing awareness and assistance to homeless veterans in our communities. I want to commend Donald Hookey and Marc Gauci for the work they have done and also bring attention to their cause and encourage all Members to do so.

To learn more about getting help for vets check out [www.vetscanada.org](http://www.vetscanada.org).

Thank you, Mr. Speaker.

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

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

**MR. REID:** Mr. Speaker, the Lions Club motto is "We Serve" and nowhere is this motto more evident, in practice, than in the long-term commitment to the organization of public speaking competitions.

I recently attended the Lions Club Speak-off in Pasadena and had the pleasure of listening to nine very interesting speeches from students on a variety of topics. The work and practice they, along with their families and teachers, have put into these speeches certainly showed in the quality of all the speeches.

The first-place winner was Emily Park; in second place was Rosalina King; and in third place was Ayana Wiseman. The other participants were: Cole Matthews, Daymon Brake, Madison Lake, Mikyla Andrews, Sara Crosbie and Marisa Roberts.

I would like to commend the Lions Club for organizing this event and recognize the many volunteers who have fulfilled the role of judges, questioners and hosts for the evening.

Public speaking is a valuable skill in today's world and very important in any field of employment, and it's a crucial part of our democratic society.

In conclusion, I ask all Members to join with me in congratulating all the students and also thanking the Lions Club and all those who made the speak-off possible.

Thank you, Mr. Speaker.

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

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

**MR. SPEAKER:** Today for Honour 100, I recognize the Member for the District of Bonavista.

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

Lest we forget: Peter Butler, Robert Butler, Thomas Charles Butler, William Butler, Wilson Butler, Dorman Butt, Edward Butt, Frederick James Butt, Samuel Butt, Mark Button, John Joseph Cahill, Martin Joseph Cahill, John Caines, William Caines, Alfred E. Cake, Rodger John Callahan, Hugh Daniel Campbell, Charles Canning, Permanus Canning, Daniel Carew, David Michael Carew, John Joseph Carew, John Joseph Carew, Victor Carew, Vincent Carew, Edward Carrigan, Thomas Carrigan, Bernard Carroll, James Carroll, Thomas Carroll, John Carsons, James Henry Carter, Llewelyn James Carter, Thomas Carter, Joseph Cave, Ernest Leslie Chafe, George Chafe, Jack Chafe, William Henry Chafe and Arthur James Chaffey.

(Moment of silence.)

**MR. SPEAKER:** Statements by Ministers.

**Statements by Ministers**

**MR. SPEAKER:** The hon. the Minister Responsible for Forestry and Agrifoods.

I'm sorry – the hon. the Minister of Municipal Affairs.

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

Mr. Speaker, I rise in this hon. House today to recognize that today is Check Registration Day.

Check Registration Day is an initiative created by the Canadian Securities Administrators. It provides a valuable opportunity to increase consumer awareness about investment fraud during fraud prevention month.

This day encourages consumers to check the licences and registrations of individuals and companies before entering into business transactions with them.

Mr. Speaker, protecting Newfoundlanders and Labradorians from all types of fraud is a top priority of the Consumer and Commercial Affairs Branch of Service NL. Residents can get information about common investment scams by visiting the Consumer and Commercial Affairs page on the Service NL website.

Investors can also visit the Canadian Securities Administrators website and use the National Registration Search Engine at [www.aretheyregistered.com](http://www.aretheyregistered.com). Alternatively, they can contact the Financial Services Regulation Division of Service NL.

Mr. Speaker, my mandate letter recognizes the need to do more to protect consumers against fraud or bad business practices. As we pursue that work, I urge consumers to be vigilant, as falling victim to fraud can have long-lasting, devastating effects for individuals and families. Check Registration Day reminds us that knowledge and awareness are a consumer's best defence.

Thank you, Mr. Speaker.

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

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

**MR. K. PARSONS:** I thank the minister for an advance copy of his statement.

Mr. Speaker, we live in a different era today than we did years ago and it's so important that people be protected from fraud. Today we realize that the Internet and the mobile devices we use increase the risk of fraud because people just go and order everything online. You don't go to businesses anymore and face to face. Everything is done through computers and mobile devices.

Mr. Speaker, in 2014, 140 people fell victim to a mass-marketing fraud in this province and another 503 filed complaints against being 'frauded.' Mr. Speaker, there are simple little things that we look at every day. Sometimes we go and we don't turn off our computers. It's so easy for someone to access all the information we have there because of a simple thing like not turning it off.

If you look at people using the Internet today, you will see it on Facebook and everything else. They post all these different types of pictures with personal information on it. It's so important that we make them recognize the importance – Mr. Speaker, I will finish off.

We'll just look at the lady, what she did when she posted a picture of her Tim Hortons cup. She lost her money. Just a simple thing like that, people can be affected today.

It's a different era we live in. It's important that we recognize this week and make sure people be vigilant over fraud.

**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 minister for the advance copy of his statement. Protecting the unsuspecting public from fraud is a good thing and these are fine initiatives, but the province's growing seniors

population is especially vulnerable to fraud and scams and is less likely to access government websites. An office of the seniors advocate would be ideally suited to address the protection of seniors from fraud, identity theft and other financial crimes.

I urge this government to keep its promise and to set up an office for a seniors advocate.

Thank you very much, Mr. Speaker.

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

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

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

**MS. GAMBIN-WALSH:** Mr. Speaker, I rise today to recognize March as National Nutrition Month and today, March 16, as Dietitians Day in Canada.

The provincial government is pleased to support Nutrition Month in partnership with dietitians of Newfoundland and Labrador and our community partners. The theme of this year's Nutrition Month campaign is: Take a 100-Meal Journey: Make Small Changes, One Meal at a Time.

Mr. Speaker, we consume almost 100 meals each month. Throughout March, registered dietitians in this province have been encouraging Newfoundlanders and Labradorians to take a closer look at each of those 100 meals, with a view to making small, positive changes to their diet.

Our government is developing a new health promotion and healthy living strategy, and healthy eating will be a key part of that strategy, Mr. Speaker. Meanwhile, we continue to partner with community organizations such as Eat Great and Participate, Recreation Newfoundland and Labrador, Food First NL, the School Milk Foundation, the Kids Eat Smart Foundation, and others, to promote healthy eating. Perhaps some of my colleagues had an opportunity to visit representatives of those organizations at the Nutrition Month Expo set up in the West Block of Confederation Building today.

Mr. Speaker, I invite all Members of this House to join me in acknowledging Nutrition Month in Newfoundland and Labrador, and in thanking registered dietitians throughout the province for their efforts to support the health of Newfoundlanders and Labradorians.

Thank you, Mr. Speaker.

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

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

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

I'd like to thank the minister for an advance copy of her statement. We join with the government in recognizing National Nutrition Month, as well as Dietitians Day.

We live in a day and age where many find it increasingly difficult to follow healthy eating regimens, largely due to increasing cost and availability as well as lifestyles. Campaigns, such as the 100-meal journey, are a great endeavour as it educates and encourages positive eating choices. Simply put, we know that a healthy, nutritious diet will lead to an overall healthier well-being – a goal we must all work towards.

Mr. Speaker, while personal health is obviously important to us all, we have an even greater responsibility to instill knowledge and health awareness in our young people. I'm encouraged to see government continuing to support key programs and groups such as Eat Great and Participate, various Rec NL initiatives, the School Milk Foundation and the Kids Eat Smart Foundation. We, too, join with a special thank you to our registered dietitians.

Thank you so much and thank you, Mr. Speaker.

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

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

**MS. ROGERS:** Mr. Speaker, I thank the minister for an advance copy of her statement. Research shows how important nutrition is both for physical and mental well-being. I thank all

the community groups and our dietitians who are doing amazing work.

We have the highest percentage of seniors living on OAS and GIS. Most are widowed or single women who didn't have paid work and now try to live on \$1,200 a month. Rent is \$800; heat, \$200; phone and cable, \$100; leaving \$100 a month for food, transportation and more. Try feeding yourselves with nutritional food on less than \$100. And more seniors are using food banks.

Mr. Speaker, we have a problem.

Thank you.

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

**MR. SPEAKER:** The hon. the Minister Responsible for the Forestry and Agrifoods Agency.

**MR. MITCHELMORE:** Mr. Speaker, Canadian Agricultural Safety Week is taking place from March 13 to 19. I rise today to acknowledge the important role that Newfoundland and Labrador's farmers and producers play in making safety a priority each and every day.

Many Newfoundlanders and Labradorians visit local farms to purchase fresh produce or to see the animals with their children. On-farm safety is everyone's responsibility and one our farmers and producers take very seriously.

As part of this year's activities the Canadian Agricultural Safety Association and the Canadian Federation of Agriculture launched a new three-year campaign.

The *Be an AgSafe Family* campaign provides farmers and producers with tools to understand the challenges unique to keeping every generation safe. The campaign is delivered with assistance from Growing Forward 2, a federal, provincial and territorial initiative that has funded hundreds of agriculture-related projects in Newfoundland and Labrador.

I encourage anyone interested in learning more to visit [www.casa-acsa.ca](http://www.casa-acsa.ca).

Thank you.

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

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

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

I would like to thank the good minister for an advance copy of his statement. It's a good statement. We, too, as the Official Opposition, would like to recognize Canadian Agricultural Safety Week from March 13 to 19.

It's important for all of us to encourage on-farm safety. Many on-farm accidents can be prevented with proper training and proper experience and awareness.

We would like to congratulate the Canadian Agricultural Safety Association on their three-year campaign, Be an AgSafe Family. According to their website, this campaign will have something for everyone, for every member of the family. It will have resources to help children and families stay safe on the farm, to help adults juggle family, farm and work life, and also resources to help the elder farmer continue to farm safely.

I encourage everyone to visit [www.agsafetyweek.ca](http://www.agsafetyweek.ca) where you can sign a safety contract, learn about safe agriculture activities for children and also to learn more about Agriculture Safety Week.

Thank you.

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

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

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

I, too, thank the minister for the advance copy of his statement. I'm glad the Canadian Agricultural Safety Association has chosen the safety of farm children in its campaign this year given that an average of 13 children die on Canadian farms each year and the recent tragedies in Alberta.

I would have liked, though, to have heard from the minister how the Federation of Agriculture and others here will be participating, but I'm sure they will take full advantage of the tools and resources being offered to help keep farm children safe.

Thank you, Mr. Speaker.

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

**MR. SPEAKER:** Oral questions.

**Oral Questions**

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

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

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

Mr. Speaker, the Minister of Finance is on the record as saying that the government, our new government, has saved \$100 million in discretionary spending in just three months. Well, last week the minister committed to providing the exact details to the House. The request for additional details has been denied and, to be quite honest, the door has been closed on us, Mr. Speaker, in finding out this information.

The minister has stated that the government will be extremely open and transparent when they release their budget. The people of the province shouldn't have to wait until the budget to find out what savings have been already realized in this fiscal year.

I ask the Minister: Why are you refusing to provide those details from this fiscal year?

**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.

Yesterday in this House the hon. Member, twice in his questioning, referred to this as not about the budget. I would remind him very clearly that this is exactly about the budget. The Estimates,

as he is aware, will clearly show, very clearly, what was budgeted, what is spent and how much is saved.

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.

Yesterday here in the House the questions asked were very straightforward. The Finance Minister dodged answers yesterday and continues to dodge those straightforward questions again today. This is about this year's budget, budget '15-'16.

The minister rose in the House of Assembly, right here and very proudly announced \$100 million in savings over the last three months. Certainly she just didn't pull that number out of the air. She must have the facts. She must have the details. She went as far as to commit to provide details to the House, to me in the House specifically and also to the media.

Now, she also said they were going to be open and transparent on budget day. Is that the only day we can expect this government to be open and transparent is budget day? Is that the only day we can expect to hear details from this government?

I ask the minister once again to provide the details on one of her three headings: savings identified in fiscal update, \$118 million. Will you provide the details on that heading?

**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.

All the specifics of every, single expenditure that comes in under a budget are disclosed as part of the year-end process, and it's not a matter of hiding anything. As a matter of fact, all of the details around exactly what ministerial offices had extra political staff will be disclosed as part



of the regular budget process, including the Estimates discussions that we will have here in this House.

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

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

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

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

Again, the minister is dodging what are very straightforward questions. It was the minister who rose in this House and committed to provide the details to me, as the Leader of the Opposition, and to the media.

My question is very simple: Why have you flip-flopped? Why the contradiction and why will you not now provide those details?

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

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

**MS. C. BENNETT:** Mr. Speaker, quite the contrary. This is about this minister understanding very clearly where the facts will be presented to the people of the province, unlike the Member opposite who continues to not even understand the process of Estimates and budgets.

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

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

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

We certainly expected to hear a blame game – we’ve heard that lots from Members opposite – but leadership and governance and being a government, being the party in power is about governance and it’s about leadership. The minister said yesterday that she’d be happy to stand on her feet and answer all the questions about the \$100 million. She also committed to provide the exact details – were her words, Mr. Speaker, her words – the exact details to me.

Now we see a contradiction. A very simple question, she will not provide the details.

Why the contradiction? Why have you changed your position?

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

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

**MS. C. BENNETT:** Mr. Speaker, I’m confused as to why the Member opposite doesn’t understand the Estimates process. I would expect he has participated in them regularly, and this is not a matter of hiding anything. When people in this House and the people of the province have a chance to look at Estimates they’re going to very clearly see the incredible work Members on this side of the House have done to watch every single penny that’s in the public purse.

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

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

**MR. P. DAVIS:** Mr. Speaker, I’ll remind the Member opposite, it was the minister who stood here in the House of Assembly and very clearly articulated she would provide the exact details. Then she provided a sheet that had three lines, three numbers and no details. We’ve made efforts and we’ve asked for those details.

So we need to know, the people of the province want to know – and I can tell you, yes, the people of the province want this question answered according to the calls and the input that we’re receiving from the people of Newfoundland and Labrador, Mr. Speaker.

So I ask the minister: You committed to table information in the House. You’ve now withdrawn that commitment. My question is very simple. Why did you change your position?

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

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

**MS. C. BENNETT:** Mr. Speaker, with all due respect to the Member opposite, there's been no change of position here. Quite frankly, the people of this province have many questions that they're asking, including all of the questions related to why former administrations when they had record oil production were unable to control spending that on average increased by – it was 22 per cent to 30 per cent higher than any other province.

Mr. Speaker, I look forward to presenting a budget in this House that answers those questions very clearly.

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

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

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

**MR. P. DAVIS:** Mr. Speaker, once again, it is very clear that the minister is not going to answer what she claims to be factual when she came to the House of Assembly. Instead of answering the questions, she is using her time to play the blame game. Everyone in the province predicted that the new government would play the blame game, but we're down to a very simple answer.

Why will you not provide the details to the House, the exact details that you committed to provide? You made a commitment here in the House of Assembly. You have reneged on that. You've contradicted that. Why do we have to wait for the budget for you to finally be open and transparent?

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

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

**MS. C. BENNETT:** Mr. Speaker, I'm very proud of the work that my colleagues and the Members on this side of the House have been doing to prepare for the budget.

Mr. Speaker, we, too, are getting questions, questions like why an administration that ran six years of surpluses and six years of deficits could only end up with about \$4 billion extra.

The people of the province expect and deserve a budget that is open and transparent, and we intend to present that on budget day.

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

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

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

So what the minister is saying is that they will be open and transparent on budget day, but not before that. That is what I believe I just heard the minister say.

I'll let the minister know that you made a commitment to table information here in the House of Assembly. You made that commitment very clearly; you'd provide the exact details. Now it appears that you want until the budget so your details, your claim of \$100 million in savings in 88 days, is going to get lost with everything else in the budget.

Well, Mr. Speaker, I can tell the Member opposite, we're going to be asking more questions and we're going to be looking for this information again, because the people of Newfoundland and Labrador deserve to know what savings they've created in the fiscal year '15 and '16.

So, Mr. Speaker, how much have you saved in '15 and '16? When are you going to give us those details? Why don't you give it? What a contradiction.

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

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

**MS. C. BENNETT:** Mr. Speaker, I remind the Member opposite, as I discussed here in this House and with media yesterday, the savings were related to reallocations that were discontinued, parliamentary secretaries that aren't being paid, political staff that we've eliminated, freezes on hiring, freezes on travel.

I look forward to sharing with everybody in this House, and the people of the province, all of the details of our budget and the work we're going

to do to get our province back on a fiscally safe ground.

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

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

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

So the Member opposite is saying by the initiative that we created here in the House of reducing the number of seats has created a savings for government. I'm glad she shares that information.

Mr. Speaker, building on our government's Close to Home strategy, our administration implemented a very successful pilot project for enhanced care in personal care homes. While an expanded version of this project will not address the overall issues that have been created by the Liberal government's decision to cancel 360 long-term care beds in our province, it will certainly help in providing families with increased options. This project has proven to be successful and well received by families that are availing of it.

I ask the minister: Will he commit to continuing the expanded personal care home services? Will he continue to commit to the continuation of that and also the expansion of that project?

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

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

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

I welcome the opportunity to say that the enhanced home care project has, indeed, reduced demands successfully in the three pilot sites in Gander, St. John's and Corner Brook. Our aim is to seek funding in the coming budget, if possible, to continue it.

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

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

**MR. KENT:** That's good news, Mr. Speaker.

Mr. Speaker, the Minister of Health has first-hand knowledge of management problems at Central Health. Just two months before being elected, the Minister of Health wrote that Central Health had an ostrich style of management.

I ask the minister: Rather than sticking his head in the sand, will he order an independent review of senior management and administration at Central Health?

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

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

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

With regard to the issues in Central Health, there has already been a process in place to deal with issues raised by the radiologists. That's gone down a separate route with lawyers and a quasi-judicial approach.

With regard to the more general management issues that have been raised, the chair of the board, who ultimately has the responsibility for Central Health management, has reached out to the physician groups across the region and, as I speak, is holding a series of confidential bilaterals with representatives from physicians and senior management independently from across the district. It is their responsibility to deal with those issues, and I have confidence that they're doing that.

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

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

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

I would remind the minister that he has a responsibility as well, in addition to the board.

Mr. Speaker, this fall the Minister of Health wrote that Central Health was using a Machiavellian way to resolve issues and had created a poisoned well for doctors in Gander.

The very term the minister used, “Machiavellian,” is defined as using clever lies and tricks in order to get or achieve something. So now we know what the minister thinks of management at Central Health.

I ask the minister: Now that this health authority is under your purview, why won't you proceed with the independent review of senior management and administration at Central Health?

**MR. JOYCE:** Why didn't you?

**MR. KENT:** I did (inaudible).

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

**MR. HAGGIE:** Mr. Speaker, there are several reviews and issues here that are being conflated deliberately by the Member opposite to advance an agenda of his own.

The issue of the radiologist was reviewed. There were 18 recommendations in an independent review: 13 of those have been implemented already; five of them are in the process of being implemented. As the Member opposite himself pointed out yesterday in his polemic during the Interim Supply bill, this is a complicated issue and will take time.

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

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

**MR. KENT:** Mr. Speaker, what I'm asking for is a full review of management and administration at Central Health. The minister himself as a doctor in Gander is on record as having serious concerns with management and administration and leadership at Central Health, and now he's on record as not being willing to do anything about it.

In August, in response to concerns from radiologists, a review of Central Health's department of Diagnostic Imaging was conducted. The report that the minister references by Dr. Rick Bhatia was completed over six months ago. There were 18 clear recommendations, as the minister points out, and

these are urgent matters – some of which could affect the safety of patients.

I ask the minister: Why haven't the recommendations been fully implemented? Some are in process; some are outstanding altogether. Will he show leadership and direct Central Health to immediately implement the outstanding recommendations from Dr. Bhatia's report?

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

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

**MR. HAGGIE:** Eighteen recommendations: 13 implemented and five in the process of being implemented. There was a conflict management specialist recruited to go into Central Health and provide services on the direction of management. That was done. They ran a conflict resolution, conflict management, course for physicians and staff. That has been completed.

Once again, Mr. Speaker, 18 recommendations: 13 done and five in process. It is a complicated matter and will take time.

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

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

**MR. KENT:** Mr. Speaker, what's required is full implementation of the recommendations. The department has not been restructured. There are major patient safety concerns that the minister is failing to show leadership on and address.

Mr. Speaker, the Minister of Health prefers a hands-off approach when it comes to dealing with regional health authorities. He hasn't tackled the ongoing crisis at Eastern Health. He's refusing to address major concerns from doctors in his own community of Gander.

Word from within the walls of our health care system tells us the minister has been quiet for good reason. We hear the minister, along with his Cabinet colleagues, are working on a plan to dissolve the four regional health authorities.

Will the minister confirm that amalgamating the four regional health authorities is being discussed within his department and by Cabinet?

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

**MR. HAGGIE:** Mr. Speaker, this is almost as entertaining as reading *Harry Potter*. It's just about that good.

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

**MR. HAGGIE:** With regard, however, to this suggestion from the Member opposite there has been any issue around patient safety, I am quite happy to state categorically there has not.

He referenced in his polemic yesterday some issues about recommendations for anaphylaxis training – that's done. He recommended classification of MRIs on the basis of clinical urgency – that's done. He mentioned conflict resolution between management and physicians – that's done. There is a respectful workplace policy in Central Health – that's done.

I'm not sure what other imaginings I should have to deal with in Question Period.

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

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

**MR. KENT:** It appears that new ministers have done training in sarcasm and arrogance, so it's consistent at least, Mr. Speaker.

Mr. Speaker, I'll ask the question again: Will the minister confirm that amalgamating the four regional health authorities has been discussed by officials within his department or by Cabinet?

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

**MR. HAGGIE:** To my knowledge, the only time amalgamation of the health boards was discussed was by the former premier, Mr. Williams.

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

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

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

The Minister of Education has confirmed the school board elections will not take place anytime soon. In fact, he now says they're at least a year away, this all despite very loud and vocal objections while he sat in Opposition.

Why the flip-flop on your stance, Minister?

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

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

I'm pleased to get up again today and answer questions regarding the school board election because it's very important.

During the election campaign last fall we were asked by the media if we would have school board elections should we become the government on November 30. We told them we would have a school board election within 12 months because it's a priority for us to restore that to the system.

When I assumed office and took the oath, the Premier sent a mandate letter to me that said we should have the school board election within 12 months, and that's what we're going to do. I've met with the chairs of the two boards of trustees, the directors of education, a number of other officials, the Federation of School Councils. We're putting things into place to have the election, but it can't be done overnight.

This previous administration made no preparation for a school board election; now they want it done instantly. That simply cannot be done.

Thank you.

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

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

**MR. BRAZIL:** Mr. Speaker, we're not asking that it be done instantly, but the minister is

alluding to the fact that it's going to take a year or more.

Mr. Speaker, let's just look at it here. This House reduced the number of seats from 48 to 40. It established an all-party committee. It opened the House. It held public consultations. It worked with the Chief Electoral Office. It adopted new district boundaries and conducted an election within 10 months.

Why the delay by the Department of Education in conducting a school board election? I ask the minister that.

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

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

**MR. KIRBY:** Just to correct the Member, Mr. Speaker. No one said a year or more. I just said about five times or something, within 12 months. I've been repeating that every time I've been asked.

One of the things, as I suggested previously, is that right now a board of trustee election's for the English district and the French district are conducted differently. We have consulted with the Francophone about changing that. It looks like they are going to want to do that. That will require a legislative change. So we are preparing the legislation. We'll bring it in here to the House of Assembly. I hope if we can get unanimous consent, we can move that right through here and get that done.

We are also looking at ways to improve voter turnout. We've had very low voter turnout in the past. Sometimes less than 5 per cent, less than 3 per cent, and we're exploring ways to try to improve that. None of that can be done overnight. It's complicated by the fact that the previous administration did not do anything with this. It was not a priority for them. I'm surprised it is now.

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

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

The Minister of Education is quoted as saying: it's crucial that the governance of the school board be taken out of the hands of the Education Minister and given back to the people. It now seems that the minister is quite comfortable having that power.

Why the contradiction, Mr. Minister?

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

**MR. KIRBY:** Mr. Speaker, I don't have that power. The power to administrate the school district is in the hands of the board of trustees. The board of trustees, according to the *Schools Act*, is responsible for administering primary education, elementary education and secondary education.

I'm trying to give governance of that system back to the people of the province, which that government decided to take away with great haste and no consultation at all with the people, save probably one trial balloon. If people would be patient, we'll get this done.

It may not take 12 months. It may not take 12 months at all, but we want to put a timeline on things and not just leave it hanging out there like the previous administration did. They made no preparation whatsoever. This was not a priority for them. It is a priority for us. We're going to do it and we're going to do it right.

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

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

**MR. BRAZIL:** Mr. Speaker, the Premier announced that he will establish a task force on education.

I ask the Premier: Who will this task force be comprised of and when can we expect the task force to begin its work?

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

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

Well, the Premier's task force on education, on educational outcomes, is one that we were very

pleased and is in the mandate letter of the Minister of Education. It will be a task force that will go around this province seeking input of people, students, educators and people who are involved in the education system. What we're expecting here is to make sure that we can put in place a process where we will see improvements in educational outcomes, things like mathematics and so on.

The Independent Appointments Commission will be part of this process. If I was to stand here today and give the Member opposite the names of the individuals who would serve on that task force, they would be screaming loudly saying they're not open, they're not accountable, they're not transparent.

The Independent Appointments Commission will be part of this process. I look forward to making sure that we get people who are keenly interested in education in Newfoundland and Labrador, unlike the Members opposite who had all the opportunity for so many years to do exactly this and refused to do it.

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

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

**MR. BRAZIL:** Mr. Premier, can you reassure the Federation of School Councils they'll have a seat at that table, keeping in mind they're the most democratically elected representatives of all school councils in this province?

They talk about transparency and openness; what an opportunity to show that with the appointment of a representative from the Federation of School Councils.

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

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

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

Well, the Independent Appointments Commission will look at all the recommendations that will be put forward. I would anticipate that people from many jurisdictions and many interest groups and stakeholders will be interested in participating.

I can assure you that the voices of Newfoundlanders and Labradorians who are keenly interested in improving outcomes for our students in the K to 12 system, there will be a place for them to participate, to have their input, have a meaningful input. Like I say, quite differently than what we've seen. It was your government who refused to even help fund those same associations.

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

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

**MR. K. PARSONS:** Mr. Speaker, European nations provide subsidies in the billions to state-owned fishing companies, which Royal Greenland is one.

I ask the Minister of Fisheries: Does this give Royal Greenland an advantage? Can he guarantee local companies won't be disadvantaged by state-owned fishing companies?

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

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

I thank the Member for his question on this because it is important. The fishery in Newfoundland and Labrador is an important piece of the economic diversification that we see in our province.

The transfer of processing licences from Quin-Sea, which has been a company that has employed hundreds of Newfoundlanders and Labradorians, Mr. Speaker – that transfer has been done by the minister. It's been done with a lot of due diligence. As a matter of fact, there was quite a bit of due diligence done, much more than, I would say, for Members opposite who have made transfers through appointments and so on.

In this particular case, Royal Greenland is interested in investing in Newfoundland and Labrador. Their investment here, we anticipate, will mean there will be more Newfoundlanders and Labradorians. It will not interfere with the harvesting sector. We look forward to working with companies that are interested in providing

meaningful jobs for Newfoundlanders and Labradorians and investing in our province.

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

**MR. SPEAKER:** The hon. the Member for Cape St. Francis for a very quick question.

**MR. K. PARSONS:** Mr. Speaker, I was going to ask the Minister of Fisheries, but seeing the Premier is answering all his questions, I'll ask him. He alleges that there's no transfer agreements in place, which has given access to the inshore quotas to form companies.

I ask the Premier: Can you confirm there are no indirect legal agreements in place that will give access to foreign companies like Royal Greenland?

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

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

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

We've done the due diligence on this, and the Department of Justice and the Department of Fisheries, all those departments. Many individuals have taken a look at this, the processing board itself. There was no evidence at all to support the claims that the Members opposite are saying.

On another note, I would suggest that if any Member in this House, who was associated with the fishery at all, has any evidence to produce that there are controlling agreements in place, well, I ask you to come forward with that, put the information out there. Withholding that evidence from the people of Newfoundland, in particular the fishery – you are not doing your job as a resident of Newfoundland and Labrador.

**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.

Data released this week show that enrolment in Adult Basic Education has fallen from just over

2,000 in 2011 down to approximately 1,600 so far in this academic year. The number of graduates fell from 636 in 2011 to 407 in 2014 down to 132 so far this year.

I ask the Premier: What is this government going to do about the fact that privatizing ABE has led to fewer people signing up for ABE and fewer graduating?

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

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

It's a custom I'm used to, before I answer the question, may I offer to the Member for St. John's East – Quidi Vidi my heartfelt respect for the service you provide to the House. We'll have many exchanges in the coming days and weeks ahead, but as someone who's a challenger and a critic to this particular portfolio that I hold, I want to extend to you my sincere appreciation for the service you provide to the House and to all people throughout Newfoundland and Labrador.

The question, Mr. Speaker, of the administration of the Adult Basic Education program, let me say that one of the mandates that have been provided to me is to review the adult literacy strategy. When this program was first announced in 2013 there were concerns. There were concerns about the evidence supporting the objective of the program. I maintain those concerns. We are going to deal with stakeholders to make sure that a proper, very functional program is put in place.

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

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

**MS. MICHAEL:** Mr. Speaker, I ask the Premier: Will this government do a review of the impact of the privatization of ABE before the first contract expires in 2017?

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



**MR. BYRNE:** Actually, Mr. Speaker, I think the contract expires in 2016, so we are in the process of doing a full review. As I mentioned, not only through the process of an adult literacy strategy, but we're also looking at things – how can we make sure that we have the evidence to provide the best outcomes?

There has been no issue that has been raised with the delivery agents in this particular process, but there has been significant question that has been raised about the process the former administration, the former government, did in implementing the process itself.

We're going to look at all options. We're going to review this and make sure that we get this right for the best outcomes because at the end of the day, Mr. Speaker, that's really what this is all about, providing a strong foundation for literacy that's affordable, cost effective and very, very effective to the client.

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

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

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

Mr. Speaker, I ask the minister: What's the harm in waiting till after the school board trustees are elected if he's not going to, quote, rush the election? Why is he rushing to close schools? This is his chance to give power back to his people.

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

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

**MR. KIRBY:** Mr. Speaker, I'm not closing any schools. We opened one this morning, I think, officially, but I'm not closing any schools. According to the *Schools Act*, the school trustees of the two districts have the responsibility, legally, to administrate the school system. They have responsibility for primary education, elementary education and secondary education and all of the decisions that are involved there.

I know the Member's colleague said to the media no decision should be made regarding

money. Well, I think the people in the province would have some issue with that. If the Member, or anybody else in the province, has issue with what the trustees are doing, they should contact the trustees. That's who's legally responsible for making these decisions in Newfoundland and Labrador, not the Minister of Education or any Members in this House.

**MR. SPEAKER:** The hon. the Member for St. John's Centre for a very short question.

**MS. ROGERS:** Mr. Speaker, I know dozens of parents from Holy Cross have written the minister.

I ask: What is he telling them?

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

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

**MR. KIRBY:** I don't know, Mr. Speaker, who's telling those individuals to contact me rather than the trustees. I think they're being misled. They'd be better served by contacting the trustees. That's what I'm telling members of the public who are contacting me, that it is the board of trustees who have responsibility for the administration of education in the province.

If they have feedback – and the trustees have asked for feedback. In late January and early February they asked for feedback and they're asking for feedback now online. There are going to be public meetings later, next month. So I tell those people to contact the trustees, the people who are legally responsible for making those decisions in Newfoundland and Labrador. It's not the responsibility of any Members in this House of Assembly. None of us are on the school board.

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

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

**Tabling of Documents**

**MR. SPEAKER:** As required under section 51 of the *House of Assembly Accountability, Integrity and Administration Act*, I am pleased to table the *Annual Report of the House of Assembly Management Commission for the 2014-15 Fiscal Year*.

Pursuant to section 8 and section 10 of the *Public Tender Act*, I hereby table reports of the *Public Tender Act* exemptions for May, June, July and August 2015 as presented by the Chief Operating Officer of the Government Purchasing Agency.

Notices of Motion.

Answers to Questions for which Notice has been Given.

Petitions.

**Petitions**

**MR. SPEAKER:** The hon. the Member for the District of Ferryland.

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

Mr. Speaker, I present the following petition.

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

WHEREAS Budget 2015 announced a new school for Witless Bay/Mobile school system; and

WHEREAS the planning design of the new middle school is ongoing;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure that the announced school will be built and will meet the needs of this growing region.

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

Mr. Speaker, this region of the province from Bay Bulls to Bauline has seen extensive growth in the past number of years. The K to 6 school in Witless Bay has approximately 380 students. Mobile Central High again has a large portion of students. The region itself has seen tremendous growth in terms of young families, people moving into the area, being able to live outside the boundaries of the City of St. John's, but being close enough to commute back and forth.

With that tremendous growth, we have seen the need for further expansion. In the past number of years, we have seen classrooms being done to St. Bernard's, as well as portables, to accommodate that increased growth. I know the minister was up to St. Bernard's a few weeks back to open Education Week and at that time had an opportunity to see the full breadth and scope of St. Bernard's, the challenges in terms of classrooms and the ability to accommodate students.

He was given a tour by the principal, and I know now has a good understanding. As we move forward in the budget process on behalf of those families, communities and those that attend that institution and moving forward, I impress upon the government on their behalf the importance that we move forward with this very worthwhile initiative.

Thank you, Mr. Speaker.

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

**MS. ROGERS:** 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 English School Board trustees propose to close down Holy Cross Junior High school and send students to a distant school; and

WHEREAS the board has arbitrarily and without consultation reduced the Holy Cross Junior High school's catchment area and students will have to be bused to a far more distant school; and

WHEREAS Holy Cross Junior High is an important neighbourhood school with programs, community partnerships and extra-curricular activities designed to meet the particular needs of the inner-city students who attend it; and

WHEREAS the English School Board trustees are an appointed body and no longer accountable to the people who elected them;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure that Holy Cross Junior High school remains open and to immediately arrange for a democratically elected English School Board.

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

Mr. Speaker, these petitions continue to roll in to my office –

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

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

### Orders of the Day

#### Private Members' Day

**MR. SPEAKER:** It being 2 o'clock on Wednesday and being Private Members' Day, I call upon the Member for St. George's – Humber to present his private Member's resolution.

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

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

This is the first opportunity I have had to speak in a debate since the return to the House of Assembly. I just want to congratulate all the returning Members, and also congratulate the new Members to this House and welcome them to the House.

It's a great honour, really, to be elected and selected by your fellow citizens to serve in this type of Legislature. I know we all come here with good intentions of bettering this province. So I want to congratulate everyone and look

forward to working with you over the next number of years.

Also, I want to thank the people of St. George's – Humber for electing me as their Member – the new District of St. George's – Humber.

Mr. Speaker, this is the first private Member's resolution from the government side of the House since the election as well. I just want to take a couple of moments to read the resolution into the record of the House:

WHEREAS other jurisdictions such as Norway have been more responsible and used sovereign wealth funds which created a long-term legacy from non-renewable resource development; and

WHEREAS the previous government failed to manage resource revenues in a responsible manner;

BE IT RESOLVED that this House of Assembly supports the establishment of a legacy fund in this province which will result in long-term benefits from non-renewable natural resources.

So that's the resolution today. Mr. Speaker, private Members' resolutions can have a big impact in this House. They're not binding upon government, but in the past the passage of private Members' resolutions has had an impact. For example, the establishment of the All-Party Committee on Mental Health issues was started by the Member for St. John's Centre through a private Member's resolution.

We've also had resolutions in relation to topics such as the fishery, equalization and many other issues throughout the years. Resolutions can draw attention to an issue, can create a debate and a discussion that is useful to the future of the province. So in that sort of vein, I bring forward this private Member's resolution.

I think this is an important issue. I believe the issue that this motion deals with is one of our most important issues facing the province today. There may be others that are more urgent or more immediate, but I think this issue itself is one of the most crucial issues facing the province today and our long-term prosperity of the province, Mr. Speaker.

The issue at the heart of this resolution is: Are we able to find a better way to manage the resource revenue from our natural resources, ways that will achieve both short-term and long-term benefits from these resources? Can we find ways that will allow us to avoid the boom-and-bust cycles that often come with natural resources?

The question is: Can we find ways of taking a finite resource and turning it into something that creates a benefit for future generations? These are the issues that are at the heart of the resolution that I'm bringing forward today.

I just want to give a quick outline on what I intend to do in the time that I have here today, Mr. Speaker. I want to outline some of the reasons why I think we are where we are today. I want to talk a bit about some of the economic theories related to natural resource development and the type of problems such resource riches can cause. And I want to look at some strategies which other jurisdictions have developed to deal with the problems caused by resource riches, Mr. Speaker. I want to look at these other cases and see what we can learn from other jurisdictions that have gone through similar circumstances.

Mr. Speaker, we are in the middle of a financially challenging time. It is probably one of the most difficult times in our history. What's happening in the province maybe can be compared to the financial difficulties which we experienced in the 1930s. We've got a \$2 billion deficit. Offshore oil revenue is half of what it was projected to be. We have not been living within our means, and we have to change the way we manage the affairs of the province. It's quite clear.

So the questions that we should be asking ourselves are – while we have the immediate situation which government is forced to deal with on a daily basis, we also need to be asking the questions: How did we end up in this situation? What could we have done differently to have avoided these problems? What can we do now to see that this does not happen again? What can we learn from the experiences of other jurisdictions, other places who have faced or are facing similar circumstances? Those are the questions I think we should be asking ourselves

today. These are the types of questions we need to deal with in looking at the current situation that we're in.

Mr. Speaker, I want to take a bit of time now to talk about the use of theories and the application of these theories to policy and resource development because I think this holds some clues to answering the questions that I mentioned earlier. Theories are developed in many areas, many social sciences and many physical sciences. Theories in public policy – good theories, anyway – are developed based on the experiences by looking at other cases, other jurisdictions. By looking at a number of cases, you recognize similarities and you recognize rules and the way things sometimes might happen. Good theory can be a predictive tool in terms of what you might expect would happen in another circumstance.

When it comes to economics and what happens when a number of valuable resources are discovered – there are a number of theories related to this. One of the common, very popular theories related is called the paradox of plenty, Mr. Speaker. The concept of the paradox of plenty was developed by Terry Lynn Karl back in the 1990s. What she did was look at places around the world where oil had been discovered and how this discovery of oil had impacted on the economy of the jurisdictions.

What she found was surprising. It was something unexpected, Mr. Speaker. The paradox of plenty is that in many cases, places that stumble upon great resource wealth often end up worse off in the long run than places that did not discover these resources. This is strange and we have to ask: How can this be? You have a sudden influx of revenue, the way we did in this province, but in the end you're worse off than if you never had this revenue.

How could this happen? Why the paradox? Basically what she found was that the influx of this huge amount of money altered the economies of the jurisdictions and also altered the government institutions and the political institutions in ways that were detrimental to the long-term development of the producing jurisdiction.

It's sort of like a lottery winner, Mr. Speaker. By fate and chance in this province, we've won the natural resource lottery. We've got oil and gas off our coast; we've got huge mineral potential onshore. But we've all heard the sad stories sometimes about the people who win lotteries that end up wasting all their money and then becoming destitute and broke, really. Why does that happen? We need to ask ourselves how best we can manage resource revenue and what we can learn from the good and bad experiences of others.

Another theory in economics related to huge wealth from a natural resource development is referred to as the Dutch disease, and it's a much narrower concept. Basically the idea there is that sometimes oil development, huge influx of revenue, has a negative impact on the economy because it diverts attention away from other industries in the province. That's some of the problems there.

Mr. Speaker, we had warning signs in this province that we were maybe having problems with overdependence on oil and gas revenue. I'm going to refer to an authoritative document: it's the Auditor General's report from 2012. Here's what the Auditor General said in his report at that time:

"As the significance of the offshore oil sector has impacted the overall economy of Newfoundland and Labrador, there is a corresponding growing reliance by Government on oil royalties to fund its programs and services. This revenue source as a percentage of revenues has increased substantially in recent years. In 2002-03, oil royalties were \$82 million, or 2.1% of total revenues, excluding revenues from the Atlantic Accords. In 2011-12, oil royalties were \$2.8 billion, or 34.4% of total revenues, excluding revenues from the Atlantic Accords, an increase of \$2.7 billion."

So we were seeing a huge increase and a huge dependency on the natural resource revenue to a point where over one-third of our revenue came from oil resources. If you look at the amount of income tax and other revenue generated, the dependence on oil and gas would've been even higher, Mr. Speaker. The AG certainly recommended that government take warning of this and be aware of this overdependence on oil.

Mr. Speaker, Norway is sort of used as a model of a country that has used its oil revenues in a very prudent manner. One of the things they've done in their province is they've developed a petroleum fund where 100 per cent of the oil revenue from the resources off their coast go into this fund – 100 per cent of the oil revenue goes into the fund. Only the income from this fund can be transferred back to government.

It's seen as a very sort of responsible way – and I'll give a little more information about this fund when I conclude. There are other funds such as the Alberta heritage fund, the Alaska fund and other similar funds around the world. I think it's something we need to be considering here in this province. That's the point of the resolution, Mr. Speaker.

Thank you very much.

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

**MR. SPEAKER:** The hon. the Member for the District of Ferryland.

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

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

Mr. Speaker, I want to thank the hon. Member for St. George's – Humber for this motion today. It's a topic that – based on the past number of years in terms of what we've seen in the development and the expansion of our oil and gas industry. Obviously, as we know from where we are today and some of the seismic work that has been done over the past couple of years, we're at the very early stages of our oil and gas industry with what will be four producing platforms in the near future; so very early stages in terms of the development of the industry in Newfoundland and Labrador.

The motion certainly references Norway. Obviously, the difference from us and Norway – one of the significant differences is Norway is a sovereign state. It controls full scope in terms of what they do, in terms of – from a federal point of view, in terms of national taxation and all kinds of national initiatives. We're fully cognizant of the fact that Norway is a sovereign state and has significant control.

Having said that, obviously in Newfoundland and Labrador, being one of 10 provinces and three territories with the federation of Canada, we work within the confines of that structure. We know through the Atlantic Accord it renders us opportunities and abilities to handle the overall development of that resource as if it was on land. That gives, and has given us tremendous return to date. But, as I said, the vast opportunity lies ahead in terms of the riches from the offshore. The C-NLOPB is the joint mechanism in terms of regulating that and overseeing it. That plays a role, too, in terms of getting the wealth from that resource offshore.

So as I said, it's important to recognize in this, in the context, and the motion references Norway, I think it's important to go back and look at how Norway started. Certainly, it is a sovereign state. We have started, and where we are in terms of our overall development of our sector related to Norway.

Obviously, too, I certainly take exception of a more responsible – I'll just talk when I go through about some of the initiatives and the expenditures that have evolved from the royalties from oil and gas to date, and what we as the past administration have done in looking at that and investing in Newfoundland and Labrador, in many facets whether its education, whether its capital infrastructure, whether its research and development. It is extremely important in terms of driving the economic opportunities of the future.

Research and development is an interesting one, because in our Energy Plan in 2007 we certainly recognized that with the creation of Nalcor. It's one component of it, which was pretty well copied from the creation Norway did in regard to Statoil, modelled after that. Another component Norway did and has been very successful with was the research and development component.

Obviously, the Research and Development Corporation that was created by our administration in 2007 or roughly thereafter as an entity to drive research and development in the industry, and others as well, but recognizing there is great opportunity from the Atlantic Accord to access revenues to be directed to areas like education and research and development

which drive the opportunity. It's almost a multiplier effect in terms of the opportunities in the oil and gas sector. That allows for new technology; it allows for innovation. As I said, it allows for enhanced education and expertise to be driven. That component too was modelled after Norway.

I know last week, the past couple of weeks the Minister of BTCRD had the opportunity to partake in announcements related to the Research and Development Corporation, and proudly, I would say. I think he was at Memorial and other areas where we have invested in RDC to build that opportunity for innovation and R&D, which is so important – and it's applied. You work with industry. The Research and Development Corporation has much success in terms of leveraging private sector dollars.

One of the intents of RDC was in terms of driving that revenue and getting access to it, partnering with the private sector to find solutions, to innovate and to find areas where you can have further enhancements in the industry, which drive opportunities for all concerned, whether it's companies, whether it's royalties that are paid back to the provincial Treasury. If you can extract greater amounts of oil, more efficiency, it's done as a better return, and it means greater royalties back to the province that we can reinvest in all areas of the province. That's a very important component of it, too, when you talk about Norway and the things we have done in terms of modelling what they did.

Norway went through in the North Sea in 1969 and started that country's first oil field. Production started in the early '70s. I think it was about '71 they went to production mode. In 1990, Norway's parliament passed a law to establish the Government Pension Fund. Then in 2006 the fund was called the Petroleum Fund, when it was renamed the Government Pension Fund Global. The change highlighted the fund's role in saving government revenues to finance an expected increase in future pension costs. So you can see how they analyzed in terms of those revenues being generated, how you extract those and where they go and what they do.

Really, when you look at Norway and a legacy fund, they were 20 years in or 20 years plus

before they got to establish a legacy fund. I think if you go back and look at what all parties have said, if I remember correctly, is that there's certainly an understanding that it's somewhere we need to go, establish a legacy fund.

Much like we did when we started to receive some of those royalties, we reinvested them in infrastructure much like Norway had done. When you have an infrastructure deficit you need to deal with that. You need to put them into areas to build your society, build your province so you have a stable future long term. That's all part of doing that, Mr. Speaker.

There have been some studies done in terms of looking at the global crisis in terms of managing energy-based economics and economies and how that's done. If you go back and look at Norway in the late '60s, early '70s, again, it was not the buoyant economy and buoyant society they have today. Obviously they built that from the riches in terms of their natural resources, oil and gas.

A policy decision, first and foremost, just like Norway. They built their infrastructure. They met their deficits in terms of that infrastructure building their communities and regions. That was important to do and very similar to what we have done, or the previous administration had done, in terms of recognizing those royalties. A huge deficit in terms of various aspects of society and worked on the social and economic side to build those.

Then the other two components, one I mentioned earlier, the creation of Nalcor to have an overall mandate to look out for energy development in the province, much like Statoil. Publicly owned, a public asset for the people of the province that allows it to continue to generate for generations to come, not only non-renewable resource but renewable resource.

You look at taking some of that investment and investing in a project like Muskrat Falls, let alone through the construction of that, and the significant input into the economics of the province and what it has done, but it's meant for long-term return. So as long as the water keeps running when that facility is built, we'll continue to generate electricity, first and foremost for our needs, our residential, commercial and industrial

activity. It creates huge opportunities. That's a legacy fund in and of itself.

That option is there for the future to come so it meets our needs. It gives us capacity to sell excess energy. It generates revenue and, through a loan guarantee and through borrowing and equity in Nalcor and overall in a project like Muskrat Falls, brings returns back. It'll be paid off and generate revenues and be an ongoing revenue generation for the province for decades to come. That's part of the investment.

So to suggest that it wasn't done responsibly or wasn't done with a vision of where we wanted to go, I mean, that's not accurate at all. It was based on a direction of where we wanted to go in getting that return to bring it back to the people of the Province of Newfoundland and Labrador who basically own that energy component of the province through Nalcor.

I know some of the Members here along the way in terms of sanctioning the project and the oversight of the project, the Minister of Finance, the Minister of TW was involved in that through the board of Nalcor, would share some unique experience in regard to that. And that's great that they have that experience and the understanding and certainly to bring that knowledge and expertise to themselves now as they sit around the Cabinet table.

All of that means that we are directed towards long-term components of what Norway has done and looked at several things that we have copied and in generating those revenues as well invested very heavily in terms of various aspects of life for Newfoundlanders and Labradorians, whether its reduction in personal income tax, putting dollars back into people's pockets so they can – certainly we have seen huge retail sales in the past number years that drive local economies, which is so important.

Again, I talked about infrastructure. Over the past 10 years, there's almost somewhere in the range of \$800 million of government dollars alone. If you carry in federal, it's up around \$1.2 billion. That's everything from schools, long-term care, hospitals, you name it, throughout Newfoundland and Labrador – highways. The list goes on; it is continuous.

That's building your economy. We have very buoyant findings offshore in terms of reserves and it's decades to come in terms of how we grow that, and that will be part of the overall vision.

You can stand and say that you didn't agree that the expenditures should be made; that's fine. Folks on the other side or any side can stand up and say there were expenditures here, we invested here and you shouldn't have invested there; that's fine. But stand and say where the money shouldn't have been spent. That's fine. That's fair game. We can have a policy discussion about that, but identify where it shouldn't be spent.

Again, when you look at equalization, the past 10 years roughly, as federal dollars were pulled out, provincial dollars needed to replace it; somewhere in the range of \$10 billion would have to be put in by the province as the federal money came out. There are other areas where the money had gone. So it's broad ranging certainly in terms of the future and looking back on what the intent was in terms of things like the Energy Plan and where we are to today.

Mr. Speaker, having said that, I'd like to propose an amendment to the motion. I move, seconded by the Member for Cape St. Francis, that the resolution be amended in the first clause by deleting the words "been more responsible and"; in the second clause by deleting the word "failed" and substituting the word "worked"; and by adding to the final resolution clause immediately after the word "province" the words "when the government returns to surplus."

The resolution, as amended, would be:  
WHEREAS as other jurisdictions, such as Norway, have used sovereign wealth funds which created a long-term legacy from non-renewable resource development; and

WHEREAS the previous government worked to manage resource revenues in a responsible manner;

BE IT RESOLVED that this House of Assembly supports the establishment of a legacy fund in this province when the government returns to a

surplus which will result in long-term benefits from non-renewable natural resources.

**MR. JOYCE:** (Inaudible) do it with a straight face.

**MR. HUTCHINGS:** I'll certainly do it with a straight face, I say to the Minister of Municipal Affairs. I've seen first-hand in Municipal Affairs the investment we've made in Newfoundland and Labrador with our royalties. I challenge you to stand up and say where we shouldn't have spent that money in infrastructure, Madam Speaker.

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

I just remind the Member to direct his comments to the Chair.

**MR. JOYCE:** He asked me to stand up. Can I take the last three minutes of your time?

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

**MR. JOYCE:** Okay, well don't go saying it if you are not going to let me stand up.

**MADAM SPEAKER:** Order, please!

Order, please!

The hon. the Member for Ferryland.

**MR. HUTCHINGS:** I say to the hon. Member, when he does have a time to stand up he can identify for us, in his district or any district here, where that would be. I certainly encourage him to do that.

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

**MADAM SPEAKER:** Order, please!

**MR. HUTCHINGS:** Madam Speaker, I certainly put this motion forward, the amendment, and I'd ask for consideration.

Thank you very much.

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

**MADAM SPEAKER:** Order, please!



The Member for Ferryland has proposed an amendment to the motion, so the House will take a brief recess to consider the motion.

### **Recess**

**MADAM SPEAKER:** Because they impose a condition, the amendments are not in order.

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

**MADAM SPEAKER:** Order, please!

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

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

It's a privilege to speak today in the House to the private Member's resolution that the Member has put forward. I look forward to addressing some of the items the Member opposite mentioned in his speaking notes.

It was interesting, as I listened to his comments, there is no doubt that Newfoundland and Labrador has many similarities to Norway. It would have, I believe, almost the same coastal line in kilometres as Norway, or close to it. It has rich oil resources. We have a population that is very passionate and committed, but one of the big differences is Norway's population is 10 times the size of our population, Madam Speaker. I think therein lies the problem with what we've seen in our province in the last decade.

Members opposite talk about capital spending. As many people in this House already know, and certainly those listening at home would understand, capital money and operating money are two different things. Investments in capital are investments that you make and you stop. Investments in operating and responsibilities for operating continue into the future.

Many people believe that while the former administration was spending capital money, they ignored things like the revenue line, which I hope to provide some examples today as to the things they ignored. They also ignored the ongoing spending they were incurring from an operating perspective, allowing operating costs

to continue to rise. Again, in a population of 500,000 people, not making the decision to take some of the very valuable oil royalties that we had at our disposal to be able to use to cushion us during future times is a premise of the private Member's resolution today.

I'm very proud to stand in this House and discuss one of the many, many solid commitments that have been made by our government. We promised the people of Newfoundland and Labrador better management, real leadership and a stronger tomorrow, and that stronger tomorrow will be built on the realization that we have to not only celebrate the good times, but we have to be very careful and prudently prepare for the difficult times.

These are difficult times for Newfoundland and Labrador. If the former government had planned for the difficult times, instead of creating a culture of spend, spend, spend within government, we may have been better prepared for these difficult times. They didn't. So now as the people of Newfoundland and Labrador have mandated us to do, we are planning for the future. We are putting the provisions in place so that our children and our grandchildren will not have to ever weather a financial storm like the one we have inherited from the previous government.

We know the long-term future is bright. We also know we will weather this fiscal storm and we will persevere. Working together and addressing our reality together, we will leverage our resources to create a legacy of wealth for our children and grandchildren.

Without action, Madam Speaker, Newfoundland and Labrador will face mounting debt, increasing interest and borrowing costs, a further credit rate downgrade and restricted ability to support key program spending. We have a plan to address the current fiscal challenges facing the province. We are currently in the first year of a multi-year Government Renewal Initiative that will identify a combination of measures to eliminate the province's deficit and move forward with a sustainable budgetary framework for Newfoundland and Labrador.

As Finance Minister, I am also, along with my Treasury Board colleagues, in the process of identifying further savings within government departments which will be part of budget 2016. On budget day, Newfoundlanders and Labradorians will very clearly see our plan for this province and what we have done as part of our short-term plans to start to reshape the province's fiscal future.

Our medium-term plan and further actions will be part of our mid-year update this year, and we will continue our actions into budget 2017. The fiscal challenges we are facing as a province did not happen overnight, nor will they be fixed overnight; however, we still are looking to the future. We are looking to the legacy we want to leave our children, our families and our communities. I am so proud of the leadership our Premier has shown and I am proud to be part of a government that recognizes we must plan for the future.

The Premier has mandated me, as Minister of Finance, to ensure that our resources not only benefit the present generation, but future generations as well. I have been mandated to, when the financial situation improves, establish a legacy fund. At that time, a proportion of total oil revenues will be invested in a diversified wealth fund with a goal of compounding our oil wealth for the future.

The legacy fund will be bound by strict investment and operational rules with a view to discipline and prudent financial management for the long-term stability of our province. We promise the people of Newfoundland and Labrador that revenues from natural resources – their revenues – will be used to build a stronger legacy for the children of our province and a stronger tomorrow.

Madam Speaker, I am not naïve enough to think that within the next couple of years we will be able to deposit any revenue into a fund like this. The fiscal situation we are facing is unprecedented. It is requiring us to balance our wants and our needs. However, what I am committed to is to put in place a structure of which a legacy fund enshrined – and enshrine that structure in legislation so this government and future governments will always be thinking to the future and planning for a rainy day.

As I have said in the past, it's raining now. If the former government had saw fit to plan for a rainy day, Newfoundlanders and Labradorians may not be facing such an unprecedented situation.

The Members opposite will say the fall of the price of oil couldn't be predicted, that they invested the oil revenues they had wisely. The previous administration would have you believe that the fiscal problems are beyond our control due to the decline of oil. Well, that's not the full story.

In 2013-14, with an assumption of \$105 oil, the previous administration was prepared to run a \$564 million deficit. In 2014-15, again, with the assumption of \$105 oil, the previous government budgeted for a \$538 million deficit. The actual recorded deficit for 2014-15 turned out to be much higher at \$986 million, primarily due to lower-than-anticipated revenues during the year. In 2015-16, with a budget based on \$62 oil, the former administration was prepared to run a deficit of \$1.1 billion.

So for three years in a row now, when oil price was much higher than it is today, the previous government planned to spend a three-year total of \$2.2 billion more than it forecasted to take in. Furthermore, the rapid drop in oil prices and production levels this year will likely add another \$695 million to the projected deficit. Clearly, the fact the previous government planned to spend more than it took in, at a time when oil prices were two and three times what they are today, speaks to the real challenge.

I believe the resounding mandate that Newfoundlanders and Labradorians gave us on November 30 speaks to what they think about the former administration's fiscal policy and investments.

Oil is not a fiscal policy. The previous administration mismanaged \$25 billion in oil revenues and failed to diversify the economy. We need to get our fiscal position restored, and when we return to surplus we must create a legacy fund. At that time, a portion of oil revenues will be invested in a diversified wealth fund.

I am sure when Members opposite rise in this House today to speak of a legacy fund they will say they too – as we heard previous – talked about establishing a legacy fund. The difference here is all they did was talk about it. We're actually going to do it. If they were really committed to establishing a legacy fund for the betterment of future generations, they would have done something about it in 2007 when they knew – they knew oil was at its peak production. They would have done something about it when oil prices were riding high in 2008 at over \$148, at a peak price that year. Rather, they continued to spend 22 to 30 per cent higher than any other provinces.

What did they do? Nothing, no plans, no thought to future generations. Stronger leadership means making the right decisions today. We need to develop a plan based on the financial circumstances facing us today. While I do believe the future prospects are bright, I am not prepared to spend tomorrow's revenues today. The previous administration spent all available funds and did not establish a legacy fund to preserve benefits of our resources for future generations. We will act differently. We have committed to a legacy fund and we will deliver.

We have a responsibility to use our resources to not only benefit the present generation, but future generations as well. As part of a legacy plan, the provincial government will restore fiscal balance to our province and establish a diversified wealth fund once it has moved back to surplus. We will ensure, through legislation, that no other government will have the opportunity lost that we are faced with today based on the actions of the former administration.

I'm confident that, working together, we will address our reality. Together, we will leverage our resources to create a legacy of wealth for our children and grandchildren. Madam Speaker, as Finance Minister for this government, I can assure you the decisions we make will be based on not only what must happen today, but with a clear eye to the burden of debt and the burden we pass on to future generations. I'm not prepared to pass on that burden. I, with my colleagues, intend to do everything we can to ensure we deal with that through the

introduction of a legacy fund in Newfoundland and Labrador.

Thank you, Madam Speaker.

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

**MADAM SPEAKER:** Order, please!

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

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

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

It's indeed a privilege and an honour to get to speak in this sitting of the House of Assembly to a private member's bill.

I'm a little disappointed the amendment didn't go through, Madam Speaker, but we do understand here that the democratic process wins out. The discussion will be very open and no doubt very engaging and very informative, I hope, for our listeners and watchers at home, and I know for my colleagues here in the House of Assembly.

This is an important discussion we're having here because it talks about not only the future of Newfoundland and Labrador, but it talks about the past also. It talks about where we are. There's no doubt, we all admit we're facing some challenges in this province right now. There are a number of reasons for that. Obviously, the big one is the price of oil. It's a commodity that we're very reliant on. The other obvious revenue-generating streams that are important to this province that we have no control over are the mineral industry, other parts of that.

What this is about, Madam Speaker, is looking at how we address the needs of the people in Newfoundland and Labrador, presently and into the future. The legacy fund, while ideology-wise is a great thing to have, right now it's not and shouldn't be the priority of the people of Newfoundland and Labrador. What we have here are immediate needs.

I've heard my colleagues from the Third Party talk about poverty in this province. We, as an

administration, looked at how we address poverty over the last decade, how we tried to put in programs and services and find ways of inclusion to prevent people from not having a leg up.

Madam Speaker, we tried to address all of those. Were we successful in all of them? No, we weren't. Were we successful in a number of programs and services that gave people supports and managed to move them to the next level? Sure we were. Were we very successful in being able to work with the business entity, locals, provincial, national, international entities here that would invest, so that we'd have a better society for the people of this province, and, particularly, that we'd have a future for the next generations? We did that, Madam Speaker.

What we did face were some challenges around catching up. Like Norway – if you look at the documentation around Norway – Norway's investment came after they took care of their infrastructure needs and the needs of the people.

We were accused one time that we gave people everything they wanted. No, we didn't. What we tried to do was give people what they needed, give them the supports they would have needed, be it in health care, be it in education, be it in infrastructure. It was giving the people back an opportunity to take control of their own lives and their own destinies, and be partners, not controlled by any level of government, regardless of the political partisan and, particularly, not being reliant on a federal jurisdiction.

We moved that along, Madam Speaker. That's because we found ways to partner with people. We found ways to be creative in what we did. We found ways to ensure that every part of this province got what it needed, not particularly what everybody wanted, but what it needed to be able to move to the next level. Particularly around the next level was ensuring that there'd be generational support for people.

The best way to keep our young people engaged in our communities is to make sure that those communities are vibrant. To do that, we invested. Sometimes people who weren't familiar with those communities questioned why you would invest millions for a small

population. Because we're all part and parcel of the bigger picture in this province, Madam Speaker, and that's about ensuring that the longevity and the success of this province is equally shared. We did that in a number of areas. In some areas there was more work to be done. No doubt, in our election platform we had plans to be able to address that, but our first responsibility was dealing with the deficit that we were going to have and try to minimize the impact it would have on people, particularly those who are vulnerable.

Our leader and our caucus sat down and we designed what we felt would be a strategy over the next five years to be able to do that. Part of our platform was around a generation fund, that we would know we would get to a point – because we have a responsibility. Every generation has a responsibility to ensure the next generation is better off, have more opportunities and have to face less challenges down the road.

Now, sometimes you can control that, sometimes you can't. Sometimes it's about ensuring the proper mechanism is in place so that when you do hit a hurdle along the way or a bump in the road, you've got a way to deal with it. Sometimes the old cliché, step backwards to get two steps forward, is reality. In some cases you get hit a little bit more and you take two steps backward for every step forward.

Well, we're at that stage right now. We're at a stage where that can be dealt with. We can still ensure people in this province that this is a vibrant community. I'm glad the Minister of Finance – outside of all the attacks and barbs she made at the previous administration – did say that there's confidence in this province, and there should be.

I know, and our leader and this caucus here, has every confidence in the people in this province, every confidence in the business community. We have confidence that the international business community realizes the benefits of investing in Newfoundland and Labrador and what that means for their economy also, regardless of where they are.

Norway – again, like us – started off as one of the poorest communities in Europe, one of the poorest countries; 10 times our populous, but

still had some very challenging situations to deal with over there around infrastructure, around education, around health care. They first wanted to look at what were their priorities, and they set their priorities. If you look at the process they put in place, they first sat down and had consultations to include the general public around what are the needs that need to be addressed in their particular jurisdictions.

We did that over the last decade. One thing we were accused of sometimes is too much consultation. I remember being accused, as Minister of Transportation, because I wanted to consult with ferry users around what's the best system we could put in place to address the needs of communities that have to be serviced by ferries. The best way you can solve somebody's problems is including the people who live them every day, who face the challenges, who've seen it from a generational change of what comes and goes within the mechanism of improving their lifestyles.

So what Norway did – and was very successful with – was they identified what they thought their revenue streams would be over the next number of decades. They then started to look at how they would invest that money, and invest it particularly into their infrastructure. Their infrastructure would also grow, but also support their existing industries. They did that. They took 20 years to ensure all those things were in place. They did it around proper training. They did it around investing in other parts of the world to ensure they had what they felt was a fallback revenue stream if something happened in their own country.

I thought it a very good strategic move, something that we, ourselves, here have looked at and have been doing. I think we've done it very successfully over the last 10 years and that's in Nalcor. We established an entity that is known around the globe for being very successful, having some of the best people in the world working on some of the top projects in the world.

Dividing out certain aspects of how our revenue streams can be diversified, so that if we have an impact that one is lower, we have an ability to offset that with another part of it. Taking control, particularly if we're doing some of our

seismic work on the offshore, so we're not relying on some other companies to come in at their leisure or dictate to us what the costing should be or what the revenue generated for us should be through our royalties. We changed all these things to ensure that we had a legacy.

Madam Speaker, our legacy is still in the works. Nalcor is still part of that. An entity that, some will say, is valued at \$20 billion. That's because we invested in Muskrat Falls, something owned by the people of Newfoundland and Labrador. Here's part of our legacy.

Do we still believe there's a rainy day fund needed? Sure it is, but you have to fix your roof first before you have to worry about the rain. If the rain is coming in now, that's your first priority. That's what we've been doing for the last decade, Madam Speaker.

With that being said, we do encourage the Members on the other side, the ministers and their caucus to be very cognizant of the needs of people out there. No doubt they're going to streamline spending, and there are areas that can be done. I do encourage them to ensure that there has to be a long-term strategy here. It can't be just about balancing the books.

Balancing the books is not always the best thing that makes an economy, a society, viable and very functional. There has to be a balance between the bottom line financially, and the way citizens here are engaged and the services that they, themselves, can provide in their own communities, but particularly the ones they can avail of. It's more beneficial to everybody in society if people have an ability to take control of their own stake in life.

What we did, similar to Norway, was address what our particular needs were. We looked at that. We were very successful in moving that forward. Norway took to 20 years. Once it was at its 20 years, then it realized there's X number of dollars, we're going to need to be sustainable. They built a curve around when oil prices would be up and what their investments would have to be.

Keep in mind the partners here in this great province of ours. They saw benefits of partnering with other jurisdictions, and we're

one of those. So they have, obviously, a stake not only in this province, but they see the vision of where this province is going. They spent billions of dollars in being part and parcel of that.

We need to keep that vision. If the international world can see that vision we can't lose sight. Our bottom line might, at times, seem frightening because from an economics point of view we owe a fair dollar here. We have to make sure that it doesn't go further and further in debt. That's fine, but it's that happy balance that has to be put in place to ensure everybody gets their fair share.

We've looked at it from a number of angles. We've looked at what our plan would have been had we formed government. It would have been about being sustainable through a process of encouraging, engaging and finding ways for everybody, every part of our society, from our municipalities, from our jurisdictions in education, our health care to our average citizens – of what role they play in us being able to, first of all, minimize the costing of services that we provide, but also finding ways to be more efficient, and third, also finding ways that we can generate our own revenues. Be a little bit more creative than we have been.

Yet, we are a very creative society in this province. Again, no doubt we got probably a little too reliant on one entity that was bringing in an abundance of money. No doubt, the partnership with Alberta, the thousands of Newfoundlanders and Labradorians who travel out there on a weekly basis, working hard, using their expertise, coming back here and putting their money back into this province was a bonus for us. It was a bonus we didn't see coming, but was an added bonus, which made it that much more easier to ensure that things were invested back in, particularly rural communities in this province, and that there was some sustainability there.

If you look at our infrastructure, while there are still needs in every municipality, every service district and even those not incorporated there are a lot of things that have been done here, a lot of positive things to ensure that we're still alive and vibrant in this province, and that it's not

doom and gloom. I think that's the picture we have to paint here.

All of us have a responsibility to let it be known to the people of this province that it's not doom and gloom. There are some challenges. It's going to take a partnership between everybody in this province regardless of political stripe; if you voted, if you didn't vote, what your income is, what category you lie in, what profession you may work in. What it has to be here is a collaborative approach by everybody. We need to be open and honest with people and we need to be realistic. What are the things that we need to sustain? What are the things that we need to change? We do encourage the government to do that.

They've got a consultation process and no doubt you'll get a lot of good ideas. You'll get people telling you what they want. There are going to be a lot of groups who figure they need more because their vested interest is sincere. They've got challenges they need to face. No doubt they feel investment in their particular program or service will benefit everybody. In most cases, it will save money down the road, no doubt. So all of that has to be balanced out.

Sometimes you need to invest money to save money. It's finding that balance. That's what we'll be holding the government's feet to the fire on. It is finding that balance. We'll criticize when we think you've gone either too far or you're not on the right perspective when it comes to what services need to be put in place and where you can cut. There's no doubt, cuts can happen.

Like everybody, I was a civil servant for nearly three decades, so I know there are programs and services that should be pumped up and supported. There are some other ones that have outlived their legacy and maybe should be moving on. There are other things that no longer are the responsibility of government. They should be given to another entity or can be done in a different way. There's no doubt about that.

What we do ask and do encourage – and we'll hold you to the fire on this – is let people know what you're doing. Ask them what they really think. Sometimes maybe you're going to have to put the harsh reality to them. That's good. That's

fine. That's reality. I've got no problem standing up and defending when I think there's something that's real. People have to accept there are certain things that are no longer in the best interests of the majority here.

There's also a minority of people here who need to be taken care of. Those who come from economic challenge, for whatever reason – be it their education situation, their health situation, the geographical, their stake in life, things that have gone wrong or the challenges they, themselves, face – we can't forget them also.

I keep going; this will have to be about balance. I give credit: it's been noted a number of times that there has to be a balance. I know we've said it on this side of the House about balance. I know I've heard a couple of your Members out saying this is about balance. It's about not shocking people; it's about finding a way to make things work.

No doubt, over the next number of months here in the House of Assembly, particularly as we get into debating the budget, we'll have an opportunity to see which things that I'll be proud to stand up and give you a nod and say, good job, keep doing that. There will be times we'll stand up and there's no doubt we'll challenge it. We'll ask you to explain how you think that's going to benefit the people of this province. That's fair. That's democracy. I would hope it will all be done with the full intention that, at the end of the day, the people of this province benefit and the next generation will benefit because of the investments we made.

Right now, unfortunately, Madam Speaker, as my time gets down, I can't support this private Member's bill. At this point, I feel the government is not ready. We need to take care of the people that are in this province.

**MADAM SPEAKER:** Order, please!

**MR. BRAZIL:** We cannot plan for a rainy day. We've got to take heed for the people right now.

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

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

**MADAM SPEAKER:** The hon. the Minister of Natural Resources.

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

I'm pleased to have the opportunity to speak to today's private Member's motion, the establishment of a legacy fund for Newfoundland and Labrador, a fund that will result in long-term benefits from non-renewable natural resources. I'm surprised to hear hon. Members opposite say they will not be supporting this motion. I'm a bit surprised, actually, because it is something we need to ensure we have long-term prosperity.

I think the people of the province look to us being good stewards in the non-renewable resources and ensuring that we have what we need for our children and for our grandchildren, and being responsible with the finances of this province, something that I think is critically important.

Allow me to just focus for a few minutes on the legacy fund successes in other jurisdictions because I think you've heard a lot today about Norway. There's Norway, there's Alberta and there are others that have legacy fund models that have been successful. I think there is some work to be done for us on this side of the House to make sure that we are choosing the right model that works for Newfoundland and Labrador.

In 1990, the Norwegian sovereign wealth fund was established to counter the effects of future declines in income and to smooth out the effects of highly fluctuating oil prices. Doesn't that sound familiar, Madam Speaker? As we look to the current environment, here was Norway a number of years ago saying they needed to ensure that they have long-term sustainability.

Surplus wealth provided by Norwegian petroleum income is deposited into this fund. The fund is officially known as the Government Pension Fund Global, but it's also most colloquially known as the oil fund or the heritage fund. The fund is not actually a pension fund in the traditional sense. It was funded by taxes and profits from the oil sector and not from pension contributions.

The fund is financed by taxes on companies operating in the North Sea, payments for licences to explore in the offshore area and dividends from its partial ownership of Statoil. Currently, all the government of Norway's oil- and gas-related income, including taxes, ownership shares and dividends, are invested in that fund.

The Norwegian government's budget is not dependent on current petroleum revenues. Imagine if our current budget wasn't dependent on our current petroleum revenues. In preparing the annual government budget, "projected non-oil revenues can fall short of projected expenditures with the gap is to be filled by the average real return on the oil fund's investments ...." So because they have this wealth fund from the offshore oil, they are able to actually have revenues generated by those investments.

The Norwegian fund is a good example of the "primary focus being on the establishment of long-term investment funds so as to maximise the financial wealth held in the fund." In Norway, "the long-term motivation of the fund is to create a pot of sustainable wealth that can be used to finance the country's future social security obligations." Growing the underlying asset wealth of the fund and ensuring that it continues to exist on a permanent basis is to benefit future generations and is widely seen as the best way forward.

This contrasts with the heritage fund of Alberta. Alberta initially put a greater emphasis on using the fund to assist economic development, so it's another way of going about utilizing these types of funds. "Over the past thirty years, nearly \$30 billion CAD has been transferred from the fund to the government's general purpose budget for spending on government programmes and in particular to pay for investment in infrastructure ...." That's how Alberta has its funds.

"No restrictions were placed on withdrawals from the fund, and in fact the opportunity to take revenues directly from the fund's asset base was a clear objective of the fund from the offset." So what I'm trying to point out, Madam Speaker, is there are many ways to have these types of funds.

They restructured that fund in 1997 and now the Alberta fund has adopted a strategy that's more comparable to that of Norway. "The objective of the fund is now 'to provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial returns for current and future generations of Albertans.' "

At the end of 2014, the Norwegian sovereign wealth fund was about \$863 billion US, only about 1 per cent of the global equity markets. It's astounding. The Norwegian Ministry of Finance forecasts the fund will reach \$1 trillion by the end of 2019. If you think about that, Madam Speaker, think of how Norway has invested in its future value and for future generations.

There are other countries that have established sovereign funds as well, including the United Arab Emirates; they have a fund that is valued in excess of \$800 billion US, Kuwait that has about \$400 billion US and even Russia has accumulated about \$180 billion in their fund.

In saying all of that, let me tell you a little bit about the province's prospectivity and tremendous opportunity in our offshore and how it can benefit our province for future generations. Madam Speaker, as we turn our attention to how we should manage the offshore oil and gas revenues and wealth and future wealth, I would like to just remind us all of how important our oil and gas industry is and how we certainly have incredible oil and gas prospects for future generations.

We have a bright future and this government will take its responsibility very seriously, and we'll use our resources to not only benefit the present generation but for generations to come, ensuring a solid, sustainable future.

Now, since the beginning of our oil gas industry, some 30 years ago, we've come a long way. We've developed supply and service industries. We've created some infrastructure. There's been joint ventures and new contracts have been established. We've developed the regulatory framework. There are royalties and benefits agreements and arrangements, and the operators have built their platforms and we've started production. We've evolved as an industry, built



our expertise and now we are introduced to the world through our offshore.

We certainly have grown substantively and we have much success with three producing projects: Hibernia, Terra Nova and White Rose, produced over 1.5 billion barrels of oil. Hebron is next and is expected to produce 700 million barrels of oil. The Bay du Nord discovery, the Flemish Pass, is estimated to contain between 300 million and 600 million barrels of oil.

But the story just begins there. We've done extensive geoscience that includes seismic acquisition; we have quality data on our offshore prospects that's attracting global attention. We now have acquired more than 110,000 line kilometres of modern 2D seismic data and the province's seismic program is one of the largest ongoing offshore 2D seismic programs in the world today.

Through the surveying, we have found significant new basins and, to date, have defined over 350 new leads and prospects. Think about that, ladies and gentleman, my hon. colleagues, to the people that are listening: 350 new leads and prospects – tremendous opportunity in our offshore. The entire world is watching our offshore developments. It is really material to those around the globe who are looking for new opportunities.

A large portion of the new seismic survey has been acquired over the slope and deepwater frontier, so it's a new area. If you think about where Jeanne d'Arc Basin is and where our current activity is, now we are looking at the slope and deepwater which is different, which is a new frontier for Newfoundland and Labrador.

Newfoundland and Labrador's slope and deepwater areas represent one of the world's last great frontiers. We are now assessing and quantifying the oil and gas resource potential for all upcoming licensing rounds and delivering these findings to the global industry prior to the bid closing. So in other words, we're going out there and we're saying to the world, to those who are involved in the industry and saying, look, we know that there are 350 new leads and prospects, here's what they look like, here's where they are, and we're attracting a great deal of attention.

In the Orphan Basin area, which is coming up in this year's licensing round in 2016, the Orphan Basin area – so if you think of the Jeanne d'Arc Basin, which is where Hibernia is today and Terra Nova, then we have the Flemish Pass where I just talked to you about how there's been a discovery of between 300 million and 600 million barrels, and now the Orphan Basin, which is another area, we're looking at a whole new, different look to that play trend. It has recently been imaged and it's confirmed in the new seismic data – and we are creating a lot of interest around the world today. This newly revealed play trend is attracting global industry attention and is similar, for example – the analogues, what it looks like in the seismic data is what it looks like off the coast of Brazil, another global basin. So when you think about the amount of work going on in offshore Brazil, you could see that this new basin, this new discovery, this new area that is coming up for licensing rounds in 2016, is certainly of interest.

The sheer size of these prospects in the Orphan Basin is also interesting. Some exceed 500 square kilometres in area. Just for comparison purposes, the Hibernia field is 150 square kilometres. Think about that in terms of size. Hibernia, that we now know has generated a lot of wealth for this province, we now know there's another area in the Orphan Basin that could be as attractive and it's much, much larger.

The area of this new play trend that I spoke of exceeds the size of the entire Jeanne d'Arc Basin. We now understand the massive potential in that slope in deep water because of the seismic work that has been done. Our offshore has largely been focused on a single area, Jeanne d'Arc Basin, but there are now a number of different areas and play types that are of interest to the offshore oil and gas industry. As a result, we are now showing to the industry the existence of similar, newly defined plays in our offshore and many of these companies are now establishing teams to use their global experience to explore our emerging basins.

Speaking of future developments, we just came through a call for bids – it was done in November 2015 – that resulted in a total value of \$1.2 billion in work commitments for seven of the 11 parcels that were made available through

the C-NLOPB. This may be one of the largest work commitment bids in the world in 2015.

In addition to existing companies in Newfoundland and Labrador offshore, there are three new companies to Newfoundland and Labrador offshore that participated and were rewarded in successful bids: that's BG International, BP and Nexen. We hope they do a lot of work in our offshore, establish themselves here in the province and we welcome them. So we have over 20 basins and sub-basins, 350 leads and prospects, enormous potential in slope and deep water.

In new play leads, it's different from what we are seeing in the Jeanne d'Arc Basin, as I said, similar to what we're seeing off the coast of Brazil. So now, Madam Speaker, is when we have to maximize the opportunity and ensure we develop a vision of this world-renowned and known industry, an industry that will provide long-term benefits from non-renewable natural resources and support the people of Newfoundland and Labrador through a provincial legacy fund.

I've given today a number of different legacy funds. I know our hon. colleagues on this side of the House will make sure we choose the right type of legacy fund for this province. I've given you examples of a couple of different legacy funds.

What's really important, Madam Speaker, is to reap the benefits of our offshore oil and gas developments to ensure we have the developments and maintain the kind of work commitment to this province we've seen to ensure we have prosperity for the future to protect the futures of our children and our grandchildren. The development of a legacy fund is part and parcel of ensuring fiscal stewardship for this province. They are a tremendous opportunity when we consider the types of activity that are now in play in our offshore oil and gas to ensure we maximize the benefits to this province.

We know there are thousands upon thousands of Newfoundlanders and Labradorians working in the oil and gas industry. They're working very hard; they're contributing greatly to our province. The producers are contributing greatly.

We know we have a lot of opportunity in our offshore oil and gas. I think we have to be responsible to future generations, as well as to the people of this province in ensuring we make sure we maximize the total benefits of our offshore oil and gas.

I speak in favour of this resolution, Madam Speaker. I speak strongly in support of it because I think we have to be responsible, we have to be prudent, we have to be respectful of the fact that we have been given this opportunity to generate wealth for our province.

I ask all Members of this House to reflect upon the opportunity, to reflect on the fact we have this gift given to us. I think it's a gift, Madam Speaker –

**MADAM SPEAKER:** Order, please!

**MS. COADY:** – and I will certainly appreciate effective development (inaudible).

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

**MS. COADY:** Thank you.

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

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

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

I stand to speak to this private member's motion today with a lot of confusion, to tell you the truth. The resolution itself, that we support the establishment of a legacy fund in the province which will result in long-term benefits from non-renewable natural resources – I can't say I don't want a legacy fund. Of course I can't.

A legacy fund is something that should have been started an awful long time ago and I support having one. However, I have to ask, what is this government doing at this point in time, bringing this forward, at a time when they keep telling us that we are in desperate times? They keep speaking doom and gloom. Our deficit is climbing. Revenues are shrinking. Our debt will climb with more and more borrowing.

There's no money to set aside. So why are they taking two hours this afternoon dealing with this issue, which, at this point in time, is a useless issue? Giving this priority when all of this is happening – the one image I had earlier today was Nero fiddling as Rome burns. They say they care, but instead of bringing real issues into this House, instead of answering our questions during Question Period with real information, they're in here dreaming.

The Minister of Finance says she was given this mandate in her mandate letter. Surely to goodness, did the Premier think that in her four-year mandate you could possibly set up a heritage fund? He must be living in a bubble himself. This is absolutely ridiculous.

The minister seemed to indicate she has some understanding she can't start it in the next two years. Well, I would say don't anybody hold their breath. As my colleague said to me earlier, boy, if you want long-term planning, this is long-term planning because we might never get to see it while any of us are sitting in this House, unfortunately. That is the reality we are dealing with. Here is this government talking about a legacy fund which we can't possibly put money into.

My colleague for St. John's West, when she just spoke, talked about getting the right kind of fund. The right kind of fund would be a fund with money in it. Right now we have no money to put in it. I can't see our having money to put in it in the next two years either. They're going to have to make some miracles on the other side of the House to create the money that would go into a legacy fund that would be meaningful.

Do I want one? Yes, I definitely would want one

—

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

**MADAM SPEAKER:** Order, please!

**MS. MICHAEL:** – but we didn't start it when we should have, that's number one. We weren't like Norway, who, the minute they decided to ensure they had to really get into the oil industry, they knew right away they had to look to the future. They immediately set up their petroleum fund in 1990, a fund which, right

now, has \$802.6 billion in it. The smart thing they've done is – and that's why the fund is so big, if we had started and had done it the way Norway has done it – they recognized, don't touch the capital. Get a fund, get good interest rates. Yes, you get money for the present, but not from the capital. You get money in the present from the money you're making off your money. They were smart and that was long-term planning.

Where are we with that? How can we possibly, at this point in time, be talking about a heritage fund? I mean, this seems to be a game that government is playing. They can't possibly be serious about being able to put one in place in the next four years. I have lots of reasons for saying that.

We have such a deficit, not just in cash. We just don't have a deficit when it comes to money; we also have a tremendous, sizable social and physical infrastructure deficit, which we also have to address. That has to be part of our long-term planning as well, not just getting a heritage fund up and running, which I hope I'm not being too negative about. I hope someday it's going to happen, but I really and truly don't think it's going to be while I stand in this House of Assembly. We do have to deal with the reality of the deficit that we have with regard to social programs and the deficit that we have with regard to our physical infrastructure.

Unfortunately, the past governments under the Progressive Conservatives did know about putting money into the infrastructure. They had to put money into infrastructure, but at the same time they misunderstood, or I think really missed badly when it came to understanding a heritage fund.

We did have the Member for Conception Bay East – Bell Island talk about Muskrat Falls, Nalcor and the equity. When Premier Tom Marshall was in place he told the Rotary in 2014: “Where is our heritage fund? Nalcor is our heritage fund! It will become a wealth-generating machine serving you, your community and your family in perpetuity.” I know where they stand, but right now I don't know where this present government stands because they're talking about something that

can't exist in the present. That's what I'm concerned about.

Again, when the Member for St. John's West was speaking – yes, it was when she was speaking, I think – she talked about the past government and all they did was talk about a heritage fund. Well I would like to suggest today this government has just started talking, and they're going to be talking and they're going to be talking before a heritage fund is in place.

Also, on top of everything, besides being left with the reality of infrastructure that still needs a lot of money going into it, both social infrastructure and physical infrastructure, they are left with a mess in dealing with that. They're left with the fact that we do have Nalcor and we do have Muskrat Falls, and money is still going into that to the tune of hundreds of millions of dollars every year. What are they going to do about it? Either that's the heritage fund and they keep pouring money into it, or they stop that, stop putting money into Muskrat Falls and look at the reality of money that goes into Nalcor, money that is protected under legislation. Are they going to keep that going and therefore keep supporting the heritage fund of Nalcor and Muskrat Falls?

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

**MADAM SPEAKER:** Order, please!

**MS. MICHAEL:** Or are they going to stop that and create another heritage fund with money going into that, and money that will continue making money for this province?

I've heard different messages from the government side of the House when they were in opposition as well – it goes way back there – where I never have gotten a firm sense of where they stand with the fact that the Progressive Conservatives did put all the eggs in the basket of Nalcor and Nalcor's projects. I haven't heard them say they wouldn't do the same thing.

Talking about this heritage fund means nothing to me. Yes, I'm going to say I'd like to have a heritage fund. I'm not going to vote against that. I want it on record that I don't think it's going to happen anywhere in the short future or the long-

term future either, because we're not in a situation to be able to do it.

We're going to have to turn things around pretty quickly. We're going to have to start finding new revenue, as I mentioned yesterday when I spoke in the House – new revenue from bringing up our corporate taxation, undoing the damage that was done under the PCs when corporate taxes went down. We're nowhere near Nova Scotia and PEI, for example. Their corporate tax is 16 per cent. Even if we put ours up 1.5 per cent we're still not up to them. We have lost millions and millions of dollars because of that.

The other thing this government could do could be to also look at the personal income tax. Look at earners in our top bracket. We can get millions of dollars there, too. So, if they're going to talk about heritage funds, if they're going to talk about dealing with the issues that we have to deal with, with social and physical infrastructure, Madam Speaker, if they're going to do that, well, then they better be looking at other forms of revenue than the oil industry. I'm not wowed by everything that the Member for St. John's West put out with regard to the future of the oil fields.

That's still short-term thinking. I didn't hear her say one thing about revenue from anything else, just the oil fields that are out there. Well, we're going to need more than the Orphan Basin if we're going to create a heritage fund, I would like to say, Madam Speaker.

I just cannot believe that we – like I said, I honour this House, I honour the fact that there's a Member's resolution on the floor and I am here speaking to it because I honour that, but I do think they are wasting our time. If this is all they have to speak about, if this is all they have to put forward, while we're in the desperate straits – they keep telling us we're in them. They're the ones who are telling us. They're the ones who have the information that they won't share. They're the ones who have all the data that they won't share. They're the ones that are saying to us, well, you just have to wait till you see the budget.

So they have all that information, they're not sharing any of it and we're supposed to sit back and say, well, that's okay; we can just sit here

and talk about a dream world. Because a heritage fund right now is a dream world. Even though I will not vote against the concept of a heritage fund, it will be on record that I do not believe it is going to happen, as I said earlier, in the near future.

If we really wanted to deal with reality, this government has to figure out what are the needs of the people in the present. What are the needs of people in the present in home care? What are the needs with regard to child care? What are the needs with regard to inclusion in our educational system? What are the needs with regard to long-term care?

We have tremendous needs and they have to solve that problem before they can start dreaming about a heritage fund, Madam Speaker, and I put that to my colleagues and tell them to get off the clouds and to become real and to start dealing with reality in this House of Assembly.

Thank you very much, Madam Speaker.

**MADAM SPEAKER:** This being Private Members' Day, the Member can close debate.

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

**MR. REID:** Yes, Madam Speaker, in closing the debate on this private Member's motion, I'd like to thank all Members who participated in the debate. We've had a good discussion here today and a lot of issues have come up.

Contrary to what the Member opposite says, I think it's good to have a discussion. In doing that discussion, I want to just put into context the way the Norway fund came about, the way the people opposite portrayed that happening, it wasn't planning, the idea that what the previous government was doing was similar to what the Norway government did leading up to the adoption of the fund. The cold hard fact, Madam Speaker, is the Norwegian government was in the same situation that we're in now when they started to talk about having a legacy fund in place.

That's the facts, Madam Speaker. The legacy fund resulted from an economic crisis that

happened in the 1990s. But oil prices went down. It's the same time that the Hibernia project was in doubt because oil prices were so low. There was a crisis in the Norwegian economy similar to the crisis we're having here now. That was the time that the Norwegian government instituted this fund, Madam Speaker.

So the previous government had that example of the Norwegian fund and the Norwegian experience. They ignored that experience, Madam Speaker. But they also ignored the words of the Auditor General in 2012. Here's what the Auditor General said then, this is the message to the government: "Given its lack of control over the factors that impact oil royalties, and its increasing reliance on this revenue source –"

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

**MADAM SPEAKER:** Order, please!

The Speaker is having trouble hearing the Member.

**MR. REID:** "– Government has to carefully consider the degree to which it can rely on this revenue source to fund its programs and services in the future."

Madam Speaker, there were warnings from previous history and other places that had discovered oil, if the government had chosen to not ignore those. There were warnings coming from inside the province from our Auditor General saying that we were too reliant on oil. But the previous government chose to ignore those situations, Madam Speaker.

The previous speaker talked about the Norwegian examples. Madam Speaker, if you talk to Norwegians and you talk to them about their experience with oil, they're very proud of what they've done, and rightly so. It's a source of national pride that they've been able to manage their resource revenue so well. This pride came from a political climate that demanded that these types of provisions be put in place. In other cases where legacy funds, wealth funds or heritage funds have been put into place – in other cases where that has happened it's also resulted from crisis situations.

Alaska is another place that has an interesting permanent fund, Madam Speaker. In Alaska, oil was discovered in Prudhoe Bay in 1968 and there was an influx of revenue to the government. Basically, the government went on a spending spree. They spent the money as it came in.

**AN HON. MEMBER:** Sounds familiar.

**MR. REID:** Yes, sounds familiar.

**AN HON. MEMBER:** Déjà vu all over again.

**MR. REID:** Yes. So this resulted, of course, in a similar situation, in a financial crisis situation similar to what we are in here today. It was a result of this situation that the Alaskan government put forward a referendum. What happened there was that there was a referendum and 2-1 people voted in that referendum to have 25 per cent of their oil revenue allocated to a permanent fund that only their earnings would be touched, similar to the Norway fund. Only the earnings would be taken out, not the principal, Madam Speaker.

Those are the situations around a couple of the successful funds, Madam Speaker. Why are we talking about this today? I think it's important to talk about this. Certainly there are other issues that are more immediate, more pressing, but that doesn't mean that this issue is not important. It's evident by the fact that the Opposition are saying they're going to vote against this bill. We still have people who still don't get it. After all the evidence from other jurisdictions, after all the evidence from the Auditor General, they still don't get it.

It's important we keep the conversation going, not only in terms of will we have a fund, but it's important to have what will the nature of the fund we have. It's important to promote a public discussion so we can have some similar type of political climate they had in Norway when they brought in their fund, Mr. Speaker. It's important to do that.

So there are other funds. Alberta has a fund that hasn't been as successful as some other funds. Basically, the issue with the Alberta fund is it was easy – money went in when the times were good, and there was no provision to keep the

principal in the fund. It was removed from the fund. In terms of when hard times came along, there wasn't any principal there to draw on. So they've not been as successful.

In terms of the Alaska fund, it's interesting to look at that one. Mr. Speaker, the Alaska fund now generates more revenue for the State of Alaska than oil itself does. That's an interesting point. The revenue generated from the fund is more than the oil revenue. It's a case that's worth exploring.

Another place that's introduced a fund more recently is North Dakota. They've had a lot of natural gas and things like that. So in 2010 they established a fund when 30 per cent of the revenue from oil and gas would go into this fund. They started putting money in in 2010 and money wouldn't come out until 2017. No earnings would come out until 2017. So that's an interesting concept and a way of doing things as well, Mr. Speaker.

Another province in Canada that's considering – they're in a similar situation we are – Saskatchewan. They're considering bringing forward a legacy fund or a heritage fund. They're in a similar situation to us. They've developed a dependency on the oil revenue. So how do you get from that dependency on the oil revenue now – the immediate cost – how do you get to the situation where you can start putting money into a fund? They're going through the process of looking at what sort of fund would best be established.

What they did was they looked at all the other funds. They talked to experts all around the world and they developed this report for the premier of Saskatchewan. In their analysis they came up with a few things. You have to look at the purpose of the fund. You have to have clarity about the purpose. Is this going to be a fund that preserves the principal of the royalties? The governance of the fund, how is it going to be structured? What is going to be the purpose of it? Will it be separate from government?

Those are issues that we should be talking about now, Mr. Speaker. These are issues we should be having a public debate about now. That's why we should be talking about it now because we have a lot of issues, the idea of how the

funds go in and how funds can be taken out. The thing that has been so important in the Norway fund is that the principal doesn't come out, but the interest and earnings on the fund do, Mr. Speaker. That's an important point there.

The investment mandate of such a fund, what would it be? What could they invest in? The Norway fund can't invest in Norway. It doesn't invest in Norway. So it has a diversification around the world that protects it from the ups and downs of the oil industry. It's proved to be very successful, Mr. Speaker.

Those are some issues I think that we, as a province, should be discussing, should be talking about as we move forward towards this possibility. I think it's important to note that we're still in the early days of oil development in this province. We, like Norway during the early days of oil in their jurisdiction, still have an opportunity to get it right. Part of getting it right is having this type of debate and having this type of discussion and having discussions outside this House where we develop a political climate where it makes savings funds, such as the one in Norway, possible, Mr. Speaker. That's why it's important to have this debate in this House here today.

We're a relatively new oil-producing area. Some people have said we're like the North Sea in the early days. We have so much area that is unexplored; we still have an opportunity to get it right.

In conclusion, I want to say that we've been blessed with offshore oil resources and resources on land. I said earlier that we've won the resource lottery, Mr. Speaker. Now, the way we deal with the money we have, that we get from these resources, is within our control. The fact that we have these resources was a random sort of thing, but the fact that we have these resources and we can determine how they are going to be spent is within our control. So I'm asking all Members to consider voting for this motion.

Thank you very much, Mr. Speaker.

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

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

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.'

**SOME HON. MEMBERS:** Nay.

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

**AN HON. MEMBER:** Division.

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

Call in the Members.

### Division

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

I ask the Whips, are you ready?

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

**MR. SPEAKER:** Is it the pleasure of the House to adopt the motion? All those in favour, please stand.

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

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

**CLERK:** Mr. Paul Davis, Mr. Hutchings, Mr. Kent, Mr. Brazil, Ms. Perry, Mr. Kevin Parsons, Mr. Petten.

Mr. Speaker, the ayes: 29; the nays: seven.

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

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

**MR. SPEAKER:** It being Private Members' Day, the House now stands adjourned until tomorrow at 1:30 in the afternoon.